

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD MEETING
WEDNESDAY, JANUARY 4, 2023 AT 9:15 A.M.
32 E. FRONT STREET, TRENTON, NJ
BOARD ROOM**

1. NOTICE OF PUBLIC MEETING/PLEDGE OF ALLEGIANCE
2. ROLL CALL
3. APPROVAL OF MEETING MINUTES
 - a. Board Open Session Meeting Minutes of December 7, 2022
 - b. Board Executive Session Meeting Minutes of December 7, 2022
4. AUTHORITY MATTERS
 - a. CEO Report
 - b. Chairman's Report
5. REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE (CHAIRMAN'S REPORT)
 - a. Grant Agreement Between the NJSDA and the Department of the Treasury **(to be discussed in Executive Session and voted on upon the Board's return to Open Session).**
6. REPORT AND RECOMMENDATIONS OF THE SCHOOL REVIEW COMMITTEE (CHAIRMAN'S REPORT)
 - a. Company Name: Brockwell & Carrington Contractors, Inc.
District: Orange Public School District
Contract No.: ES-0043-C01
Original Contract Value: \$18,400,000.00
CM: Epic Management, Inc.
Design Consultant: LAN Associates
School Name: Cleveland Street Elementary School
Change Order No.: 43
Reason: Extended General Conditions
Amount: \$380,536.00
Change Order No.: 44 *(Requires Board approval)*
Reason: Credit Unused Change Order Funds
Amount: (\$1,591,465.97)
Change Order No.: 45
Reason: Credit Unused Value of Bond and Insurance
Amount: (\$59,195.00)
Change Order No.: 46 *(Requires Board approval)*
Reason: Credit Balance of Contract
Amount: (\$8,503,314.62)
Contract Status: 50.13% Paid to Date against
Anticipated Occupancy Date: September 2024
 - b. Change Order # 233, Revised Final Project Charter and Reestablishment of General Contractor's Contract Value - Orange Public School District – Orange High School

7. MONTHLY REPORTS

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

8. EXECUTIVE SESSION

- Grant Agreement Between the NJSDA and the Department of the Treasury
- Litigation/Contract Matter(s) – OPMA Exemption N.J.S.A. 10:4-12b (7)
CCD Report (*no activity*)

9. ADJOURNMENT

APPROVAL OF MEETING MINUTES

December 7, 2022 Open Session Minutes

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, DECEMBER 7, 2022**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, December 7, 2022 at 9:00A.M. at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

Robert Nixon, Public Member, Chairman

Juan Burgos (EDA)

Kevin Luckie (DCA)

David Moore (Treasury)

Bernard Piaia (DOE)

Richard Elbert, Public Member

Daniel Gumble, Public Member

Michael Maloney, Public Member

Mario Vargas, Public Member

being a quorum of the Board. Mr. Burgos, Mr. Gumble, Mr. Moore and Mr. Piaia participated in the meeting by teleconference.

At the Chairman's request, Manuel Da Silva, chief executive officer; Donald Guarriello, vice president and chief financial officer; Jane F. Kelly, vice president and assistant secretary; and Albert Barnes, chief counsel of the SDA, participated in the meeting. Janice Venables of the Governor's Authorities Unit (GAU) also participated in the meeting by teleconference.

Pledge of Allegiance

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

The meeting was called to order by Mr. Nixon. Ms. Kelly then conducted a roll call and indicated that a quorum of the Members of the Board was present.

Approval of Meeting Minutes

The Chairman presented for consideration and approval the minutes of the Board's November 2, 2022 Open Session meeting. A copy of the meeting minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Mr. Vargas, the Open Session minutes of the November 2, 2022 SDA Board meeting were approved with the Members' unanimous vote in favor of the resolution attached hereto as ***Resolution 3a***.

Next, Mr. Nixon 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 been duly posted on the Secretary of State's bulletin board at 20 West State Street in Trenton, New Jersey and on the SDA Website.

Chairman's Report

Mr. Nixon said that before beginning the meeting, he wanted to remind the Members that Richard Elbert has decided to step down from the SDA Board. He said that, as Chairman, he wanted to say that it's been a pleasure working with Mr. Elbert. He said that Mr. Elbert provided the Board with his expertise as an architect, as an attorney and as a public official and that this has been extremely beneficial to the SDA Board. He said that when Mr. Elbert speaks, he speaks with authority and conviction. Mr. Nixon said that he is grateful for what Mr. Elbert brought to the Board and in his work with Mr. Vargas and the Members of the Real Estate Committee. He also informed the Members that, interestingly, Mr. Elbert was actually appointed to the Board by

Governor Christie on December 7, 2017--exactly five years ago today. Mr. Nixon then thanked Mr. Elbert and wished him well.

Mr. Elbert thanked the Chairman and expressed his appreciation for the opportunity to serve as a Member of the SDA Board. He said that the SDA is a great organization with a great Board and that he is certain that there will be many good things to come for the Authority.

Authority Matters

CEO Report

Mr. Nixon asked Mr. Da Silva for the report of the CEO. Mr. Da Silva said that he would like to echo the Chairman's comments and thank Mr. Elbert for his service to the SDA. He noted that Mr. Elbert's tenure coincided with what was a challenging time for the Board and SDA staff but that Mr. Elbert always stood by the SDA. He added that Mr. Elbert was committed to the Authority and his commitment played a role in the Authority's success in receiving funding to advance nineteen projects. Mr. Da Silva thanked Mr. Elbert and wished him luck in the future.

Mr. Da Silva then gave an update on design-build projects in the design phase. He said that for the Union City New Grade 7-9 School project, the limited notice-to-proceed for construction management (CM) services was issued to Anser Advisory the previous month. He noted that the design-builder, Dobco, Inc. is mobilizing site work.

Turning to design-build projects in construction, Mr. Da Silva reported that for the Perth Amboy High School project, exterior masonry, window and skylight installation work is ongoing to achieve a weather tight building. He said that temporary heat is being engaged to continue interior masonry in all areas. With respect to the Plainfield Woodland Avenue Elementary School project, Mr. Da Silva said that temporary heat is in place allowing all finish work to

continue. He added that ceilings are being installed on all floors and mechanical, electrical and plumbing work is ongoing. He noted that HVAC units are now all set on the roof.

Next, Mr. Da Silva gave an update on design-bid-build projects in the construction stage. He informed the Members that for the Keansburg Port Monmouth Road School project, Area A of the building is now occupied under a temporary certificate of occupancy (TCO). He said that interior finishes work continues in Areas B and C. He noted that playgrounds and flood wall installation is ongoing. He added that a full building TCO is anticipated this month. He advised that final bid documents for the Orange Cleveland Street Elementary School project are under review and being prepared for submission to the Department of Community Affairs and the Office State Comptroller. For the Orange High School project, he reported that dining hall renovations are complete and that the space is being utilized by the students. He added that Phase 2 renovations to the existing High School building are ongoing as HVAC and finish work is being finalized in the elevator areas. He said that staff anticipates completion of these areas this month.

Turning to Authority events, outreach and other activities, Mr. Da Silva informed the Members that the SDA's Contractor Training Program was held over the last two days. He said that management changed the format of the program to be a two-day, in-person seminar as opposed to weekly sessions. He thanked Edye Maier and Kaitlyn Rothenberger who ran the program and the rest of the SDA team who presented, as well as representatives from the Division of Property Management and Construction, the Economic Development Authority and the Department of Labor.

Next, Mr. Da Silva informed the Members that on Thursday December 1, the US Green Building Council (USGBC) held its annual Leadership in Energy and Environmental Design (LEED) gala. He added that it was the first in-person LEED gala held in the past three years. He

said that the SDA's Camden High School project, which is a certified LEED facility, was selected as the 2022 LEED project of the year in the schools category. He advised the Board that Jeremy Clark of the SDA Design Studio accepted the award on behalf of the Authority. He noted that the project was nominated for the award by the members of the USGBC's New Jersey Marketing Leadership Advisory Board. He added that 5 other awards were presented that night.

Next, Mr. Da Silva provided the Board with a status update regarding the SDA owned property in the Astor Place section of Jersey City. He advised that the SDA is still waiting to hear back from BITE's counsel. He said that in an email earlier this month, BITE's counsel indicated that he continues to await a response from his client to his proposed mark-up of the Sub-License.

Audit Committee

Mr. Nixon, as Audit Committee Chairman, reported that the Audit Committee met on November 21, 2022. He noted that prior to beginning its regular meeting, the Committee met privately with both Ernst & Young (E&Y), the SDA's financial auditors, and the Authority's Director of Internal Audits without management present.

Mr. Nixon advised the Board that management provided the Committee with the October 2022 New Funding Allocation and Capital Plan Update. He said that staff informed the Committee that there were no changes in any of the reserve balances for either the SDA or Regular Operating Districts during the reporting period.

Next, Mr. Nixon said that E&Y provided the Committee with the 2022 SDA Audit Plan. He said that E&Y had outlined the audit services and deliverables and provided the Committee with an overview of the audit timetable along with their (E&Y's) processes and procedures. He said that E&Y discussed the digital secured client portal that facilitates the virtual process being utilized in conducting the Audit. He noted that E&Y's presentation also addressed General

Accounting Standards Board (GASB) pronouncements and financial reporting in accordance with the requirements of the GASB rules, and provided a summary of their required communications. Mr. Nixon said that E&Y noted that the 2022 Audit will be reviewing (for implementation) the new accounting pronouncement GASB Statement No. 87 pertaining to the capitalization of leases.

Next, Mr. Nixon provided the October 2022 Monthly Financial Report. He advised the Members that the Authority's operating expenses (Actual vs. Budget) for the year-to-date period total \$11.5 million, \$2 million lower as compared to the budget for the corresponding period. He explained that this decrease is mainly attributable to lower personnel costs than budgeted, partially offset by lower than projected payroll expense allocation to project costs. He noted that the decrease is also attributable to lower than anticipated spending for contracted services, general office expenses, and information systems. He said that the full time employee (FTE) headcount was 131 as of October 31, 2022, representing a 39 FTE decrease in comparison to year-to-date budget projections. He reported that year-to-date Authority operating expenses (Actual vs. Prior Year Actual), at \$11.5 million, are \$288,000 lower as compared to the operating budget for the corresponding prior year period. He explained that this decrease is mainly attributable to lower spending for personnel and benefit costs, partially offset by lower payroll expense allocation to project costs. He said that the October 31, 2022 number of FTEs, at 131, is down 23 FTEs as compared to the prior year. Mr. Nixon then reported that school facilities project expenditures (Actual vs. Forecast) for the year-to-date period total \$237.7 million, \$12.2 million higher as compared to the capital spending forecast for the corresponding period. He advised that this variance is the result of higher than forecasted expenditures in grant activity, offset by a decrease in construction activity, project insurance, payroll expense allocation, design services and furniture purchases. He reported that project expenditures (Actual vs. Prior Year

Actual), at \$237.7 million, are \$20.6 million higher as compared to the corresponding prior year period. He explained that the variance is due to an increase in grant activity, offset by a decrease in construction activity, furniture purchases, project insurance, payroll expense allocation and CM services. Mr. Nixon said that since program inception, 77.9% of the funds authorized for the SDA districts have been disbursed. Additionally, he noted that 96% of all SDA disbursements relate to school facilities projects, while 4% relate to operating expenses. He advised that the estimated value of active school facilities capital projects, along with emergent and regular operating district grant projects, is approximately \$1.2 billion.

Mr. Nixon then reported that in compliance with the 2019 Board-approved changes to the SDA Bylaws and Audit Committee Charter, the CEO updated the Committee regarding Authority personnel matters and changes.

Next, Mr. Nixon advised that two matters were presented to the Committee by management that require Board action. He said that the first item for Board consideration is management's proposed 2023 Staffing Plan (Plan). He reminded the Members that in 2019, in an effort to strengthen the Board's oversight of personnel issues generally, the Board revised the SDA Bylaws to require that, on an annual basis, the CEO present and request Board approval of, a Staffing Plan for the upcoming year. He noted that the Bylaws require that the Plan represent the "resources required to satisfy the SDA's mission, goals, commitments and operating needs correlated to the volume and type of work activities to be advanced". He said that the Bylaws also require that the Plan be developed through a process that includes data-driven analytics. Mr. Nixon reported that at the November 21 Audit Committee Meeting, the CEO presented the Committee with a detailed Plan that was prepared consistent with the requirements of the Bylaws. He advised that the Plan was developed based on anticipated 2023 project work and other work including a review of the activities and staffing required to address that work on a

monthly basis for the entirety of the next year. Mr. Nixon reported that for 2023, management anticipates work to proceed on fourteen Capital Plan projects and thirteen emergent projects in various phases of their life cycle. He noted that next year's efforts will include advancement of the sixteen new projects included in the 2022 Capital Plan. Mr. Nixon added that, of the fourteen Capital Projects to proceed next year, three of them are from the sixteen projects included in the 2022 Capital Plan. In continuing, Mr. Nixon advised that the Plan analysis conducted by management evaluated each staff member's activities related to those needs in order to determine the resources required to support the Authority's projects. He said that the analysis focused on each staff member's anticipated activities for each month tied to the overall work that would advance over the course of that month. He advised the Board that this analysis concluded that 150 staff members, as broken down by functional area, is the number of staff required to satisfy the SDA's commitments and operating needs throughout 2023. He explained that the materials provided to the Board for review focus on (1) Staff Utilization by Activity Type for the SDA overall; (2) Staff Utilization by Activity Type by Operating Area; and (3) Staff Utilization Dedicated to Projects. Mr. Nixon advised that the analysis concluded that 68% of SDA staff activities are dedicated to school facilities projects; 7% are activities required to be performed in satisfaction of statutory, regulatory or other governance requirements and 25% are activities related to required organizational operations and support. After reviewing the Plan, the Board determined that it is comprehensive, data-driven and reflects the Authority's current needs. Mr. Nixon said that the Committee recommends that management take all necessary steps to ensure that the Authority has sufficient staff—at the level of 150 FTEs-- in order to ensure that it can competently and efficiently advance its current work demands. He noted that currently SDA has 128 FTEs.

Mr. Nixon added that, to put this in perspective it is important to keep in mind that at year-end 2021, the Authority had 152 staff members—24 more than the present count and 2 more than management is proposing as needed in the 2023 Plan. He said that SDA executive management and the Audit Committee recommend that the Board approve the 2023 Staffing Plan as proposed. He asked if the Members had any comments. The Members inquired as to the reason(s) why the Authority's workforce is so depleted. Mr. Da Silva acknowledged the low staffing numbers and said that it is critical that staffing levels be increased given the need to advance the new projects included in the Capital Plan. By way of example, he stressed the need to hire in the design studio to move the projects to the next level. Addressing whether the Authority's salary scale will enable it to hire as needed, Mr. Da Silva said that the current salary structure was produced by outside consultants who evaluated and restructured it following comprehensive review and analysis. Mr. Da Silva advised the Board that the Authority is very stretched right now. He said that there are 10,000 more seats needed in New Jersey's schools and needs will continue to grow as the state's school buildings continue to deteriorate. Mr. Vargas noted that the Authority's staffing levels are at their lowest level since he joined the Board (2010) and this concerns him given the amount of work that remains to be done.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon a motion duly made by Mr. Vargas and seconded by Mr. Luckie, the Board approved the 2023 SDA Staffing Plan as presented with its unanimous vote in favor of ***Resolution 5a.***

Mr. Nixon then presented the SDA's proposed 2023 Operating Budget (Budget) for Board consideration. He said that the Budget was discussed with the Audit Committee at its October and November meetings and the Committee's input has been incorporated into the Budget that is before the Board today. He advised that the proposed Budget, at \$15.9 million,

represents an increase of \$157,000 as compared to the current year's budget. He explained that, consistent with prior years, a portion of the Authority's employee salary and benefits costs will be appropriately charged to school facilities projects based upon weekly employee time sheets. He said that the estimated amount of \$11.1 million would be charged to school facilities projects for budget year 2023. Mr. Da Silva noted that the Budget is reflective of the Staffing Plan. He thanked Bill Coonahan of SDA staff for preparing the Plan, noting that Mr. Coonahan is genius with his analytical and number crunching abilities. Mr. Guarriello said that this is a responsible Budget. Mr. Da Silva acknowledged Robert Carney and James Wiegartner for their work in preparing the Budget. Mr. Vargas noted that there is a reduction in budget and staffing but a raise in productivity which is rare and speaks to the process that is in place at the SDA allowing work to continue.

Mr. Nixon asked if there were any questions or comments regarding the Budget. Hearing none, he called for a vote to approve the 2023 SDA Operating Budget.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon a motion duly made by Mr. Vargas and seconded by Mr. Luckie, the Board approved the 2023 SDA Operating Budget with its unanimous vote in favor of ***Resolution 5b***.

Public Comment

The Chairman then opened the Public Comment portion of the meeting. He invited Nikki Baker of the Healthy Schools Now/Work Environment Council to address the Board. Ms. Baker reminded the Members that she joined the Healthy Schools Now organization in April, filling the position previously held by Heather Sorge. Ms. Baker thanked the Board for the welcome she received and expressed appreciation for the work that the Board is doing in support of the SDA's mission. Ms. Baker said that she recognizes that the SDA is facing tumultuous times and, as an educator herself, she commends management and staff on the work that they are doing. She

expressed appreciation for the Authority's emphasis on constructing safe and healthy schools, noting in particular the SDA's mercury in flooring remediation efforts. She acknowledged that concerns like this will continue to arise. In concluding her comments, Ms. Baker wished the Authority the best in addressing its current staffing situation.

Mr. Nixon then asked for a motion to adjourn the Open Session of the meeting into Executive Session. He asked Ms. Kelly to announce the matters to be considered in Executive Session. Ms. Kelly said that the Board will adjourn into Executive Session to discuss two matters: 1) a proposed Extension of the License Agreement between SDA and City of Newark regarding the property located at 371-395 Ferry Street currently utilized for an Urban Garden; and 2) a proposed Extension of the License Agreement between SDA and City of Union City regarding the SDA property currently utilized by the City's Department of Public Works. She said that the Board will vote on these matters upon its return to Open Session. Ms. Kelly requested that the Chairman present ***Resolution No. 8.***, reflecting the Members' resolve to move into Executive Session to discuss the above-described matters, for Board consideration and approval.

The Chairman then presented ***Resolution No.8.*** for a vote. Upon motion duly made by Mr. Maloney and seconded by Mr. Vargas, the Members of the Authority unanimously voted to approve ***Resolution No. 8.*** and thereby adjourn the meeting into Executive Session.

Following the Board's return to Open Session, Mr. Vargas reported that SDA frequently enters into agreements with public entities so that property the Authority owns but does not currently need for construction can be put to use for good public purposes. He said that in Executive Session today, management requested that the Board approve extensions to two (2) existing License Agreements---one with Newark and one with the City of Union City.

Mr. Vargas reported that the first Agreement involves property SDA owns on Ferry

Street in Newark. He said that the City has been using the land for an Urban Garden since October 2014 pursuant to a License Agreement with SDA and a Sub-License Agreement with the Ironbound Community Corporation. He said that the License and Sub-License Agreements put all the necessary legal protections in place and the Urban Garden has been benefiting the Newark Community for eight (8) years. He noted that the Licensing Agreement is due to expire on January 31, 2023 and both SDA and Newark would like to extend it for twelve months (12) from that date. He advised that management is seeking Board approval to extend the Licensing Agreement with Newark for the Urban Garden and also requesting Board authorization to exercise two future twelve-month extensions in its discretion.

Mr. Vargas said that, following discussion of the matter in Executive Session, the Real Estate Committee supports management's request.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Luckie, and seconded by Mr. Elbert, the Board approved management's recommendation for an extension of the License Agreement between SDA and City of Newark with its unanimous vote in favor of ***Resolution 6a***.

Mr. Vargas said that, similarly, the SDA has had a License Agreement in place since January 2014 with the City of Union City for SDA-owned property there. He advised that the City's Department of Public Works utilizes the property for equipment storage and other purposes and has done so for eight (8) years. He added that this License Agreement has been extended four (4) times and is due to expire in January 2023. He explained that the Authority and the City wish to extend the Agreement for another twelve (12) months and management is seeking Board approval to do so. He noted that under the Licensing Agreement, the City is solely responsible for insurance, maintenance and security costs. He said that management is also seeking approval to extend the Union City Licensing Agreement for two future twelve month

periods if, in the Authority's discretion, this would be in the best interest of the SDA and the State.

Mr. Vargas said that, following discussion in Executive Session, the Real Estate Committee supports management's recommendation in this matter.

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. Elbert, the Board approved management's recommendation for an extension of the License Agreement between SDA and City of Union City with its unanimous vote in favor of ***Resolution 6b***.

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 December 7, 2022 meeting.

/s/ Jane F. Kelly
Assistant Secretary

Resolution—3a./3b.

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 December 7, 2022 Board meeting of the New Jersey Schools Development Authority, for the Open and Executive Sessions were duly forwarded to the Office of the Governor following the meeting.

NOW, THEREFORE, BE IT RESOLVED, that the minutes of the New Jersey Schools Development Authority's December 7, 2022 Open and Executive Session meetings are hereby approved.

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

Dated: January 4, 2023

AUTHORITY MATTERS

CHAIRMAN'S REPORT

CEO REPORT

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

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

**Change Order No. 43 and Credit Change Orders No. 44, 45 and 46 - Orange Public
School District - Cleveland Street Elementary School**



MEMORANDUM

TO: Members of the Authority

FROM: Joseph Lucarelli
Director, Construction Operations

DATE: January 4, 2023

SUBJECT: Change Order No. 43 – Extended General Conditions
Credit Change Order No. 44 – Unused Change Order Funds (*Requires Board approval*)
Credit Change Order No. 45 – Unused Value of Bond and Insurance
Credit Change Order No. 46 – Unused Balance of Contract (*Requires Board approval*)

COMPANY NAME:	Brockwell & Carrington Contractors, Inc.
DISTRICT:	Orange Public School District
CONTRACT NO.:	ES-0043-C01
ORIGINAL CONTRACT VALUE:	\$18,400,000.00
CM:	Epic Management, Inc.
DESIGN CONSULTANT:	LAN Associates
SCHOOL NAME:	Cleveland Street Elementary School
CHANGE ORDER NO.:	43
REASON:	Extended General Conditions
AMOUNT:	\$380,536.00
CHANGE ORDER NO.:	44
REASON:	Credit Unused Change Order Funds
AMOUNT:	(\$1,591,465.97)
CHANGE ORDER NO.:	45
REASON:	Credit Unused Value of Bond and Insurance
AMOUNT:	(\$59,195.00)
CHANGE ORDER NO.:	46
REASON:	Credit Balance of Contract
AMOUNT:	(\$8,503,314.62)
CONTRACT STATUS:	50.13% Paid to Date against the Current Contract Value
ANTICIPATED OCCUPANCY DATE:	September 2024

INTRODUCTION

Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, a credit change order which singularly exceeds \$500,000 or 10% of the contract value requires approval by the Members of the Authority. CCO 44 singularly exceeds \$500,000; CCO 46 singularly exceeds \$500,000 and exceeds 10% of the contract value.

Management is seeking Board approval of two Credit Change Orders and is advising the Board of its intention to issue one Change Order and one Credit Change Order (collectively “Change Orders”). Together, these Change Orders would facilitate resolution of all contractual matters with, and complete the termination for convenience of, Brockwell & Carrington Contractors, Inc. (BCC) for construction of the Orange Cleveland Street Elementary School project (Project) in the Orange Public School District.

The Members of the Authority are requested to *approve*:

1. Credit Change Order No. 44 (CCO 44), in the amount of (\$1,591,465.97), to credit the unused amount of Change Order funds previously authorized for BCC for work not completed prior to termination of the contract; and
2. Credit Change Order No. 46 (CCO 46), in the amount of (\$8,503,314.62), to credit the unused balance of funds remaining on BCC's contract for work not completed prior to termination.

The Board is advised of the following Change Orders (*for informational purposes*) as they are necessary for contract close-out:

3. Change Order No. 43 (CO 43), in the amount of \$380,536.00, to address the extended general conditions incurred by BCC during their three months on site beyond the contractual completion date;
4. Credit Change Order No. 45 (CCO 45), in the amount of (\$59,195.00), to credit the unused value of bond and insurance costs included in BCC's contract.;

BACKGROUND

The Cleveland Street ES (the School), built in 1898, is a 38,750 square foot facility educating 306 students in grades Kindergarten to 7. The project scope includes an 11,550 square foot addition and renovations (the Project) to address overcrowding at the existing facility. The Project also will allow a change in grade alignment to Pre-K through Grade 6 consistent with the District's approved Long Range Facilities Plan (LRFP) for the School. In the interim, the School's students have been relocated and are currently being educated in a NJSDA-leased facility.

On March 6, 2019, the Members approved an award to BCC for construction services along with the Project's Final Charter. On May 2, 2019, the NJSDA issued a Notice to Proceed (NTP) for the performance by BCC of a Constructability Review. Per the contract, as part of the Constructability Review scope of work, BCC was to verify the following: constructability of the work, coordination of the work, elimination of conflicts in the work, and completeness of the work as detailed in the contract documents. Subsequently, the Construction Administration Phase NTP was issued to LAN on January 13, 2020.

Consistent with contractual requirements, BCC submitted a proposed change order at the conclusion of the Constructability Review to remedy identified Constructability Review deficiencies. At the same time, BCC waived its rights to further change orders resulting from deficiencies in the documents that could or should have been identified during the Constructability Review. After a series of negotiations, Change Order 1 was approved by the NJSDA in January 2020 in the net total amount of \$411,505.89. On January 13, 2020, BCC was issued a NTP for Construction Services.

At the May 2021 Board Meeting, the Members approved a Revised Final Charter for the Project that was necessary due to the significant additional renovation scope that was required. This additional scope, revealed after the NJSDA engaged BCC, significantly impacted the Project schedule. Specifically, the revised Project Charter served to change the planned school opening date from September 2021 to September 2022. It also included associated costs for the extension of the temporary educational space lease, general contractor extended general conditions, additional construction administration services and additional construction and project management services.

Approximately two years after the construction NTP was issued, the NJSDA determined that termination of BCC's construction services contract was in the best interest of the NJSDA and the State of New Jersey. Accordingly, the NJSDA issued a Notice of Termination for Convenience to BCC on January 20, 2022 in accordance with Section

11.3.2 of the contract. At the same time, NJSDA directed BCC to complete portions of the work and demobilize from the Project site by March 1, 2022.

REASON FOR CHANGES

The following change orders will allow the Authority to finalize all matters associated with its termination of BCC’s contract. That is, all financial and contractual matters with BCC will be resolved (including the additional work, uncompleted work, and return of all remaining contract balances) as required to close out the contract.

1. CO 43, in the amount of \$380,536.00 would address the extended general conditions incurred by BCC for their three months on site beyond the contractual completion date. During this three month period, BCC maintained the site and, as part of the termination process, prepared the site for the period between termination and the re-commencement of construction. BCC also secured the building and safeguarded construction areas.
2. CCO 44 (*Requires Board approval*), in the amount of (\$1,591,465.97) would credit the unused amount of Change Order funds previously authorized to BCC for work not completed prior to termination of the contract. At the time of termination of the contract, 37 COs had been previously issued and not all work was completed. Based upon the Project Team’s review, this CCO represents the balance of all uncompleted CO work.
3. CCO 45, in the amount of (\$59,195.00) would credit unused bond and insurance values included in BCC’s contract that were unused and no longer required due to the contract’s termination.
4. CCO 46 (*Requires Board approval*), in the amount of (\$8,503,314.62) would credit the unused balance of contract funds remaining on BCC’s contract for work not completed prior to termination.

The balance of unused contract funds as a result of the CCOs will be utilized for the completion of the project under a separate procurement of a new construction services contract.

Preparations are ongoing for procurement of a new construction services contract with revised design documents in order to complete the Project. NJSDA anticipates advancing procurement of a new construction services contract in the near future to align with the planned revised forecasted substantial completion date of August 2024.

All documents supporting CO 43 and CCOs 44, 45 and 46 have been reviewed by the associated NJSDA Project Team members, inclusive of Financial Operations, as well as the Program Director and Deputy Director, for adherence to current NJSDA policy and procedures. All reviewing NJSDA staff members, including Financial Operations, have determined that the items contained in CO 43 and CCOs 44, 45 and 46 are justified and the amounts are reasonable and appropriate.

CALCULATIONS

a. Original Contract Amount	\$ 18,400,000.00
b. Change Orders to Date	\$ 2,782,255.69
c. Proposed Change Orders Total Amount	\$ (9,773,439.59)
d. Total Change Orders to Date including this Change Order (Total of Line (b.) and Line (c.))	\$ (6,991.183.90)
e. Percentage Change to Original Contract (Line (d.) represents a percent of Line (a.))	(38.00)%
f. Proposed Adjusted Contract Price (Line (a.) plus Line (d.))	\$ 11,408,816.10

RECOMMENDATION

The Members of the Authority are requested to approve the following change orders as outlined in the memorandum: Credit Change Order 44: (\$1,591,465.97) and Credit Change Order 46: (\$8,503,314.62). These Change Orders, together with Change Order 43 and Credit Change Order 45 which will be advanced by management to enable finalization of the close out process for the Authority's construction services contract with BCC.

Pursuant to the NJSDA Operating Authority adopted by the Board on December 1, 2010, as amended March 7, 2012, a credit change order which singularly exceeds \$500,000 or 10% of the contract value requires approval by the Members of the Authority. Credit Change Order 44 singularly exceeds \$500,000; Credit Change Order 46 singularly exceeds \$500,000 and exceeds 10% of the contract value.

Recommended by:

/s/ Joseph Lucarelli

Joseph Lucarelli, Director, Construction Operations

Reviewed and Recommended by:	Jane Kelly, Vice President Corporate Governance and Legal Affairs
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:	Denise Petraglia, Deputy Director, Construction Operations
Prepared and Recommended by:	Felipe Marrero, Senior Program Officer, Construction Operations

Resolution—6a.

COMPANY NAME:	Brockwell & Carrington Contractors, Inc.
DISTRICT:	Orange Public School District
CONTRACT NO.:	ES-0043-C01
ORIGINAL CONTRACT VALUE:	\$18,400,000.00
CM:	Epic Management, Inc.
DESIGN CONSULTANT:	LAN Associates
SCHOOL NAME:	Cleveland Street Elementary School
CHANGE ORDER NO.:	43
REASON:	Extended General Conditions
AMOUNT:	\$380,536.00
CHANGE ORDER NO.:	44 (<i>Requires Board approval</i>)
REASON:	Credit Unused Change Order Funds
AMOUNT:	(\$1,591,465.97)
CHANGE ORDER NO.:	45
REASON:	Credit Unused Value of Bond and Insurance
AMOUNT:	(\$59,195.00)
CHANGE ORDER NO.:	46 (<i>Requires Board approval</i>)
REASON:	Credit Balance of Contract
AMOUNT:	(\$8,503,314.62)
CONTRACT STATUS:	50.13% Paid to Date against the Current Contract Value
ANTICIPATED OCCUPANCY DATE:	September 2024

Resolution

WHEREAS, the Operating Authority of the New Jersey Schools Development Authority (SDA or the Authority) requires that a change order (CO) and/or credit change order (CCO) that exceeds \$500,000 singularly or, in the aggregate, is greater than 10% of the contract value, requires approval by the Members of the Authority; and

WHEREAS, a CCO is the accounting mechanism whereby the SDA de-obligates unused contract funds; and

WHEREAS, SDA advanced an addition and renovations project (Project) at the Orange Cleveland Street Elementary School (School), a 38,750 square foot facility educating 306 students in grades Kindergarten to 7; and

WHEREAS, the Project scope includes an approximately 11,550 square foot addition and renovations to the existing facility to address overcrowding and will allow a change in grade alignment to Pre-K through grade 6 consistent with the District's approved Long Range Facilities Plan; and

WHEREAS, on March 6, 2019, the Board approved the Project's final charter and an award to Brockwell & Carrington Contractors, Inc. (B&C) for construction services; and

WHEREAS, on May 2, 2019, the SDA issued a notice-to-proceed (NTP) with the performance of a constructability review wherein B&C was required to verify the constructability of the work, coordination of the work, the elimination of conflicts in the work, and the completeness of the work as detailed in the contract documents; and

WHEREAS, the Project's history, including a description of revisions to the Project's scope and schedule, are set forth in detail in the memorandum presented to the Board on this date and incorporated herein; and

WHEREAS, approximately two years after issuance of the construction NTP, the Authority determined that termination of B&C's construction services contract was in the best interest of the state and SDA and issued a Notice of Termination for Convenience on January 20, 2022 directing B&C to complete portions of the work and demobilize from the Project site by March 1, 2022; and

WHEREAS, management recommends approval by the Members of the Authority of CCO No. 44, in the amount of (\$1,591,465.97), which would credit the unused amount of CO funds previously authorized to B&C for work not completed prior to termination of the contract; and CCO No. 46, in the amount of (\$8,503,314.62), which would credit the unused balance of contract funds remaining on B&C's contract for work not completed prior to termination, as necessary to facilitate finalization of contract closeout with B&C; and

WHEREAS, CO No. 43, in the amount of \$380,536.00, which would address the extended general conditions incurred by B&C for their three months on site beyond the contractual completion date; and CCO No. 45, in the amount of (\$59,195.00), which would credit unused bond and insurance values included in B&C's contract that were unused and no longer required due to the contract's termination, do not require Board approval but are presented for Board review as they are also required to facilitate contract closeout; and

WHEREAS, the balance of unused contract funds as a result of CCO No. 44, 45 and 46 would be utilized for the completion of the Project under a separate procurement of a new construction services contract; and

WHEREAS, preparations are ongoing for procurement of a new construction services contract with revised design documents in order to complete the Project; and

WHEREAS, SDA anticipates advancing procurement of the new construction services contract to align with the planned revised forecasted substantial completion date of August 2024; and

WHEREAS, all documents supporting these COs and CCOs have been reviewed by the associated SDA project team members as well as the program director and deputy director, for adherence to current SDA policy and procedures and all reviewing SDA staff members, including financial operations, have determined that the items contained in the CO and CCOs are justified and the amounts are reasonable and appropriate.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby authorize and approve Credit Change Order 44, and Credit Change Order 46 to enable finalization of the close out process for the Authority's construction services contract with Brockwell & Carrington, Inc. for the Orange Cleveland Elementary School project.

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

Attached: Memorandum, Brockwell & Carrington Contractors, Inc. (Contract No. ES-0043-C01), Change Order No. 43 and Credit Change Order Nos. 44-46, Cleveland Street Elementary School, Orange School District, dated January 4, 2023

Dated: January 4, 2023

**Change Order # 233, Revised Final Project Charter and Reestablishment of
General Contractor's Contract Value - Orange Public School District -
Orange High School Addition and Renovation Project**

**MEMORANDUM**

TO: Members of the Authority

FROM: Bob Ryan
Program Director, Construction Operations

Gregory Voronov
Managing Director, Planning and Program Operations

DATE: January 4, 2023

SUBJECT: Orange High School Addition and Renovation Project
Action No. 1: Change Order No. 233 – Furnish & Install New Greenhouse – Terminal Construction Corp. (ES-0042-C01)
Action No. 2: Revised Final Project Charter
Action No. 3: Reestablishment of General Contractor’s Contract Value (ES-0042-C01)

INTRODUCTION

We are seeking Board approval of three related actions necessary to address conditions at the Orange High School Addition and Renovation project (Project) in the Orange School District (District). Specifically, we are asking that the Members of the Authority approve:

1. Change Order No. 233 to Contract ES-0042-C01 in the Not-To-Exceed (NTE) Amount of \$550,000.00 to furnish and install a new greenhouse for the Project.
2. The Revised Final Project Charter representing the Project budget inclusive of dollar values for construction, appropriate contingency, NJSDA staff costs, other costs and prior allocation of funds for professional services to complete the project moving forward.
3. Reestablishment of the construction contract value to Contract ES-0042-C01 for the purpose of the application of ongoing Operating Authority requirements. The reestablished value for this purpose shall be the revised contract value inclusive of all previously approved change orders through November 30, 2022 for an adjusted contract value of \$44,255,396.19 (\$37,000,000 plus all change orders executed as of November 30, 2022).

Pursuant to the NJSDA Operating Authority (OA) adopted by the Board on December 1, 2010, as amended March 7, 2012, a change order that singularly exceeds \$500,000.00 or singularly or in the aggregate is greater than 10% of the contract value requires approval by the Members of the Authority. The OA also provides that Revised Final Project Charters which singularly or in the aggregate exceed 10% of the most recent Board-approved Project Charter estimate requires approval by the Members of the Authority. Since CO No. 233 singularly exceeds \$500,000.00, and the Revised Final Project Charter exceeds 10% of the most recent Board-approved Project Charter estimate, Board approval is required to advance these actions.

BACKGROUND

Orange High School (OHS or the High School), built in 1974, is a 145,294 square-foot facility educating 804 students in grades 10 to 12. The Project scope includes a two-story addition of approximately 50,000 square feet, an enclosed connecting bridge between OHS and the adjacent Orange Preparatory Academy (OPA), and selective renovations to the existing High School building to address facilities conditions deficiencies. Additionally, an

allowance has been included to address limited facilities conditions deficiencies at the OPA.

On March 6, 2019 the Members approved an award to Terminal Construction Corporation, Inc. (TCC) for Construction Services and the Final Project Charter for the OHS Project. On April 29, 2019, the NJSDA issued a Notice to Proceed (NTP) for the performance by TCC of a Constructability Review, with the scope to be performed within a contractually-established allowance of \$200,000.

On May 24, 2019, the NJSDA approved an increase of \$100,000 to that allowance, recognizing the significant effort associated with the services. This was largely related to assessments associated with the HVAC work required in the existing facility and the installation of an elevator shaft for the connecting bridge at the OPA. As part of the Constructability Review scope of work, TCC was required to verify the following: Constructability of the Work, Coordination of the Work, Elimination of Conflicts in the Work, and Completeness of the Work as detailed in the Contract Documents.

Consistent with the Contract requirements, TCC submitted a proposed change order at the conclusion of the Constructability Review to remedy identified Constructability Review deficiencies and waived its rights to further change orders resulting from deficiencies in the documents that could or should have been identified during the Constructability Review. After a series of negotiations, CO No. 2 was approved by the NJSDA in December 2019 in the net total amount of \$1,011,157.00. On January 29, 2020, TCC was issued a NTP for Construction Services.

On February 2, 2022, the Members of the Authority approved CO No. 81 in the amount of \$582,964.56 relating to an insurance claim to repair damaged casework, floor finishes, ceilings, walls and electrical devices caused by a ruptured heating pipe at the Project site. At the same time, the Members approved the reestablishment of the construction Contract value for application of ongoing OA requirements. The reestablished Contract value, inclusive of CO No. 81 and all prior approved Change Orders as of that date, was for an adjusted value of \$40,780,873.98.

On March 16, 2022, the Chief Executive Officer approved the Revised Final Project Charter and corresponding release of funds from the Program Reserve maintained for unforeseen project events. This revision to the Charter provided necessary additional funding totaling approximately \$4.7 million consisting of increases to construction contingency, Professional Services (Design Services and Construction Management), FF&E and Technology and NJSDA Staff costs. These increases were partially offset by the inclusion of rebates and insurance recoveries totaling approximately \$0.6 million resulting in a net budget increase of \$4.1 million.

REASON FOR CHANGE

The base contract documents called for Kliment Halsband Architects LLP (KHA) to design a stone building foundation area to enable the District to relocate an existing greenhouse within the confines of the Project site. The greenhouse is utilized by the District as part of a DOE-approved horticulture program and, therefore, it was determined that NJSDA would replace the structure. The original plan was for the District to reconstruct the existing greenhouse on a stone bed prepared for the structure as part of the Project. However, upon review of the existing greenhouse components, it was discovered that they were significantly deteriorated and could not be safely reconstructed.

The NJSDA requested KHA to provide additional design services to design and enable the procurement of a new, pre-engineered greenhouse (to be procured and installed by the General Contractor). This CO No. 233 would enable TCC to provide all material, equipment and labor to construct the new greenhouse.

The new greenhouse structure is currently being designed by the Architect, with the design expected to be completed in January 2023. After completion of the design, TCC will then be able to provide the NJSDA with a lump sum proposal for the cost to complete the change order work. Staff is seeking approval of this NTE change order

since anticipated greenhouse fabrication lead time (i.e. design processing, DCA submission and release, pricing, negotiating, and processing a change order for the work) will likely delay the release of the new greenhouse structure and push its installation date to Summer 2023. Installation of the greenhouse is expected to cost approximately \$450,000.00. This pricing excludes any additional MEP material, equipment and labor identifies and required by code as identified by DCA.

SUMMARY OF CHANGE

The value of CO No. 233, in the Not-to-Exceed amount of \$550,000.00, is for furnishing and installing a replacement greenhouse on the recently installed new greenhouse footings at the OHS Addition and Renovation Project. The existing greenhouse was dismantled by the district prior to the start of construction to make way for the completed new addition.

As this proposed cost is nearing the \$500,000.00 threshold requiring NJSDA Board approval, we are seeking Board approval of the NTE value of \$550,000.00 for the new greenhouse to be installed as part of the Project.

Prior to execution, all documents supporting CO No. 233 will be reviewed by the associated NJSDA Project Team members, inclusive of Financial Operations, as well as the Program Director and Deputy Program Director for adherence to current NJSDA policy and procedures.

CALCULATIONS

a. Original Contract Amount	\$	37,000,000.00
b. Change Orders through December 31, 2021 and Change Order 81	\$	3,780,873.98
c. Reestablished Contract Value – February 2022 Board	\$	40,780,873.98
d. Change Orders to Date after Reestablished Contract Value	\$	3,474,522.21
e. Proposed Change Order Amount	\$	550,000.00
f. Total Change Orders to Date after the re-establishment of the contract value including this Change Order (Total of Line (d.) and Line (e.))	\$	4,024,522.21
g. Percentage Change to Original Contract (Line (f.) represents a percent of Line (c.))		9.87%
h. Proposed Adjusted Contract Price (Line (c.) plus Line (f.))	\$	44,805,396.19

REASON FOR CHARTER REVISION

The Final Project Charter approved by the Members in March 2019 included various budget line items that are now known to be insufficient to support completion of the Project.

As of December 1, 2022, staff had executed \$7,255,396.19 in change orders to the General Contractor, \$835,229.81 in amendments to the Design Consultant and \$427,151.50 in amendments to the Construction Management firm.

- By way of background, the construction contingency budget line item approved in the amount of \$3,775,000.00, is to account for change orders during the course of the Project. Due to various large value change orders such as the Constructability Review Change Order No. 2 (\$1,010,843.00); Change Order No. 4 (\$300,000.00 to increase Allowance No. 2 – Impacted and Unsuitable Soils); and Change Order No. 5

(\$290,000.00 to increase the value of Allowance No. 6 – LED Lighting), over 40% of the construction contingency was utilized within six months of Construction NTP. Additionally, numerous unforeseen conditions were discovered throughout the Project that necessitated the issuance of change orders to ensure that construction continued to progress on the Project.

- As of November 30, 2022, the construction contingency for the Project is nearly depleted. This is due to the many issues described above at the onset of the Project, as well as unforeseen conditions within the proposed new elevator PI-3 at the OPA; deteriorated concrete in the OPA’s basement; the need to install a new greenhouse rather than relocate the existing greenhouse; the need to replace deteriorated breeching to OPA’s boiler; additional extended general conditions for the general contractor, design consultant and construction management firm; and numerous other unforeseen conditions throughout the existing facility.

As a result, it is now necessary to revise the Final Project Charter, and provide additional funding to ensure sufficient funds exist to support completion of the Project. The recommended increase of \$3.7 million includes additional increases to General Construction Contingency, Professional Service Needs (Design Services and Construction Management) and NJSDA Staff Costs. The increase to the General Construction Contingency reflects approximately \$2,200,000.00 to address change order No. 233 as noted above, along with known pending change orders associated with the unforeseen conditions described above. The increase also includes \$625,000.00 to address any future contingency needs based on the remaining scope of work pending completion.

As reflected in the attached Revised Final Project Charter, management is seeking authorization to revise the following budget line items:

<u>Budget Line Item</u>	<u>Revised Final Charter Budget 3/9/2019</u>	<u>Budget Increase</u>	<u>Revised Budget</u>
General Contractor Contingency	\$ 7,475,000.00	\$ 2,825,000.00	\$ 10,300,000.00
Construction Management Firm	\$ 1,800,000.00	\$ 200,000.00	\$ 2,000,000.00
Design Consultant	\$ 4,212,000.00	\$ 288,000.00	\$ 4,500,000.00
NJSDA Staff	\$ 1,870,000.00	\$ 410,000.00	\$ 2,280,000.00
Total	\$ 15,357,000.00	\$ 3,723,000.00	\$ 19,080,000.00

REASON FOR REESTABLISHMENT OF CONTRACT VALUE

During the course of construction of the Project, various unforeseen, hidden conditions were encountered that were not identified on the “as built” plans of the existing school provided to the architect of record for use during design. These unforeseen conditions resulted in the need to issue numerous change orders to TCC as the Project advanced.

It is believed that the value inclusive of this work, as well as prior executed Change Orders inclusive of the Constructability Review Change Order, represents the true value of the work necessary to advance the OHS Addition and Renovation Project. Therefore, the Board is requested to approve the proposed adjusted value, inclusive of all approved Change Orders through November 30, 2022, as the appropriate baseline for the ongoing application of OA requirements.

If approved, NJSDA management will again seek Board approval should future change orders individually exceed \$500,000.00, or singularly or in the aggregate exceed 10% of the reestablished contract amount of \$44,255,396.19, as set forth above.

RECOMMENDATION

Management requests and recommends that the Members of the Authority authorize the following three related actions necessary to address conditions for advancement of the Orange High School Project in the Orange School District, as outlined in this memorandum:

1. Change Order No. 233 to Contract ES-0042-C01 in the Not-To-Exceed Amount of \$550,000.00 to furnish and install a new greenhouse on recently installed greenhouse footings.
2. Revisions to the Project's Final Charter representing the project budget inclusive of dollar values for construction, appropriate contingency, allowances, NJSDA staff costs, other costs and prior allocation of funds for professional services to complete the Project moving forward.
3. Reestablishment of the construction contract value (Contract ES-0042-C01) for the purpose of application of ongoing OA requirements. The reestablished value for this purpose shall be the revised contract value inclusive of all previously approved Change Orders up through November 30, 2022 for an adjusted contract value of \$44,255,396.19 (\$37,000,000 plus all change orders executed as of November 30, 2022).

Recommended By:

/s/ Bob Ryan

Bob Ryan, Program Director, Construction Operations

/s/ Gregory Voronov

Gregory Voronov, Managing Director, Planning and Program Operations

Reviewed and Recommended by: Manuel Da Silva, Chief Executive Officer

Reviewed and Recommended by: Steve Wendling, Deputy Director, Construction Operations

Prepared and Recommended by: Jorge L. Alfonso, Sr. Program Officer, Construction Operations

New Jersey Schools Development Authority Project Charter - Summary

Charter Date
01/04/23
Supersedes Charter Dated
03/16/22

Region: Northern
District: Orange
Project Name: Orange High School
School Type: High School
DOE # / Project #: 3880-050-15-0AEK
Project Type (New/Add/Reno): Add/Reno
Project Location: 400 Lincoln Avenue, Orange, NJ
Number of Students: 1,440 (FES) 1,694 (Max)

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

Funding Source
2012 Capital Plan

Project Budget: \$ 59,769,930
Anticipated Substantial Completion Date: Jan-23
Anticipated School Occupancy Date (Addition): Sep-21

Funding Allocated
\$59,769,930

Project Team Leader: Robert Ryan
Project Initiation Date: 04/01/15
SDA Board - Project Charter Approval Date: 01/04/23

District Local Share
\$52,000.00

Charter Version and Date	Project Summary
<input type="checkbox"/> Planning 01/04/17	Addition and Renovations to the existing Orange High School to address facility conditions deficiencies and District-wide overcrowding. Project is comprised of a 50,000 SF addition and renovations to the existing 145,000 SF building necessary to accommodate the high school educational program and address facility condition deficiencies.
<input type="checkbox"/> Preliminary 10/04/17	
<input checked="" type="checkbox"/> Final 03/06/19	
Purpose for Advancement of Current/Revised Project Charter	
Revision # and Date	Approval of the Revised Final Project Charter necessary to support advancement of the project through final completion.
<input type="checkbox"/> One 03/16/22	District Project Goals
<input checked="" type="checkbox"/> Two 01/04/23	
<input type="checkbox"/> Three	
<input type="checkbox"/> Four	
<input type="checkbox"/> Five	
<input type="checkbox"/> Six	
The project, when advanced in conjunction with the Cleveland ES project, will serve to address current District-wide overcrowding and facility conditions deficiencies.	

Recommendation

/s/ Robert Ryan	1/4/2023	/s/ Gregory Voronov	1/4/2023
Program Director - Program Operations	Date	Managing Directors - Planning & Program Ops.	Date
Robert Ryan		Gregory Voronov	
Vice President - Construction Operations	Date	VP - Strategic Planning & Program Operations	Date
Vacant		Vacant	

Approval

/s/ Manuel Da Silva 1/4/2023
 Chief Executive Officer Date
Manuel Da Silva

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

Charter Date

01/04/23

District / Project Name: Orange / Orange High School

DOE # / Project #: 3880-050-15-0AEK

Project Milestones	Date
School Occupancy Date	09/01/21

DELIVERY METHOD	Design/Bid/Build
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<u>Real Estate Services</u>	Start	Est.	Act.	Finish	Est.	Act.
Feasibility	N/A	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
EO215 Requirements	05/05/15	<input type="checkbox"/>	<input checked="" type="checkbox"/>	01/04/17	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Site Acquisition	N/A	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Relocation	N/A	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Demolition	N/A	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Remediation	N/A	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Deed Restriction Required?	N/A	Date				
District Notified?	N/A	<input type="checkbox"/>	<input type="checkbox"/>			
Classification Exception Area?	N/A					
District Notified?	N/A	<input type="checkbox"/>	<input type="checkbox"/>			

Special Considerations

<u>Design:</u>	Date	Est.	Act.		Est.	Act.
Design Start (NTP)	05/05/15	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
Design Restart (if applicable)	N/A	<input type="checkbox"/>	<input type="checkbox"/>			
	Start	Est.	Act.	Finish	Est.	Act.
Program Concept Phase	05/05/15	<input type="checkbox"/>	<input checked="" type="checkbox"/>	01/04/17	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Schematic Design Phase	01/26/17	<input type="checkbox"/>	<input checked="" type="checkbox"/>	07/13/17	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Design Development Phase	07/14/17	<input type="checkbox"/>	<input checked="" type="checkbox"/>	04/12/18	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Construction Documents Phase	08/11/17	<input type="checkbox"/>	<input checked="" type="checkbox"/>	01/30/19	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DCA Review	07/02/18	<input type="checkbox"/>	<input checked="" type="checkbox"/>	01/23/19	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bid and Award	06/12/18	<input type="checkbox"/>	<input checked="" type="checkbox"/>	04/17/19	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Special Considerations

<u>Construction:</u>	Date	Est.	Act.
Construction Start (NTP)	01/29/20	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Substantial Completion (TCO)	01/31/23	<input checked="" type="checkbox"/>	<input type="checkbox"/>
School Occupancy Date (Addition)	Sep-21	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Title Transfer	N/A	<input type="checkbox"/>	<input type="checkbox"/>
Final Completion (C of O)	08/15/23	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Post Occupancy Walk Through	12/26/23	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Project Close-Out	01/24/24	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Special Considerations

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

Charter Date
01/04/23

District / Project Name:	Orange / Orange High School
DOE # / Project #:	3880-050-15-OAEK

2012 Capital Plan Funding Allocation	\$ 59,769,930
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Special Considerations:

The project budget is based upon the award amount for the General Construction engagement, current commitments for all existing contracts and estimated costs for future scope elements inclusive of funding to address potential deficiency repairs at the adjoining Orange Preparatory Academy (OPA). The General Construction engagement includes \$1,487,000 in allowances: \$200,000 Constructability Review; \$500,000 for Security Systems; \$300,000 for Impacted & Unsuitable Material; \$185,000 for LED Lighting; \$150,000 for Emergency Responder Radio System; \$100,000 for Hazardous Materials; and \$52,000 for Wood Auxiliary Gymnasium Flooring System and Interior Aluminum Handrails.

Project Budget:

Gross Building Area (GSF):		Grossing Factor:
		1.55
	New	
	Addition	50,000
	Renovation	145,294
Total Gross Building Area (GSF):		195,294
Estimated Building Cost / GSF	\$170.37	

Construction Costs:

Building Costs	\$33,272,000
Site Costs	\$2,241,000
Allowances	\$1,487,000
OPA Decifiency Repairs	\$750,000
Cost Escalation 0 months at 5 % per year	\$0
Design Contingency	\$0
Construction Contingency	\$10,300,000
Total Construction Costs	\$48,050,000

Pre-Development Costs:

Consultant Services	\$24,218
Early Site Packages	\$0
Land Acquisition	\$0
Relocation	\$0
Property Maintenance/Carry Costs	\$0
Total Pre-Development Costs	\$24,218

Other Costs:

Design	\$4,500,000
Project Management (SDA Staff)	\$2,280,000
PMF/CM	\$2,000,000
FF&E	\$1,370,471
Technology	\$1,579,529
Commissioning	(Included in Design Scope)
Temporary Space	\$0
Other Costs	\$624,000
Total Other Costs	\$12,354,000

Other Funding Sources

Rebates, Refunds & Insurance Recovery	(\$606,288)
District Local Share Funds	(\$52,000)
Total Other Funding Sources	(\$658,288)

Total Project Budget	\$59,769,930
Funding from Prior Allocation	\$0
Funding from 2012 Capital Plan	\$59,769,930

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

Charter Date

01/04/23

District / Project Name: Orange / Orange High School
DOE # / Project #: 3880-050-15-0AЕК

Project Budget:

	Revised Final Charter 3/16/22	Current Budget	VARIANCE Fav/(Unfav)
Grossing Factor:	1.55	1.55	
Gross Building Area (GSF):			
New			
Addition	50,000	50,000	0
Renovation	145,294	145,294	0
Total Gross Area (GSF):	195,294	195,294	0
Construction Costs			
Building Costs	\$33,272,000	\$33,272,000	\$0
Site Costs	\$2,241,000	\$2,241,000	\$0
Allowances	\$1,487,000	\$1,487,000	\$0
OPA Deficiency Repairs	\$750,000	\$750,000	\$0
Cost Escalation	\$0	\$0	\$0
Design Contingency	\$0	\$0	\$0
Construction Contingency	\$7,475,000	\$10,300,000	(\$2,825,000)
Total Construction Costs	\$45,225,000	\$48,050,000	(\$2,825,000)
Pre-Development Costs:			
Consultant Services	\$24,218	\$24,218	\$0
Early Site Packages (Demolition/Remediation)	\$0	\$0	\$0
Land Acquisition	\$0	\$0	\$0
Relocation	\$0	\$0	\$0
Property Maintenance/Carry Costs	\$0	\$0	\$0
Total Pre-Development Costs	\$24,218	\$24,218	\$0
Other Costs:			
Design	\$4,212,000	\$4,500,000	(\$288,000)
Project Management (SDA Staff)	\$1,870,000	\$2,280,000	(\$410,000)
PMF/CM	\$1,800,000	\$2,000,000	(\$200,000)
FF&E	\$1,450,000	\$1,370,471	\$79,529
Technology	\$1,500,000	\$1,579,529	(\$79,529)
Commissioning	(Included in Design Scope)	(Included in Design Scope)	\$0
Temporary Space	\$0	\$0	\$0
Other Costs	\$624,000	\$624,000	\$0
Total Other Costs	\$11,456,000	\$12,354,000	(\$898,000)
Other Funding Sources			
Rebates, Refunds & Insurance Recovery	(\$589,613)	(\$606,288)	\$16,675
District Local Share Funds	(\$52,000)	(\$52,000)	\$0
Total Other Funding Sources	(\$641,613)	(\$658,288)	\$16,675
Total Project Budget	\$56,063,605	\$59,769,930	(\$3,706,325)
Funding from Prior Allocation	\$0	\$0	\$0
Funding from 2012 Capital Plan	\$56,063,605	\$59,769,930	(\$3,706,325)

Budget Variance Analysis:

The project budget represents an increase of approximately \$3.7 million from the Revised Final Project Charter due to numerous unforeseen conditions discovered throughout the Project that necessitated the issuance of change orders to ensure that construction continued to progress on the Project which has nearly depleted the Construction Contingency Budget Line Item. The need for oversight due to these unforeseen conditions have also nearly depleted the Design, PMF/CM and Project Management (SDA Staff) Budget Line Items. This increase is partially offset by rebates and refunds received to date and insurance recoveries for change order work.

Schedule Variance Analysis:

Resolution—6b.

Orange High School Addition & Renovations Project - Change Order No. 233 – Furnish and Install New Greenhouse; Revised Final Project Charter; Reestablishment of General Contractor's Contract Value

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 change order which singularly exceeds \$500,000.00, or is greater than 10% of the contract value; and

WHEREAS, the SDA Operating Authority further requires that the Members of the Authority approve the revision of final project charters when the same exceed 10% of the approved final project charter estimate or final project budget or the most recent Board approved project charter respectively; and

WHEREAS, the Orange High School (OHS or the High School), built in 1974, is a 145,294 square-foot facility educating 804 students in grades 10 to 12; and

WHEREAS, on March 6, 2019, the Members approved an award to Terminal Construction Corporation, Inc. (TCC) for construction services and the final charter for a project at OHS (the Project); and

WHEREAS, the Project scope includes a two-story addition of approximately 50,000 square feet, an enclosed connecting bridge between OHS and the adjacent Orange Preparatory Academy (OPA), and selective renovations to the existing High School building to address facilities conditions deficiencies, along with an allowance to address limited facilities conditions deficiencies at the OPA; and

WHEREAS, on April 29, 2019, the SDA issued a notice-to-proceed (NTP) for the performance by TCC of a Constructability Review; and

WHEREAS, as part of, and subsequent to, completion of the Constructability Review process, SDA management authorized an allowance increase and various change orders for the Project as fully described in the memorandum presented to the Board on this date (Board memorandum); and

WHEREAS, the Board memorandum further describes a 2022 revision to the final project charter, a release of funds from the Program Reserve and the reestablishment of the construction contract value and the bases therefor; and

WHEREAS, management is now seeking Board approval for Change Order (CO) No. 233, in the not-to-exceed amount of \$550,000.00, in order to furnish and install a replacement greenhouse on the Project's recently installed new greenhouse footings for reasons set forth in the Board memorandum; and

WHEREAS, the new greenhouse structure is currently being designed by the architect, with the design expected to be completed in January 2023; and

WHEREAS, prior to execution, all documents supporting CO No. 233 will be reviewed by the associated SDA project team members, including financial operations, as well as the program director and deputy program director for adherence to current SDA policy and procedures; and

WHEREAS, the final project charter approved by the Members in March 2019 included various budget line items that are now known to be insufficient to support completion of the Project; and

WHEREAS, management now seeks Board approval to revise the final project charter, and provide additional funding to ensure sufficient funds exist to support completion of the Project as fully described in the Board memorandum; and

WHEREAS, as described in the Board memorandum, unforeseen, hidden conditions were encountered that were not identified on the “as built” plans of the existing OHS provided to the architect of record for use during design; and

WHEREAS, given that these unforeseen conditions required the issuance of numerous change orders to TCC as the Project advanced, management has determined that the value inclusive of this work, as well as the prior executed change orders, represents the true value of the work necessary to advance the OHS addition and renovations Project; and

WHEREAS, management now recommends that the Members of the Authority approve the proposed adjusted value inclusive of all approved change orders through November 30, 2022 as the appropriate baseline for the ongoing application of Operating Authority requirements; and

WHEREAS, if approved, SDA management will again seek Board approval should future change orders individually exceed \$500,000.00, or singularly or in the aggregate exceed 10% of the reestablished contract amount of \$44,255,396.19.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Members of the Authority approve the issuance of Change Order No. 233 (Contract ES-0042-C01) in the not-to-exceed amount of \$550,000.00 to furnish and install a new greenhouse on recently installed greenhouse footings for the Orange High School project in the Orange School District.

BE IT FURTHER RESOLVED, that the Members of the Authority approve revisions to the Project’s final charter representing the Project budget inclusive of dollar values for construction, appropriate contingency, allowances, SDA staff costs, other costs and prior allocation of funds for professional services to complete the Project moving forward.

BE IT FURTHER RESOLVED, that the Members of the Authority approve reestablishment of the construction contract value (Contract ES-0042-C01) for the purpose of application of ongoing OA requirements, with the reestablished value for this purpose equaling the revised contract value inclusive of all previously approved change orders up through November 30, 2022 for an adjusted contract value of \$44,255,396.19.

BE IT FURTHER RESOLVED, that these three related actions are necessary and appropriate to address and facilitate advancement of the Project.

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

Attached: Memorandum, Change Order No. 233, Furnish and Install New Greenhouse;
Revised Final Project Charter; Reestablishment of General Contractor's Contract
Value, dated, January 4, 2023

Dated: January 4, 2023

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: January 4, 2023

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 12/19/22

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. (Patoek)	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 12/19/22

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	\$28.4	Design-Bid-Build	Award for D-B approved Nov. 2019 Board. (Niram)	6/24/19
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 12/19/22

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	School delivered Sep. 2020 (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	School delivered Nov. 2020 (Dobco)	11/10/15 7/13/16
Irvington	Madison Avenue ES	PK-5	463	504	\$38.6	Kit of Parts/ Design-Build	School occupied Sep. 2019. (Bock)	11/19/15 8/16/16
Millville	Senior HS Addition/Renovation	HS	2,026	2,384	\$145.0	Design-Build	Award for D-B approved Apr. 2017 Board. (Hall Construction)	9/30/16
Passaic	Sonia Sotomayor ES (New ES @ Leonard Place)	K-5	628	698	\$55.9	Kit of Parts/ Design-Build	School occupied Sep. 2019. (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	School delivered Sep. 2020. (Bock)	3/1/17 9/13/17
Perth Amboy	High School	HS	2,800	3,295	\$283.8	Design-Build	Award for D-B approved Nov. 2019 Board. (Terminal)	3/26/19
Perth Amboy	Rose M. Lopez ES (Seaman Avenue ES)	K-5	724	804	\$56.4	Kit of Parts/ Design-Build	School occupied Sep. 2019. (Epic Management).	2/3/16
Plainfield	New Woodland ES	K-5	756	840	\$59.4	Kit of Parts/ Design-Build	Award for D-B approved Feb. 2020 Board. (Epic Management)	5/23/18 8/29/19
Union City	New Grade 7 to 9 School	7-9	756	840	\$75.5	Kit of Parts/ Design-Build	Award for D-B approved Jun. 2022 Board. (Dobco, Inc.)	5/19/21 11/15/21
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 12/19/22

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	School occupied Sep. 2021 (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	\$38.9	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	\$56.1	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	School occupied Sep. 2019. (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 12/1/2022

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	City of Orange	Cleveland Street ES	Addition/Renovation	Construction	Under Review	Under Review	Under Review	Under Review	\$ 38,860,332
2	City of Orange	Orange High School	Addition/Renovation	Construction	4Q 2022	On-target	Phased	On-target	\$ 56,063,605
3	Keansburg	Port Monmouth Road School	Addition/Renovation	Construction	4Q 2022	On-target	Sep-22	Achieved	\$ 28,440,130
4	Millville	Millville Senior High School	Addition/Renovation	Construction	4Q 2022	On-target	Phased	On-target	\$ 145,005,733
5	Perth Amboy	New High School	New Construction	Construction	2Q 2024	On-target	Sep-24	On-target	\$ 283,830,000
6	Plainfield	New Woodland ES	New Construction	Construction	3Q 2023	On-target	Sep-23	On-target	\$ 59,440,000
7	Union City	New Grade 7 to 9 School	New Construction	Design-Build Design	3Q 2025	On-target	Sep-25	On-target	\$ 93,696,300

Active Project Status Report

Status as of 12/1/2022

Emergent Projects - With Contract for Construction Awarded

#	District	Project Name	Project Scope	Project Phase	Substantial Completion	Status Substantial Completion	Final Completion	Status of Final Completion	Total Estimated Project Cost
1	Irvington	Grove Street School	Boiler Replacement	GCTO w/ Design Design Phase	2Q 2023	On Target	2Q 2023	On-Target	\$ 3,762,782
2	Newark	Cleveland School	Boiler Room Vault Repairs	GCTO w/ Design Design Phase	2Q 2023	On Target	2Q 2023	On-Target	\$ 1,664,389
3	Newark	Malcolm X. Shabazz HS	Structural Repairs	Construction	3Q 2022	Achieved	4Q 2022	On-Target	\$ 3,189,000
4	Newark	Roberto Clemente School	Sub-Basement Water Infiltration	Construction	3Q 2022	Achieved	4Q 2022	On-Target	\$ 1,456,800
5	Newark	Techonology High School	Structural Vault Repairs and Façade Repairs	GCTO w/ Design Design Phase	2Q 2023	On Target	3Q 2023	On-Target	\$ 2,867,680
6	Paterson	PS #5	Roof Replacement & Masonry Repairs	Construction	4Q 2022	Achieved	4Q 2022	On-Target	\$ 10,968,112

PROJECT STATUS REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director – Program Operations

DATE: January 4, 2023

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: January 2008 to November 2022

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

Millville	Millville Senior HS - Addition & Renovation	\$5,000,000	\$5,000,000	\$0	100.0%	86%	Board approved additional building condition repair work and flood hazard area mitigation work added to the project.	Project is in construction and scheduled for completion per the original schedule. Revised Final Project Charter approved by the CEO in June 2021 to allocate additional contingency to the project from the Unforeseen Events Reserve.
Orange	Orange HS - Addition & Renovation	\$4,525,000	\$4,525,000	\$0	100.0%	92%	Unforeseen conditions related to the site and renovation portions of the project and connection of the HS to the Orange Preparatory Academy.	Project is in construction and scheduled for completion this year. Revised Final Project Charter approved by the CEO to allocate additional contingency to the project from the Unforeseen Events Reserve.

Substantially Complete & Building Occupied

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

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. Project close-out pending resolution of open contracts.
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. Project close-out pending resolution of open contracts.

¹ Does not include expended contingency or contingency funds allocated for change orders, amendments

Projects Greater than 90 Days Behind Schedule or with Occupancy Date in Jeopardy

Reporting Period: November 2022

#	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 Data During the Reporting Period

Revisions to Project Charters

Reporting Period: November 2022

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

CONTRACTS EXECUTED REPORT/AMENDMENTS & CHANGE ORDERS REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Program Operations

DATE: January 4, 2023

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 November 1 through November 30, 2022.

Noteworthy Items during the reporting period:

- Execution of 1 contract for Construction Management Services for the Union City New Grade 7 to 9 School to Anser Advisory Management LLC totaling \$2,282,336.

Amendments & Change Orders Report

This report contains the activity of Amendments and Change Orders executed during the November 1 through November 30, 2022.

Noteworthy Items during the reporting period:

- 6 Professional Services Amendments were executed during the reporting period totaling \$146 thousand, of the 6 executed amendments none required Board approval.
- 13 Construction Services Change Orders were executed during the reporting period totaling \$616 thousand, of the 13 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: 11/1/2022 through: 11/30/2022

District	School Name(s)	Project Type	Contract Type	Contract Number	Vendor	MWSBE Cert(s)	Contract Award Amount	Contract Execution Date	Per School CCE	Total CCE
Part 1. Professional Services										
Others										
Union City (Hudson Co.)	New Grade 7 to 9 School	New	ConstrMgmt	HU-0029-M01	Anser Advisory Management LLC		\$2,282,336	11/1/2022	-	
Others										
Part 1. Professional Services							\$2,311,992			

Contracts Executed Report

Reporting Period: 11/1/2022 through: 11/30/2022

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										
Camden City	Camden H.S.	New	FFE	CA-0022-K32	Washington Computer Services		\$19,000	11/17/2022	-	
Camden City	Camden H.S.	New	FFE	CA-0022-Q30	Washington Computer Services		\$19,000	11/17/2022	-	
Keansburg Borough	Port Monmouth Road School	RenoAdd	FFE	ET-0098-K23	Washington Computer Services		\$40,950	11/17/2022	-	
Plainfield	New K-5 Elementary School	New	FFE	ET-0100-K01	Data Industries, Ltd.		\$300,975	11/28/2022	-	
Plainfield	New K-5 Elementary School	New	FFE	ET-0100-Q16	Community Products LLC dba Community Playthings		\$129,266	11/14/2022	-	
Others										
Part 4. Other Contracts & Services										
							\$509,191			
							Total Contract Award		Total Contracts Awarded	
Grand Totals - Professional and Construction Services Combined							\$2,821,183			6

** Contracts less than \$10,000 are not displayed

Project Types Legend

HS Health & Safety
 New New Constuction
 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: 11/1/2022 through: 11/30/2022

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	Orange H.S.	ES-0042-A01	5/5/2015	24	Kliment Halsband Architects LLP	11/4/2022	\$3,558,511	\$754,585	\$9,000			\$4,322,096	21.46%
City Of Orange Township	Orange H.S.	ES-0042-A01	5/5/2015	25	Kliment Halsband Architects LLP	11/17/2022	\$3,558,511	\$763,585	\$51,570			\$4,373,666	22.91%
City Of Orange Township	Orange H.S.	ES-0042-A01	5/5/2015	26	Kliment Halsband Architects LLP	11/17/2022	\$3,558,511	\$815,155	\$20,075			\$4,393,741	23.47%
Newark	Ivy Hill	EP-0111-A01	10/29/2018	2	Design Resources Group, Architects, AIA	11/22/2022	\$227,015	\$9,022	(\$11,558)			\$224,479	12.11%
Construction Management Services													
City Of Orange Township	Orange H.S.	ES-0042-M01	1/9/2019	6	Cambridge Construction Management, Inc.	11/16/2022	\$1,504,858	\$349,946	\$72,962			\$1,927,766	28.10%
City Of Orange Township	Orange H.S.	ES-0042-M01	1/9/2019	7	Cambridge Construction Management, Inc.	11/16/2022	\$1,504,858	\$422,908	\$4,244			\$1,932,010	28.38%
									\$146,293				
Professional Services													
Construction Services													
Contractor													
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	197	Terminal Construction Corp.	11/21/2022	\$37,000,000	\$7,004,083	\$3,150			\$44,007,233	18.93%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	184	Terminal Construction Corp.	11/22/2022	\$37,000,000	\$7,007,233	\$15,320			\$44,022,553	18.97%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	185	Terminal Construction Corp.	11/22/2022	\$37,000,000	\$7,022,553	\$5,316			\$44,027,869	18.99%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	202	Terminal Construction Corp.	11/22/2022	\$37,000,000	\$7,027,869	\$2,051			\$44,029,919	18.99%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	225	Terminal Construction Corp.	11/23/2022	\$37,000,000	\$7,029,919	\$225,477			\$44,255,396	19.60%
Keansburg Borough	Port Monmouth Road School	ET-0098-C01	12/19/2019	130	Niram Inc.	11/7/2022	\$18,645,000	\$1,186,474	\$11,046			\$19,842,520	6.42%
Keansburg Borough	Port Monmouth Road School	ET-0098-C01	12/19/2019	16	Niram Inc.	11/18/2022	\$18,645,000	\$1,197,520	\$18,564			\$19,861,083	6.52%
Keansburg Borough	Port Monmouth Road School	ET-0098-C01	12/19/2019	24	Niram Inc.	11/18/2022	\$18,645,000	\$1,216,083	\$1,749			\$19,862,833	6.53%
Keansburg Borough	Port Monmouth Road School	ET-0098-C01	12/19/2019	25	Niram Inc.	11/19/2022	\$18,645,000	\$1,217,833	\$8,354			\$19,871,187	6.57%
Paterson	Number 5 E.S.	EP-0113-C01	6/15/2021	14	Paul Otto Building Co., Inc.	11/4/2022	\$7,494,000	\$156,752	\$17,674			\$7,668,426	2.32%
Millville	High School	ST-0046-B01	5/24/2017	54	Hall Construction Co., Inc.	11/4/2022	\$114,453,000	\$8,191,348	\$130,696			\$122,775,044	7.27%
Millville	High School	ST-0046-B01	5/24/2017	53	Hall Construction Co., Inc.	11/15/2022	\$114,453,000	\$8,322,044	\$187,048			\$122,962,092	7.43%
Perth Amboy	New Perth Amboy High School	ET-0099-B01	1/6/2020	14	Terminal Construction Corp.	11/4/2022	\$247,950,000	\$2,671,518	(\$10,146)			\$250,611,372	1.07%
									\$616,298				
										Total Change Order Summary			
										\$762,591			
										Total Change Orders			
										19			
Grand Totals													
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)*

DIVERSITY AND WORKFORCE PARTICIPATION REPORT



MEMORANDUM

TO: Members of the Authority

FROM: J Manuel Castillo, Director - EEO/Affirmative Action & Vendor Services

DATE: January 4, 2023

SUBJECT: Diversity and Workforce Participation Monthly Update for October 2022

The EEO/Affirmative Action & Vendor Services Team consistently participates in mandatory pre-bid and pre-construction meetings to inform and provide guidance to bidders regarding SDA’s Small Business Enterprise (SBE) and Workforce goals, policies and procedures. The guidance provided in such meetings is on, among other things, the following:

- SBE subcontracting goal of 25% of all contracts
- County workforce goals for minorities and females
- Local 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

During these meetings, our Team strongly encourages vendors to identify and hire minority-owned, women-owned and disabled veteran-owned firms, as well as locally based enterprises, for diverse business participation on all school building projects. Our Team provides vendors outreach strategies for them to analyze and utilize.

SMALL BUSINESS ENTERPRISE ATTAINMENT

The SDA regularly exceeds the State-mandated 25% SBE goal. The total SDA contract dollars awarded through October 31, 2022 was \$13,749,716. The total contract dollars awarded to all SBE contractors was \$4,430,386 (including minorities, women and veterans). This represents an initial participation of 32.22% of all SDA contracts awarded in calendar year 2022. Participation will continue to increase as the Prime contractor hires additional subcontractors/subconsultants throughout the lifecycle of the construction project.

Diversity Breakdown

Type of Business Enterprise	Contract Amount	% of Total SDA Contracts
Small Business Enterprises	\$ 3,654,111	26.58%
Small/ Minority Business Enterprises	\$ 645,275	4.69%
Small/Women Business Enterprises	\$ 131,000	0.95%
Small/Minority/Women Owned Business Enterprises	\$ -0-	0.00%
Small/Veteran Owned Business Enterprises	\$ -0-	0.00%
Small/Disabled Veteran Owned Business Enterprises	\$ -0-	0.00%
TOTAL DIVERSITY CONTRACTS	\$ 4,430,386	32.22%

WORKFORCE PARTICIPATION

For the month of October 2022, there was a contractor workforce of 593 on SDA projects. This represents a total of 55,126 contractor workforce hours. This is explained in more detail below:

Contractor Workforce Breakdown (All Trades/Districts/Counties)			
Ethnicity	Total Workforce	Total Workforce Hours	Workforce Hours Percentage
Black	44	4,856	8.80%
Hispanic	134	12,417	22.53%
American Indian	1	166	0.30%
Asian	3	179	0.33%
Total Minority Participation	182	17,618	31.96%
Total Non-Minority Participation	411	37,508	68.04%
Total Contractor Workforce	593	55,126	100.00%

There was a contractor workforce of 466,349 total workforce hours and 6,265 total female workforce hours on SDA projects for the period of January 1, 2022 through October 31, 2022. The following table highlights the *Local County Contractor Workforce* participation for this period:

Local County Contractor Workforce Participation	Workforce Hours	Percentage
*Total Workforce Hours	466,349	100.00%
*Total Local County Workforce Hours	53,778	11.53%
Total Local County Non-Minority Workforce Hours	28,410	6.09%
Total Local County Female Workforce Hours	0	0.00%
Total Local County Minority Workforce Hours	25,368	5.44%
**Local County Workforce Hours by Ethnicity:		
Black	8,118	1.74%
Hispanic	17,250	3.70%
American Indian	0	0.00%
Asian	0	0.00%

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

**Ethnicity breakdown of Total Local County Minority Workforce Hours.

NOTE: Hours worked by female laborers who are minority are included in total number of hours worked by female laborers. Therefore, hours worked by female minority laborers are not included in the minority breakdown.

The following table represents contractor minority and female workforce for all SDA active Capital Projects and all active and completed Emergent Projects for the period of January 1, 2022 through October 31, 2022.

SDA Managed Project	Total Workforce Hours	Minority Workforce Hours & Percentage		Local County Workforce Hours & Percentage	
Port Monmouth Road School	29,768	7,077	23.77%	0	0.00%
Millville HS	76,517	18,973	24.80%	9,073	11.86%
Union Ave MS	671	165	24.59%	0	0.00%
Orange HS	15,160	4,689	30.93%	160	1.06%
Perth Amboy HS	246,535	74,486	30.21%	14,073	5.71%
Plainfield ES	84,892	25,368	29.88%	29,520	34.77%
Emergent Projects	11,305	5,153	45.58%	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: January 4, 2023

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 November 2022. Also included is a detailed list of grants executed and grants offered during the reporting period if applicable.

Monthly Update:

- No grants were offered during the reporting period.
- No grants were executed during the reporting period.
- Two grants impacting one district were closed out during the reporting period representing total project costs of \$4.1 million and state share of \$1.7 million.
- Since inception, over \$2.9B 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.



SCHOOLS DEVELOPMENT AUTHORITY

Monthly Regular Operating District Grant Report - Summary

November 2022

ROD Grant Summary Since Program Inception				
	Offered ¹	Executed	Closed-Out	Active
Districts Impacted	-	524	520	51
Number of Grant Projects	-	5,404	5,207	197
Total Project Cost Estimate	\$ -	\$ 8,942,057,228	\$ 8,791,433,622	\$ 150,623,606
Grant Amount	\$ -	\$ 3,001,242,641	\$ 2,928,609,639	\$ 72,633,003
Amount Disbursed	N/A	\$ 2,952,746,368	\$ 2,928,609,639	\$ 24,136,729

Total Funding Offered to School Districts via Grant Program	\$ 3,342,209,450
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Total ROD Grant Funding remaining for new Grant Projects	\$ 118,243,993
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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	-	1
Number of Grant Projects	-	2
Total Project Cost Estimate	\$ -	\$ 4,128,961
Grant Amount	\$ -	\$ 1,651,584
Amount Disbursed	NA	\$ 1,651,584

* 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 *(no report)*

MONTHLY FINANCIAL REPORT



MEMORANDUM

TO: The Members of the Authority

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

DATE: January 4, 2023

SUBJECT: Monthly Financial Report – November 2022

Fund Reporting Operating Expenses (Year-to-Date Actual vs. Budget)

For November 2022 year to date, Authority operating expenses, **\$12.4M**, are **\$2.3M** lower than budget for the corresponding period. This variance is attributable to lower personnel costs as compared to budget, **\$3.3M**, partially offset by a lower payroll and benefits expense allocation to project costs, **\$2.5M** and other personnel expenses including; temporary staffing, travel, training & professional development, **\$213K**. Other contributing factors include lower spending for contracted services, **\$494K**, information system purchases, **\$361K** and general office expenses, **\$327K**.

The full time employee (FTE) headcount is 129 as of November 30, 2022. This total represents a 41 FTE decrease in comparison to the year to date budget.

Fund Reporting Operating Expenses (Year-to-Date Actual vs. Prior Year Actual)

For November 2022 year to date, Authority operating expenses, **\$12.4M**, are **\$323K** lower when compared to the corresponding prior year. This variance is due to a decrease in year over year employee salary and benefit costs, **\$2.2M**, partially offset by a lower payroll and benefits expense allocation to project costs, **\$1.6M**.

The current number of FTEs, 129, is down 24 FTEs as compared to the corresponding prior year.

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

For November 2022 year to date, project expenditures, **\$257.3M**, are **\$14.0M** higher than the capital spending forecast for the corresponding period. This variance is due to higher than forecasted spending for grant activity, **\$60.7M**, offset by lower than forecasted spending for construction work, **\$36.8M**, project insurance, **\$3.0M**, payroll expense allocation, **\$2.5M**, school furniture and fixtures, **\$2.1M** and design services, **\$1.5M**.

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

For November 2022 year to date, project expenditures **\$257.3M**, are higher by **\$17.2M**, when compared to the corresponding prior year. This variance is related to increased spending activity in grants, **\$69.9M**, offset by a decrease in spending activity for construction work, **\$41.4M**, school furniture and fixtures, **\$7.5M**, CM services, **\$1.9M**, project insurance, **\$1.8M**, and payroll expense allocation, **\$1.6M**.

Other

Since program inception, 78.1% 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, capital, emergent and ROD grant projects is approximately \$1.2B.

Attachment

New Jersey Schools Development Authority
Monthly Financial Report
November 2022
(Unaudited)

New Jersey Schools Development Authority

Overview of Financial Position

November 30, 2022

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, November 30, 2022.

► Overall **Cash and Cash Equivalents** have decreased by \$188.6 million to \$432.5 million, as follows:

■ Receipt of bond and note proceeds (Issued by EDA)	\$ -
■ Appropriation from State	75,000,000
■ Investment earnings	4,992,654
■ Miscellaneous revenue	25,060
■ Project costs	(257,301,557)
■ SDA operating expenses	(12,609,378)
■ SDA capital expenditures	-
■ Deposits (primarily district local shares)	1,279,481
Net Change in Cash	\$ (188,613,740)

► **Prepaid Expenses** total \$100,983 as follows:

- Prepaid insurance of \$46,569.
- Prepaid security deposit of \$1,950 for the Authority's flexible spending accounts.
- Prepaid MIS maintenance service contracts of \$50,122.
- Other prepaids of \$2,342.

► **Capital Assets** total \$1,056,398 (net of accumulated depreciation of \$5,099,700), consisting of leasehold improvements (SDA office), 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 \$0 and **Depreciation Expense** is \$499,902.

► **Accrued Liabilities** total \$82.2 million, as follows:

- Accrued project costs of \$21.5 million consisting of unpaid invoices (\$4.4 million) and retainage (\$17.1 million).
- Net pension liability of \$25.0 million.
- Other post-employment benefits obligation of \$30.0 million.
- Pollution remediation obligations (PRO) under GASB 49 net to \$2.1 million (PRO liability \$2.1 million, offset by expected cost recoveries of \$0 million).
- Estimated liability for loss contingencies totaling \$1.6 million.
- Payroll related liabilities of \$1.7 million.
- Other accrued liabilities of \$0.3 million.

► **Deposits** total \$7.9 million, as follows:

- \$7.9 million is held for local share agreements (pass-through item).

► The Authority's **Net Position** at month end is \$319.8 million.

New Jersey Schools Development Authority

School Facilities Project Expenditures & Funding Allocation

November 30, 2022

► **School Facilities Construction Bond/Note Proceeds/Appropriations & Project Expenditures**

- During the current year to date, the SDA has received \$0.0 million in bond/note proceeds & \$75.0 million in appropriations. The total amount received since program inception is \$12.2 billion.
- Project expenditures for the month and year-to-date periods total \$19.6 million and \$257.3 million, respectively, as follows:

Category	Current Month	Year-To-Date	Since Inception
Construction	\$ 14,996,499	\$ 148,281,510	\$ 5,647,523,444
Design Services	62,575	141,770	412,884,614
PMF/CM Services	352,943	4,104,626	479,273,713
SDA Project Management	753,020	8,613,729	130,231,336
Property Acquisition, Relocation & Enviro	(318,199)	1,164,936	586,081,203
School Furniture, Fixtures & Equipment	594,659	13,909,409	235,304,894
Project Insurance	-	8,580	114,599,968
NJ State Inter-Agency Transfers	570,913	570,913	53,076,399
SDA District Grant & Funding Agreements	-	51,138,811	930,103,546
Regular Operating District Grant Agreements	1,962,182	27,834,739	2,982,520,033
Real-Time Project Audits	25,670	273,968	1,064,677
Property Management, Maintenance & Utils	25,575	276,686	19,131,102
Outside Legal & Claims Resolution Services	524,871	713,791	12,227,376
Temporary Staffing	2,850	49,875	10,726,439
Other Project Costs	88,805	218,214	62,410,817
Project Credits	-	-	(54,902,944)
Total Project Expenditures	19,642,363	257,301,557	11,622,256,617
Less: Local Share Contributions	-	-	(185,112,439)
Project Expenditures (State Share)	\$ 19,642,363	\$ 257,301,557	\$ 11,437,144,178
 2022 Capital Spending Forecast	 \$ 17,766,104	 \$ 243,258,860	

Allocations Since Program Inception

► **All Funding Sources & Expenditures**

- SDA Districts
- RODs Incl Vo-Tech Schools
- Total - State Share

	All Sources ¹	Total Funding ²	Paid to Date ³
SDA Districts	\$ 10,800,000,000	\$ 10,930,766,257	\$ 8,537,344,279
RODs Incl Vo-Tech Schools	4,025,000,000	4,078,616,144	3,420,097,197
Total - State Share	\$ 14,825,000,000	\$ 15,009,382,401	\$ 11,957,441,476

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

- SDA Districts 78.1%
- RODs Incl Vo-Tech Schools 83.9%
- Total - State Share 79.7%

1 Of the \$14.8 billion authorized for the school construction program (including bond funds & appropriations), \$12,197,702,648 has been received to date.

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

3 These amounts include the allocation of SDA operating expenses and capital expenditures totaling \$520,297,298.

New Jersey Schools Development Authority

Fund Reporting Operating Expenses vs Budget

November 30, 2022

<u>Category</u>	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>Over/</u> <u>(Under)</u>
Personnel Expenses:			
Employee Salaries	\$ 11,786,951	\$ 14,237,025	\$ (2,450,074)
Employee Benefits	5,418,933	6,269,656	(850,723)
Direct Hire Temporary Employee Costs	33,398	44,407	(11,009)
Total Employee Salaries & Benefits Costs	17,239,282	20,551,088	(3,311,806)
Less: Employee Salaries & Benefits Costs			
Charged to Projects	8,613,729	11,108,321	(2,494,592)
Salaries & Benefits Charged to Operating Expense	8,625,553	9,442,767	(817,214)
Temporary Staffing Services	-	137,500	(137,500)
Travel & Expense Reimbursements	18,398	24,024	(5,626)
Training & Professional Development	20,257	90,299	(70,042)
Total Personnel Expenses	8,664,208	9,694,590	(1,030,382)
Non-Personnel Operating Expenses:			
Facilities & General Office Expenses	1,917,881	2,244,539	(326,658)
Information Systems	895,657	1,256,366	(360,709)
Professional & Other Contracted Services	381,068	874,862	(493,794)
Property & Casualty Insurance	424,858	428,362	(3,504)
SDA-Owned Automobiles	109,454	137,913	(28,459)
Communications & Outreach	1,022	1,650	(628)
Reserve for Unforeseen Events & New Initiatives	-	45,837	(45,837)
Total Authority Operating Expenses	\$ 12,394,148	\$ 14,684,119	\$ (2,289,971)
 2022 Annual Operating Budget		 \$ 15,754,151	

New Jersey Schools Development Authority

Fund Reporting Operating Expenses vs Prior Year

November 30, 2022

<u>Category</u>	<u>Actual</u> <u>Year-To-Date</u>	<u>2021</u> <u>Year-To-Date</u>	<u>Over/</u> <u>(Under)</u>
Personnel Expenses:			
Employee Salaries	\$ 11,786,951	\$ 13,258,993	\$ (1,472,042)
Employee Benefits	5,418,933	6,221,380	(802,447)
Direct Hire Temporary Employee Costs	33,398	-	33,398
Total Employee Salaries & Benefits Costs	17,239,282	19,480,373	(2,241,091)
Less: Employee Salaries & Benefits Costs			
Charged to Projects	8,613,729	10,243,764	(1,630,035)
Salaries & Benefits Charged to Operating Expense	8,625,553	9,236,609	(611,056)
Temporary Staffing Services	-	-	-
Travel & Expense Reimbursements	18,398	20,195	(1,797)
Training & Professional Development	20,257	17,690	2,567
Total Personnel Expenses	8,664,208	9,274,494	(610,286)
Non-Personnel Operating Expenses:			
Facilities & General Office Expenses	1,917,881	1,831,927	85,954
Information Systems	895,657	834,163	61,494
Professional & Other Contracted Services	381,068	353,141	27,927
Property & Casualty Insurance	424,858	370,474	54,384
SDA-Owned Automobiles	109,454	50,637	58,817
Communications & Outreach	1,022	2,300	(1,278)
Reserve for Unforeseen Events & New Initiatives	-	-	-
Total Authority Operating Expenses	\$ 12,394,148	\$ 12,717,136	\$ (322,988)

New Jersey Schools Development Authority
Employee Headcount
November 30, 2022

	<u>Current</u> <u>Month End</u>	<u>Budget</u>	<u>Over/</u> <u>(Under)</u>
Office of Chief Executive Officer	2	3	(1)
Human Resources	3	4	(1)
Vacant Positions	0	14	(14)
Communications	3	3	-
Legislative Affairs	1	1	-
EEO/AA & Vendor Services	4	0	4
Office of Program Operations & Strategic Planning	1	2	(1)
Capital Planning & Program Operations	10	7	3
Design Studio	12	16	(4)
Grants Administration	7	9	(2)
Real Estate Services & Predevelopment	2	4	(2)
Office of Construction Operations	0	0	-
Project Teams	20	26	(6)
Office of Corporate Governance & Legal Affairs	4	5	(1)
Chief Counsel	7	8	(1)
Information Systems	11	13	(2)
Central Records Management	3	3	-
Safety	5	8	(3)
Internal Audit	2	3	(1)
Office of Chief Financial Officer	1	2	(1)
Financial Operations	7	7	-
Financial Accounting & Disbursements	9	10	(1)
Procurement	8	8	-
Risk Management	2	8	(6)
Property Management	0	2	(2)
Facilities	5	4	1
Total Full-Time Employees at Month End	<u>129</u>	<u>170</u>	<u>(41)</u>
Total Full-Time Employees at Year End		<u>175</u>	

New Jersey Schools Development Authority
Statement of Net Position
November 30, 2022

	<u>Current</u> <u>Month End</u>	<u>2021</u> <u>Year End</u>	<u>Over/</u> <u>(Under)</u>
ASSETS			
Cash and Cash Equivalents	\$ 432,546,423	\$ 621,160,163	\$ (188,613,740)
Receivables	720	4,847	(4,127)
Prepaid Expenses	100,983	155,694	(54,711)
Capital Assets (Net of Accumulated Depr.)	1,056,398	1,556,300	(499,902)
Total Assets	433,704,524	622,877,004	(189,172,480)
 DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount for Pensions & OPEB	7,890,061	10,362,143	(2,472,082)
 TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES			
	\$ 441,594,585	\$ 633,239,147	\$ (191,644,562)
 LIABILITIES			
Accrued Project Costs	\$ 25,156,180	\$ 52,907,777	\$ (27,751,597)
Net Pension Liability	25,006,500	25,006,500	-
Accrued Other Post-Employment Benefits	30,039,744	29,188,405	851,339
Other Accrued Liabilities	1,948,981	4,690,689	(2,741,708)
Deposits	7,902,850	6,623,369	1,279,481
Total Liabilities	90,054,255	118,416,740	(28,362,485)
 DEFERRED INFLOWS OF RESOURCES			
Deferred Amount for Pensions & OPEB	31,718,760	31,718,760	-
 NET POSITION			
Invested in Capital Assets	1,056,398	1,556,300	(499,902)
Restricted for Schools Construction:			
Special Revenue Fund	318,765,172	481,547,347	(162,782,175)
Net Position	319,821,570	483,103,647	(163,282,077)
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION			
	\$ 441,594,585	\$ 633,239,147	\$ (191,644,562)

New Jersey Schools Development Authority

Statement of Activities

November 30, 2022

	<u>Current</u> <u>Year-To Date</u>	<u>2021</u> <u>Year-To Date</u>	<u>Over/</u> <u>(Under)</u>
REVENUES			
Program Revenues:			
Bond and Note Proceeds (Issued by EDA)	\$ -	\$ 350,000,000	\$ (350,000,000)
Appropriation from State	75,000,000	275,000,000	(200,000,000)
Bidding Fees-Plans & Specs	-	-	-
General Revenues:			
Investment Earnings	4,992,654	206,883	4,785,771
Rental Income	14,070	11,000	3,070
Other Revenue-OPRA	10,990	5,952	5,038
Total Revenues	80,017,714	625,223,835	(545,206,121)
EXPENSES			
Administrative & General Expenses	13,245,487	13,422,441	(176,954)
Capital Depreciation	499,902	77,735	422,167
School Facilities Project Costs	229,554,402	224,916,856	4,637,546
Total Expenses	243,299,791	238,417,032	4,882,759
CHANGE IN NET POSITION	(163,282,077)	386,806,803	(550,088,880)
Beginning of Period Net Position	483,103,647	132,495,342	350,608,305
NET POSITION END OF PERIOD	\$ 319,821,570	\$ 519,302,145	\$ (199,480,575)

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

RESOLUTION TO ADJOURN INTO EXECUTIVE SESSION

Resolution—8.

Resolution to Adjourn into Executive Session

Resolution

WHEREAS, the “Senator Byron M. Baer Open Public Meetings Act” (OPMA), N.J.S.A. 10:4-6, declares “the right of the public to be present at all meetings of public bodies” except as expressly provided in the Act; and

WHEREAS, N.J.S.A. 10:4-12 (b) provides that a public body may exclude the public from that portion of a meeting at which the public body discusses, among other things, any matter involving the lease... of real property with public funds...or any pending or anticipated litigation or contract negotiations in which the public body is or may become a party...falling within the attorney-client privilege, to the extent that confidentiality is required to preserve the attorney-client relationship; and

WHEREAS, the Members of the Authority have before them on this date one matter that, pursuant to N.J.S.A. 10:4-12, are appropriate for consideration in Executive Session consistent with the provisions of the OPMA; and

WHEREAS, the matter to be considered by the Board in Executive Session is a proposed Grant Agreement between the Schools Development Authority (Authority) and the New Jersey Department of the Treasury setting forth the terms and conditions governing Treasury’s provision of “New Jersey Debt Defeasance and Prevention Fund” funding to the Authority as authorized by P.L. 2022, c. 18; and

WHEREAS, the minutes of the Board’s January 4, 2023 Executive Session meeting will be available for release for public review upon the full and final conclusion of all negotiations, legal proceedings, and settlements, and associated matters and/or the execution of all documentation, agreements and leases associated with the matters to be discussed therein.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby resolve to adjourn into Executive Session to consider and deliberate with regard to the matter described herein and, thereafter, to vote on the associated Resolution No. 5a. upon the Board’s return to Open Session.

BE IT FURTHER RESOLVED, that the minutes of the Board’s January 4, 2023 Executive Session meeting will be available for release for public review upon the full and final conclusion of all negotiations, legal proceedings, settlements, and associated matters, and/or the execution of all documentation, agreements and leases associated with the matters to be discussed therein.

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: Resolution to Adjourn into Executive Session, dated January 4, 2023

Dated: January 4, 2023