

SDA

Operating Authority

Issued by: *Office of Chief of Staff*
Approved by: *NJSDA Members of the Board*

Issued: March 2, 2012

LEVELS OF OPERATING AUTHORITY POLICY

NEED FOR POLICY

This policy establishes the requirements for approving the activities of the Authority relating to school facilities projects, including land acquisition and relocation, procurement and contract services, change orders, interagency agreements (MOU/MOA), invoice approvals, payment requisitions, non-financial District agreements (Section 13C & 13D) and other miscellaneous processes. Additionally, this policy establishes levels of approval for the operating actions of the Authority, the costs of which are approved in the Authority's annual operating budget. The approval levels in this Operating Authority are designed to ensure that work efforts for all business operations and supporting services are authorized in an appropriate and responsible manner and executed in accordance with the laws of the State.

STATEMENT OF POLICY

It is the policy of the Authority to implement processes that incorporate appropriate internal controls. Toward that end, the following attached schedules are intended to provide a framework for such controls.

This policy expressly prohibits the intentional disaggregation of settlements, project commitments, contract commitments and/or awards, change orders and/or amendments and/or processing of invoicing and/or expenditures for the purpose of lowering the level of required approval.

Violation of this policy or operating authority levels of approval could result in disciplinary action up to and including termination.

APPLICABILITY

This policy applies to all Authority offices, divisions, and units ("Offices", "Divisions", "Units"). Levels of signature authority are shown in Exhibit 1.

APPROVAL SEQUENCE

The process of authorizing work and commitments is sequenced to require approvals at each level in the process. The sequence of approvals is described as follows:

1. Operating Budget Approval (“SDA Operating Budget”)

The Office of Chief Financial Officer (“CFO”) will prepare an annual operating budget, which represents the Authority’s approved expenditure level for non-project general and administrative (“G&A”) expenses. Budget approval by the Members of the Board represents an overall spending limit and not approval of specific projects or work efforts. Budget approval is a prerequisite for subsequent commitment and expenditure of funds for SDA operations. The annual operating budget is to be approved in accordance with Exhibit 1. The CFO’s function is responsible for developing the annual operating budget and monitoring budget policy compliance. The Audit Committee of the Board is responsible for reviewing the annual budget prior to submission to the Members of the Board, which is responsible for formally approving the annual budget.

2. Planning Approval (“SDA Planning Elements”)

The Office of Program Operations (“PO”) will prepare the Authority’s Plans, including Strategic and Sequencing Plans. Quarterly forecasting will be performed against these plans, which contain the prioritization of schools facilities projects. Board approval for the Authority’s plans is a prerequisite for subsequent school facilities project initiations.

3. Project Charter Approval

For purposes of this policy, a project is defined as all predevelopment, design, construction, goods, and/or services costs necessary to complete a given project or task. Project Charters are drafted by PO for each school facilities project, and are presented to the Board for approval at three stages, in accordance with Exhibit 1. A *Planning* Project Charter begins with the funding allocation from the Board-approved Capital Plan, and includes a project overview and scope of work. This Charter is created from existing available data and may permit the funding of feasibility studies, including undertaking a preliminary assessment to capture the property’s historical ownership, a site investigation to determine areas and levels of possible contamination, and other pre-development tasks. The *Preliminary* Charter provides an estimate of a project’s cost, allowing the SDA Board to know the anticipated monetary impact of each project phase, along with the draft project schedule. A *Final* Project Charter includes a budget based on the Construction Contract award amount.

4. Notices of Awards, Notices to Proceed, Issuance of Purchase Orders

a. For project-specific contracts: The issuance of a Notice of Award (“NOA”) is a ministerial act that follows a substantive approval to award a contract and commit funding; the issuance of an Notice to Proceed (“NTP”) is a ministerial act that follows execution by the Authority of a duly approved contract which

authorizes spending of the approved contract value against budgeted funding, and each issuance is to be approved in accordance with Exhibit 1.

- b. For non project-specific contracts (e.g., with FF&E manufacturers, task orders, site investigation consultants, etc.): The issuance of a NOA is a ministerial act that follows a substantive approval to award a contract and commit funding; the issuance of an NTP is a ministerial act that follows execution by the Authority of a duly approved contract which authorizes the issuance of purchase orders not to exceed (“NTE”) the approved contract value, and each issuance is to be approved in accordance with Exhibit 1. Purchase orders issued against a non project-specific contract shall not exceed the approved individual project budget for the relevant project aspect. Any employee who is authorized to issue purchase orders or approve invoices is responsible for first determining that the funding exists in the individual project budget, and that the NTE has not been exceeded.

For definition purposes, non-project work is generally characterized as “routine” work required in the operations of the business such as, and primarily for, G&A type expenditures. These expenditures tend to be non-discretionary in nature.

5. Contract Awards and Commitments

- a. Execution of a contract, purchase order or other written agreement creates an obligation or commitment on the part of the Authority. Awards are to be approved in accordance with Exhibit 1.
- b. Only individuals holding the titles listed in Exhibit I, or their delegates, have the authority to co-approve contract awards and execute contracts. See section on Delegation of Authority below.
- c. Competitive procurement is required for most awards. Sole source procurements will require Board Approval with written justification and supporting documentation.
- d. With respect to blanket and/or open purchase orders (“BPO” “OPO”), the total amount of the BPO/OPO shall be considered a commitment for review and approval purposes. Expenditures made against the Board-approved operating budget are to be approved in accordance with Exhibit 1.
- e. Senior Management, working with the staff of the Chief Counsel, shall review the terms and conditions of all contracts and agreements. The Office of Corporate Governance and Operations, Division of Chief Counsel shall approve each contract and agreement as to form prior to execution.

6. Payment Approval

- a. In general, with respect to approval for payment of invoices for the procurement of materials and services, there are two basic types: those associated with

contracts and purchase orders, and those not associated with contracts and purchase orders. Payments for both these types are to be approved in accordance with Exhibit 1.

- b. No individual can both authorize an invoice approval transaction and also approve its payment. That is, someone other than the requisitioner must approve the payment and should be the person best qualified to determine the validity of the receipt of goods and/or services.

DELEGATION OF AUTHORITY

Effective implementation of this Operating Authority policy is the responsibility of all levels of management. The authority, but not the responsibility, to review and approve transactions may be delegated. "Delegation of Authority" is the mechanism used by the Authority to convey authority to deal with extraordinary matters. This type of delegation is described below, but delegation of authority cannot be conveyed below a level deemed appropriate by the VP, Office of Corporate Governance and Operations and delegations of authority cannot be "re-delegated" to others.

The CEO may delegate authority to the Chief of Staff, Chief Financial Officer or Vice President. The Chief of Staff, Chief Financial Officer or Vice Presidents may delegate authority to each other or to Chief Counsel. The Program Operations Directors, Program Operations Deputy Directors, Authority Operations Directors, Authority Operations Deputy Directors, Controller, Manager, or any other title with signature authority may delegate authority laterally or upward through their respective chain of command. Delegation authority shall not be made to staff members holding a lower level of signing/approval authority without the express written approval of the CEO. Delegations are conveyed by memorandum (Exhibit II) to the Unit staff and to the CFO's function, identifying the reason for delegation, delegatee's name, title, specific time period of delegation, authorized transactions and the dollar level authority being delegated. The CFO's function will establish and maintain a transaction log (Exhibit III) to record all instances of delegation. Delegations are valid for no more than the specific delegation period listed in the memoranda.

EXCEPTIONS TO THIS POLICY

Any exception to this policy must be brought to the attention of the CEO for his review and approval.

MINIMUM APPROVAL REQUIREMENTS

The signature approval levels established by this policy are intended to establish minimum requirements. Approval requirements may be revised after review and concurrence by the Audit Committee and Members of the Board.

AUTHORIZATIONS NOT COVERED BY THIS POLICY

This policy addresses the levels of approval required to generally manage the ongoing needs of the business, and is not intended to replace formal policies and procedures specific to Authority processes.

RESPONSIBILITIES AND RESERVATION OF AUTHORITY

The Office of the Chief of Staff, with the Authority's executive management staff has responsibility for policy compliance and will issue guidelines and instructions, as necessary, to promote policy understanding and ensure compliance.

The Office of the Chief of Staff is responsible for assessing the Operating Authority and Policy Narrative on an annual basis, at a minimum, and for presenting recommended modifications based upon that assessment.

The Office of the Chief of Staff may add or remove titles from the Operating Levels based on Authority need, with post notification to the Members of the Board and Audit Committee of the Board.

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

Explanation of Operating Levels -- Titles Within Levels, By Operating Office and Division							
Explanation of Operating Levels -- Titles Within Levels, By Operating Office and Division	Level 1	Level 2	Level 3	Level 4	Level 5*	Level 6	Level 7 Members of the Authority
Office of Chief Executive Officer		<u>Div. Contract Management:</u> Sr. Cost Engineer	<u>Div. Contract Management:</u> Deputy Director	<u>Div. Contract Management:</u> Director	Associate Vice President	Chief Executive Officer	
Office of Chief of Staff Divisions of: Special Projects; Program Assessment and Development				<u>Div. Special Projects:</u> Senior Counsel <u>Div. PAD</u> Director	Chief of Staff		
Office of Program Operations Divisions of: Program Operations; Safety & Compliance; Program Planning; Grants Administration	<u>Div. Grants Administration:</u> Grant Analyst <u>Div. Program Operations:</u> Program Officer	<u>Div. Grants Administration:</u> Grant Specialist <u>Div. Program Operations:</u> Sr. Program Officer	<u>Div. Grants Administration:</u> Deputy Director/ Grants Specialist <u>Div. Program Operations:</u> Deputy Program Director Manager	<u>Div. Program Operations:</u> Managing Director Director, Grants Administration Program Operations Director <u>Div. Safety & Comp:</u> Program Operations Director <u>Div. Program Planning:</u> Program Director	Vice President Executive Vice President		
Office of Corporate Governance and Operations Divisions of: Chief Counsel; Human Resources; Project Services & IS; Ethics; Facilities; Communications		<u>Div. Chief Counsel:</u> Associate Counsel <u>Div. Human Resources:</u> Senior Specialist Specialist <u>Div. Facilities</u> Supervisor	<u>Div. Chief Counsel:</u> Assistant Counsel <u>Div. Human Resources:</u> Deputy Director <u>Div. Facilities:</u> Manager <u>Div. Ethics:</u> Manager <u>Div. Communications</u> Manager <u>Div. IS/IT</u> Manager	<u>Div. Chief Counsel:</u> Chief Counsel Senior Counsel <u>Div. Human Resources:</u> Director <u>Div. IS:</u> Director <u>Div. Communications:</u> Director	Vice President		
Office of the Chief Financial Officer Divisions of: Controller; Contract Management; Real Estate Services; Procurement; Risk Management & Vendor Services		<u>Div. Risk Mgmt. & Vendor Services:</u> Sr. Analyst	<u>Div. of Controller</u> Deputy Director <u>Div. Real Estate Services :</u> Senior Specialist <u>Div. Procurement:</u> Deputy Director Purchasing Specialist <u>Div. Risk Mgmt. & Vendor Services:</u> Specialist <u>Div. Financial Operations:</u> Manager	<u>Div. Controller:</u> Controller Director <u>Div. Real Estate Services:</u> Director <u>Div. Procurement:</u> Director <u>Div. Risk Mgmt. & Vendor Services:</u> Director	Chief Financial Officer & VP		

as of 2/16/2017

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

Recommendation and Approval of Authority Annual Budget, Plans, Project Charters							
Operating Scope Authority Elements Relating to Budgets & Planning	Operating Levels						
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
Approval of NJSDA Annual Operating Budget (All division and department heads are responsible for ensuring all purchases and/or commitments are within their approved annual operating budget.)							Board approval required.
Change to NJSDA Annual Operating Budget (after approval)							Board approval required.
Authority Plans (including Capital Commitment and Strategic Plans)					Recommendation of the Vice President of Program Operations	Approval of the CEO required prior to Board presentation.	Board approval required (Board notification of any change to an approved Plan required)
Planning Charter (including project overview, draft scope, need for land, funding allocation from approved capital plan(s) and anticipated substantial completion date) If needed, request for predevelopment funding and request to advertise for design consultant or negotiate with A/E firm on suspended agreements				Recommendation of the Project Team, Program Operations Director and the Capital Planning & Grants Administration Director	Recommendation of the Vice President of Program Operations	Approval of the CEO required prior to Board presentation.	Board approval required
Preliminary Project Charter (including project overview, scope, project cost estimate with project contingency and anticipated substantial completion date)				Recommendation of the Project Team, Program Operations Director and the Capital Planning & Grants Administration Director	Recommendation of the Vice President of Program Operations	Approval of the CEO required prior to Board presentation.	Board approval required
Final Project Charter (including project overview, scope, project costs based upon construction award to lowest responsive bidder) Also refer to the Contracts for Construction Services Operating Scope page 5					Recommendation of the Vice President of Program Operations	Approval of the CEO required prior to Board presentation.	Board approval required

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

Operating Scope Authority Elements Relating to Budgets & Planning	Operating Levels						
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
Revised Project Charter (at any phase)				Recommendation of the Project Team, Program Operations Director and the Capital Planning & Grants Administration Director	Recommendation of the Vice President of Program Operations for changes to project budgets	Singular approval by the CEO for changes to project budgets which singularly or in the aggregate do not exceed 10% of most recent Board-approved Project Charter estimate -or- a schedule change of any length, impacting school occupancy date	Board approval required for revisions due to/based upon a DOE modeling change, an emergent change to any ongoing project, substantial increase or decrease to student population or a scope of work change that impacts project type -or- for changes to project budgets which singularly or in the aggregate exceed 10% of the most recent Board-approved Project Charter estimate
Planning Contingency Transfer of Monies from the Planning Reserve to a specific project for design and predevelopment activities ----- Re-allocation of design contingency transferred from the Planning Reserve				Recommendation of the Program Operations Director and Capital Planning & Grants Administration Director ----- Recommendation of the Program Operations Director and Capital Planning & Grants Administration Director	Approval of the Vice President of Program Operations required prior to Board presentation ----- Allocation of funds, Vice President of Program Operations co-approval required	Approval of the CEO required prior to Board presentation -----	Board approval required for fund transfer
Program Contingency Release of Monies for unforeseen project events				Recommendation of the Program Operations Director and Capital Planning & Grants Administration Director	Recommendation of the Vice President of Program Operations	Singular approval by the CEO when the release of monies does not exceed 10% (singularly or in the aggregate) of the most recent Board-approved Project Charter estimate or final project budget	Audit Committee and Board notification required* (Please note: release of monies singularly or in the aggregate exceeding 10% of the most recent Board-approved Project Charter estimate or final project budget will require Board approval as noted in the Revised Project Charter scope of work)

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

Operating Scope Authority Elements Relating to Budgets & Planning	Operating Levels						
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
Program Contingency Release of Monies for emergent projects or emergent situations (if not delegated to a District through a grant)				Recommendation of the Program Operations Director and Capital Planning & Grants Administration Director	Recommendation of the Vice President of Program Operations	Singular approval by the CEO for the release of monies to initiate the work to begin the emergent project process and the creation of an Emergent Project Charter** ----- Singular approval by the CEO for the release of monies for an emergent project up to and including \$2,000,000-500,000***	Audit Committee notification required* Board notification required* ----- Audit Committee notification required* Board notification required* Board approval required for emergent project/situation exceeding \$2,000,000- \$500,000

Monthly Reports will be provided to the Board of Directors including:

1. Projects that are projected to exceed their Board-approved Project Charter contingency amount
2. Projects that are more than 90 days behind schedule
3. Projects indicating the possible compromise of an occupancy date, inclusive of recovery plan, as appropriate
4. All approved Change Orders during the previous month
5. All revisions to Project Charters

Quarterly Reports: will be provided to the Board of Directors regarding all active projects (i.e., those projects that are not deferred or closed-out.)

* Refer to the Professional Services, Goods and Services and/or Construction Change Order pages for Approval Levels for release of monies exceeding 10% of the most recently approved Project Charter

** For example, a Camden facade project currently estimated at \$10,000,000 - CEO could approve the contract for protective scaffolding with the balance of the work being presented in an Emergent Project Charter

*** For example, CEO approval of an emergent boiler replacement project at a school

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

Real Estate Activities For purchases of land, relocation contracts and leases							
Operating Scope Real Estate Activities	Operating Levels						
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
Approval of Land Acquisition Projects (including Site Identification, Initial Acquisition & Relocation Budgets)							Board approval required
The following is preceded by Board Approval through the Project Charter processes and review and approval by the Division of Chief Counsel, and is specific to actions from the Office of the CFO							
Execution of ancillary, closing-related documents (tenant short term lease/occupancy, relocation agreements, self move agreements, etc.) <i>Approvals from the Office of the CFO</i>			After review and approval of the Division of Chief Counsel, may singularly execute	After review and approval of the Division of Chief Counsel, may singularly execute	After review and approval of the Division of Chief Counsel, may singularly execute	After review and approval of the Division of Chief Counsel, may singularly execute	
The following is preceded by Board Approval through the Project Charter processes and review and approval by the Division of Chief Counsel, and is specific to actions from the Office of Program Operations							
Execution of non-fee conveyance documents such as Access Agreements and Utility Easements		Recommendation required	After review and approval of the Division of Chief Counsel, may singularly execute	After review and approval of the Division of Chief Counsel, may singularly execute	After review and approval of the Division of Chief Counsel, may singularly execute	After review and approval of the Division of Chief Counsel, may singularly execute	
Execution of documents that convey ownership interests (deeds)		Recommendation required			After review and approval of the Division of Chief Counsel, may singularly execute	After review and approval of the Division of Chief Counsel, may singularly execute	
Execution of documents that relate to the conveyance of real estate interests (purchase agreements, contracts and lease hold interests)		Recommendation required		After review and approval of the Division of Chief Counsel, may singularly execute	After review and approval of the Division of Chief Counsel, may singularly execute	After review and approval of the Division of Chief Counsel, may singularly execute	
Execution of term sheets		Recommendation required			After review and approval of the Division of Chief Counsel, may singularly execute	After review and approval of the Division of Chief Counsel, may singularly execute	
DEP Required Institutional Controls for recording purposes (deed notices, restrictive covenants, conservation easements, etc.)		Recommendation required	After review and approval of the Division of Chief Counsel, may singularly execute	After review and approval of the Division of Chief Counsel, may singularly execute	After review and approval of the Division of Chief Counsel, may singularly execute	After review and approval of the Division of Chief Counsel, may singularly execute	

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

Operating Scope Real Estate Activities	Operating Levels						
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
The following lease actions are preceded by Board Approval through the Preliminary Project Charter and review and approval by the Division of Chief Counsel							
Leases - Ground, Building, Swing Space, etc. Value: not exceeding \$250,000 or Term: not exceeding 1 year		Recommendation required	Recommendation required	Co-approval with Level 5 or higher	Co-approval	Co-approval	
Leases - Ground, Building, Swing Space, etc. Value: not exceeding \$1,000,000 or Term: not exceeding 3 years		Recommendation required	Recommendation required	Recommendation required	Co-approval with Level 6 required	Co-approval required	
Leases - Ground, Building, Swing Space, etc. Value: exceeding \$1,000,000 or Term: exceeding 3 years		Recommendation required	Recommendation required	Recommendation required	Recommendation required	Notification required prior to Board action	Board approval required
Exercising of lease options of Board-approved leases (extension of value and term as outlined in the original lease)				Recommendation required	Recommendation required		Board approval required
Execution of Leases			May singularly execute	May singularly execute	May singularly execute	May singularly execute	
A monthly report to the Board of Directors listing all executed leases and exercised leasing options is required.							

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

Contracts for Professional Services Consultants and/or for Goods and Services - Competitive Processes							
For the procurement and award of contracts for professional services including architectural, engineering, land surveying and other licensed/certified professionals. For the procurement and award of contracts for goods and services.							
Operating Scope Professional Services	Operating Levels						
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
	Approvals for Levels 1, 2, 3 and 4 must be staff from the Office of the Chief Financial Officer unless otherwise noted.						
(Advertisement not required) Compensation Less Than the statutory bid threshold set by the State Treasurer pursuant to N.J.S.A. 52:34-7b (\$36,000 as of 1/11/2012)			With an award that does not exceed the estimate within the most recently approved Project Charter, co-approval with Level 4 or higher	With an award that does not exceed the estimate within the most recently approved Project Charter, co-approval with Level 5 or higher	With an award amount exceeding the estimate within the most recently approved Project Charter by less than 10%, co-approval with Level 6 required	With an award amount exceeding the estimate within the most recently approved Project Charter by less than 10%, co-approval required	
Compensation Greater Than the statutory bid threshold set by the State Treasurer pursuant to N.J.S.A. 52:34-7b (\$36,000 as of 1/11/2012)					Co-approval with Level 6 for Contracts with an award amount less than \$100,000	Co-approval required for contracts less than \$100,000	Board approval required for Contracts with an award amount greater than \$100,000
For the award of any design agreement with both predevelopment and design services							Board approval required Board notification of second phase Authorization to Proceed required
Waiver of advertisement due to public exigency					With an award amount of any value, co-approval with Level 6, and with notification to the Board	Co-approval required	Board ratification required at the next subsequent meeting
Waiver of advertisement for procurement awards for professional services and/or goods and services available through existing NJ State, GSA or other Governmental Contracts				With a contract amount less than \$100,000 co-approval with Level 5 or higher	With a contract amount less than \$100,000 co-approval with Level 4 or higher ----- With a contract amount from \$100,000 to \$250,000 co-approval within Level 5 ----- With a contract amount from \$250,000 to \$500,000 co-approval with Level 6	With a contract amount less than \$100,000 co-approval with Level 4 With a contract amount less than \$500,000 co-approval with Level 5	Board approval required for contract amount greater than \$500,000
Title Insurance Appraisers				With recommendation of Program Operations Director, co-approval with Level 5 for expenses of \$50,000 or less	With recommendation of Program Operations Director, co-approval within Level 5 or with Level 6 for expenses of \$100,000 or less	Co-approval	Board approval required for expenses greater than \$100,000
Experts - Consultation with Counsel and Division of Law required							Board approval required

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

Operating Scope Professional Services	Operating Levels						
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
	Approvals for Levels 1, 2, 3 and 4 must be staff from the Office of the Chief Financial Officer unless otherwise noted.						
Goods and Services Contracts with no assigned dollar value							Board approval required.
Construction Management Contracts					Co-approval with Level 6 for Contracts with an award amount less than \$100,000	Co-approval required for contracts less than \$100,000	Board approval required for Contracts with an award amount greater than \$100,000
Sole Source Procurement - In accordance with Executive Order 37 (Corzine)							Board Approval Required
Execution of Professional Services, Goods and Services and/or Construction Management Consultant Contracts (after receipt of requisite approvals, including review by the Division of Chief Counsel)				May singularly execute contracts resulting from a competitive bidding process and approved by Level 5	May singularly execute	May singularly execute	
Termination of Professional Services, Goods and Services and/or Construction Management Consultant Contracts for cause and/or convenience				After review and approval by the Division of Chief Counsel, Director from the Office of Program Operations may co-approve the termination of Contracts/Agreements	After review and approval by the Division of Chief Counsel, the VP of Program Operations may co-approve the termination of Contracts/Agreements	After review and approval by the Division of Chief Counsel, CEO may co-approve the termination of Contracts/Agreements	Board notification required at the next subsequent Board Meeting for the termination of any Contract/Agreement (monthly report)
Delegation of Approval of Final Agency Action of Procurement Appeals and Bid Protests					VP of the Office of the CFO may singularly sign Final Agency Action after consultation with Division of Chief Counsel		
<p>The Members of the Board may request approving any contract award at the Project Charter approval stage. A monthly report to the Board of Directors listing all executed contracts for Professional Services is required. A monthly report to the Board of Directors listing all terminated Professional Services contracts and/or agreements is required. A monthly report to the Board of Directors listing all executed contracts with state, GSA and governmental agencies is required.</p>							

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

**Contracts for Construction and Construction Related Services - A Competitive Bid Process
For the procurement and award of contracts for contractors.**

Operating Scope Construction Services	Operating Levels						
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
	Approvals for Levels 1, 2, 3 and 4 must be staff from the Office of the Chief Financial Officer unless otherwise noted.						
Contracts - Construction and Construction-related Services				For Contracts with an award amount less than \$ 100,000- co-approval with Level 5 or higher	For Contracts with an award amount less than \$500,000 co-approval with Level 6	For Contracts with an award amount less than \$500,000 co-approval	Board approval required for Contracts with an award amount greater than \$500,000
Sole Source Procurement - In accordance with Executive Order 37 (Corzine)							Board Approval Required
Execution of Construction and Construction-related Services Contracts (after receipt of requisite approvals, including review by the Office of Chief Counsel)			May singularly execute contracts resulting from a competitive bidding process and approved by Level 5 or lower	May singularly execute contracts resulting from a competitive bidding process and approved by Level 5 or lower	May singularly execute	May singularly execute	
Termination of Construction and Construction-related Services Contracts for cause and/or convenience				After review and approval by the Division of Chief Counsel, recommendation required from the Office of Program Operations	After review and approval by the Division of Chief Counsel, the VP of Program Operations may co-approve the termination of Contracts/Agreements	After review and approval by the Division of Chief Counsel, CEO must co-approve the termination of Contracts/Agreements	Board notification required at the next subsequent Board Meeting for the termination of any Contract/Agreement (monthly report)
Delegation of Approval of Final Agency Action of Procurement Appeals and Bid Protests					VP of the Office of the CFO may singularly sign Final Agency Action after consultation with Division of Chief Counsel		
<p>The Members of the Board may request approving any contract award at the Project Charter approval stage. A monthly report to the Board of Directors listing all executed contracts for Construction and construction-related Services is required. A monthly report to the Board of Directors listing all terminated Construction contracts is required.</p>							

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

Purchase Orders Placed on Contracts

For purchases placed on State Contracts, GSA, Governmental Agencies, and Goods and Services Contracts previously awarded by the Authority.
All values listed in the Operating Scope are in the aggregate for a single vendor, and purchases for a specific School Facilities Project.

Operating Scope Purchase Orders	Operating Levels						
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
Contracts - FFT&E Purchase Orders valued at \$250,000 or less that do not exceed the FFT&E estimate within the most recent approved Project Charter	Co-approval with Level 3 or higher	Co-approval with Level 3 or higher	Co-approval with Level 4 or higher	Co-approval	Co-approval	Co-approval	
Contracts - FFT&E Purchase Orders valued at \$500,000 or less that do not exceed the FFT&E estimate within the most recent approved Project Charter		Co-approval with Level 4 or higher	Co-approval with Level 4 or higher	Co-approval	Co-approval	Co-approval	
Contracts - FFT&E Purchase Orders valued at greater than \$500,000 or that exceed the FFT&E estimate within the most recent approved Project Charter		Co-approval with Level 4 or higher for purchase orders that do not exceed the FFT&E estimate within the most recently approved Project Charter	Co-approval with Level 4 or higher for purchase orders that do not exceed the FFT&E estimate within the most recently approved Project Charter	Co-approval with Level 5 or higher for purchase orders that do not exceed the FFT&E estimate within the most recently approved Project Charter	Co-approval	Co-approval	Board approval for project purchase orders that singularly or in the aggregate exceed the estimate(s) within the most recently approved Project Charter

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

Miscellaneous Actions

For grants and/or Agreements offered by the Authority; Undertaking Memoranda of Agreement and/or Understanding and/or Interagency Agreement; Settlement approvals of insurance deductibles; etc.

Operating Scope Miscellaneous Contracts	Operating Levels						
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
Exercising of contract options requesting extensions to original contract term for Board-approved contracts				Recommendation required	Recommendation required		Board approval required
Task Order Contracts for consultants and/or contractors				Recommendation required	Recommendation required		Board approval required
Creation of Bidder Pools for consultants and/or contractors				Recommendation required	Recommendation required		Board approval required
Contingent approval of any agreement/contract that does not exceed 10% of the anticipated or estimated agreement/contract cost							Board approval of delegation to the CEO required
Execution of Memorandum of Agreement, Understanding and/or Interagency Agreement					May singularly execute	May singularly execute	Board approval required prior to execution
Offer of Grants to SDA Districts for Emergent Projects, Capital Maintenance, etc. (pursuant to 34, 34A regulations)			May singularly offer	May singularly offer	May singularly offer		
Offer of Funding Agreements to SDA Districts			May singularly offer	May singularly offer	May singularly offer		
Offer of Delegated Grants for Construction and/or Demolition (Pursuant to 34B)							Board approval required
Offer of Grants to Regular Operating Districts (DOE Approved)			May singularly offer	May singularly offer	May singularly offer	May singularly offer	
Execution of Grants and Funding Agreements			May singularly execute	May singularly execute	May singularly execute	May singularly execute	
District Agreements (13C Implementation Agreement)					May singularly execute	May singularly execute	

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

Operating Scope Miscellaneous Contracts	Operating Levels						
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
District Agreements (13D Maintenance Agreement)					May singularly execute	May singularly execute	
Termination of any Grant/Agreement for Cause and/or Convenience (any dollar value)					Upon the recommendation of a Vice President, review and approval of the Division of Chief Counsel required	Review and approval required	Board notification required via a monthly report
Builders Risk Claim Settlements - \$25,000 deductible	Co-approval with level 3 or higher	Co-approval with level 3 or higher	Co-approval with level 3 or higher	Co-approval	Notification to Division of Chief Counsel and Office of CFO required		
OCIP Claim Settlements - \$250,000 deductible	Co-approval with level 3 or higher for deductible amounts less than \$25,000	Co-approval with level 3 or higher for deductible amounts up to \$25,000		Co-approval with Levels 1 or 2 for deductible amounts up to \$25,000 ----- Co-approval with Level 5 or higher for deductible amounts up to \$250,000	Notification to Division of Chief Counsel and Office of CFO required Co-approval for deductible amounts up to \$250,000	Co-approval for deductible amounts up to \$250,000	
Miscellaneous Insurance Claim Settlements, including Property Damage and Bodily Injury (SDA Operations, TCU's included) - \$5,000 deductible	Co-approval with level 4 for deductible amounts up to \$5,000	Co-approval with level 4 for deductible amounts up to \$5,000	Co-approval with level 4 for deductible amounts up to \$5,000	Co-approval for deductible amounts up to \$5,000	Notification to Division of Chief Counsel and Office of CFO required		
Public Official Liability Insurance - Claim Settlements, \$100,000 Deductible				Recommendation Required	Notification to Division of Chief Counsel and Office of CFO required Co-approval	Co-approval required	Board notification of claim required
SBE Mandated Subcontractor or Subconsultant Substitution by Request of Prime Vendor Due to Catastrophic Circumstances (i.e. Bankruptcy, Severe Illness, or Death)	Recommendation Required from Contract Compliance Coordinator		Co-approval after review and approval of the Division of Chief Counsel	Co-approval after review and approval of the Division of Chief Counsel	Co-approval after review and approval of the Division of Chief Counsel		Board notification required via a monthly report
Substitution of Advertisement-required Subcontractors or Subconsultants			Co-approval after review and approval of the Division of Chief Counsel	Co-approval after review and approval of the Division of Chief Counsel	Co-approval after review and approval of the Division of Chief Counsel		

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

Operating Scope Miscellaneous Contracts	Operating Levels						
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
Substitution of Statutorily Named Subcontractors by Request of GC Due to Extraordinary Circumstances Preventing Named Subcontractor Performance			Recommendation from Program Operations Director required. Co-approval after review and approval of the Division of Chief Counsel	Recommendation from Program Operations Director required. Co-approval after review and approval of the Division of Chief Counsel	Recommendation from Program Operations Director required. Co-approval after review and approval of the Division of Chief Counsel		Board notification required via a monthly report
<p>A quarterly report to the CEO listing all Insurance Claim Settlements over \$25,000 or the deductible is required. A monthly report to the Board of Directors listing all Grant offers is required.</p>							

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

Operating Scope Expenditures	Recommendation and Approval of Invoices Related to Projects and Program Activities Relating to Projects					
	Operating Levels					
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
Approval of Real Estate Acquisition Invoicing/Check Requests Payments after Board approved Project Charter(s), Acquisition Budget(s), and accepted or negotiated offer(s)			Co-approval of check requests with Level 4 or higher for amounts of any value	Co-approval of check requests of any amount.	Co-approval of check requests of any amount.	Co-approval of check requests of any amount.
Approval of Relocation Benefit or Property Management Invoices/Check Requests, including Self Move Agreements, Passthroughs, utility payments, sewer & water & ancillary payments related to relocation & property maintenance matters. Payments after Board approved Relocation Budget(s) and accepted or negotiated offer(s)	Co-approval with level 2 or higher of requests not exceeding \$5,000	Co-approval with level 3 or higher for amounts not exceeding \$10,000	Co-approval with Level 4 or higher for amounts of any value	Co-approval of acquisition or relocation benefit check requests of any amount.	Co-approval of acquisition or relocation benefit check requests of any amount.	Co-approval of invoices of any amount
Approval of School Facilities Project and Contract Invoices - Payment authorization for Pre-Development, Construction, Post-Construction and Grants-Invoices, etc. (Excluding Design and Pre-Construction Services, Construction Management and Project Management Services, FFE, Technology, MOU/ MOA, Program Wide Contracts, etc.)		Co-approval with Level 3 (or higher) of invoices not exceeding \$500,000	Co-approval with Level 2 of invoices not exceeding \$500,000 ----- Co-approval with Level 4 (or higher) of invoices not exceeding \$750,000	Co-approval with Level 5 (or higher) of invoices of any amount	Co-approval of invoices of any amount	Co-approval of invoices of any amount
Approval of School Facilities Project Invoices related to Professional and Project Management - Services Received Pursuant to an Executed Contract Design Services (D), Construction Management (CM), Project Management Firm (PMF) CMD approval of ALL PMF invoices required			D, CM: Co-approval with Level 4 of invoices not exceeding \$100,000	D, CM: Co-approval with Level 3 of invoices not exceeding \$100,000 Co-approval with Level 5 or higher for invoices of any amount PMF: After review and approval by Contract Management Division of invoices of any value, co-approval with Level 5 of invoices of any amount	Co-approval of invoices of any amount	Co-approval of invoices of any amount
Approval of invoices related to Task Order Consultant Activity		Co-approval with Level 3 or 4 of invoices not exceeding \$75,000	Co-approval with Level 4 of invoices not exceeding \$100,000	Co-approval with Level 5 or higher for invoices of any amount	Co-approval of invoices of any amount	Co-approval of invoices of any amount

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

Operating Scope Expenditures	Recommendation and Approval of Invoices Related to Projects and Program Activities Relating to Projects					
	Operating Levels					
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
Approval of FFE and Technology School Facilities Project Invoices - Goods and/or Services Received through placement of Purchase Orders (Staff processing purchase orders MAY NOT approve invoices relating to those purchase orders)	After confirmation against Purchase Order, co-approval with Level 3 (or higher) of invoices not exceeding \$250,000	After confirmation against Purchase Order, co-approval with Level 3 (or higher) of invoices not exceeding \$250,000	Co-approval with Level 5 of invoices of any amount	Co-approval of invoices of any value	Co-approval of invoices of any amount	Co-approval of invoices of any amount
Approval of Grant Project Requisitions		Co-approval with Level 3 (or higher) of requisitions not exceeding \$500,000	Co-approval with Level 2 (or higher) of requisitions not exceeding \$500,000 ----- Co-approval with Level 4 (or higher) of requisitions not exceeding \$750,000	Co-approval with Level 5 (or higher) of requisitions of any amount	Co-approval required for requisitions greater than \$750,000	Co-approval of requisitions of any amount
Approval of Invoices - Services Received under Program Wide or MOU/MOA agreements/contracts or other miscellaneous executed contracts	Recommendation required if managing an engagement	Recommendation required if managing an engagement	Recommendation required if managing an engagement ----- Co-approval with Level 4 of invoices not exceeding \$250,000	Recommendation required if managing an engagement ----- Co-approval with Level 5 of invoices of any amount	Co-approval of invoices of any amount	Co-approval of invoices of any amount
Approval of Miscellaneous School Facilities Project Invoices - Services Received Without Formal Executed Contracts - Bond Issuance Costs, Utility Bills, Utility Connections, Utility Relocations, Printing and Advertisement, Real Estate taxes, Permit Fees, etc.	Co-approval of invoices not exceeding \$5,000 with Level 2 (or higher)	Co-approval of invoices not exceeding \$10,000 with Level 3 (or higher)	Co-approval of invoices not exceeding \$25,000 with Level 4 (or higher)	Co-approval of invoices not exceeding \$50,000 with Level 5 (or higher)	Co-approval of invoices of any amount	Co-approval of invoices of any amount
Payment Requisition Approval (Payments Completed by Disbursement Agent)			Co-approval of any requisition prepared/signed by an Accounts Payable staff person	Co-approval of any requisition prepared/signed by an Accounts Payable staff person	Co-approval of any requisition prepared/signed by an Accounts Payable staff person	

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

Authority Operations

Includes Annual Operating Budget Processes: Payment Operations, Purchases for Operations, etc.

(All checks issued by New Jersey Schools Development Authority require two signatures from approved parties. Signature approval is based upon Level 6 determination.)

Operating Scope Authority Operations	Operating Levels						
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
	For Operating Scopes relating to Procurement/Purchasing and Equipment Leasing, approval Levels 1 and 2 must be staff from the Office of Corporate Governance & Operations.						
Commitment of Funds - Procurement of Goods and Services for Operational Needs Under Existing NJ State, GSA, or other Governmental Contracts (With Process Approval from Sr. Director, Office of the CFO)		Co-approval with Level 3 for Purchase Orders/Contracts less than \$50,000	Co-approval with Level 2 for Purchase Orders/Contracts less than \$50,000	With a contract amount less than \$1,500,000 \$100,000 co-approval with Level 5 or higher	With a contract amount less than \$100,000 co-approval with Level 4 or higher ----- With a contract amount from \$100,000 to \$250,000 co-approval within Level 5 ----- With a contract amount from \$250,000 to \$500,000 co-approval with Level 6	With a contract amount less than \$100,000 co-approval with Level 4 With a contract amount less than \$500,000 co-approval with Level 5	Board approval required for contract amount greater than \$500,000
Commitment of Funds - Execution of Purchase Orders and/or Procurement of Goods and Services for Operational Use (With Process Approval from Sr. Director, Office of the CFO)		Co-approval with Level 3 or higher for Purchase Orders up to \$50,000	Co-approval with Level 2 for Purchase Orders up to \$50,000 ----- Co-approval for with Level 4 for Contracts not exceeding \$250,000	Co-approval with Director from the Office of the CG&C for Contracts less than \$250,000	Co-approval with Level 6 for Contracts not exceeding \$500,000	Co-approval not exceeding \$500,000	Board approval required for contract amount greater than \$500,000
Commitment of Funds - Leases NJSDA Leases of Equipment, Software, etc. (NJSDA is Lessee)		Co-approval with Level 3 or higher for Leases up to \$50,000	Co-approval with Level 2 for Purchase Orders up to \$50,000 ----- Co-approval for with Level 4 for Contracts not exceeding \$250,000	Co-approval with Director from the Office of the CG&C for Contracts less than \$250,000	Co-approval with Level 6 for Contracts not exceeding \$500,000	Co-approval not exceeding \$500,000	Board approval required for contract amount greater than \$500,000
Commitment of Funds - NJSDA Operating Facilities Leases							Board approval required
Approval of Goods and Services Invoices and NJSDA Check Requests Pursuant to an Executed Contract or Purchase Order	Co-approval up to \$5,000	Co-approval up to \$10,000	Co-approval up to \$50,000 with Level 4 or higher	Co-approval up to \$250,000 with Level 5 or higher	Co-approval of invoices of any amount	Co-approval of invoices of any amount	
Approval of Goods and Services Invoices and NJSDA Check Requests Without an Executed Contract or Purchase Order (Utility bills, etc.)			Co-approval with Level 4 or higher for amounts up to \$10,000	Co-approval with Level 5 up to \$25,000	Co-approval with Level 6 up to \$50,000	Co-approval up to \$50,000	

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

Operating Scope Authority Operations	Operating Levels						
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
	For Operating Scopes relating to Procurement/Purchasing and Equipment Leasing, approval Levels 1 and 2 must be staff from the Office of Corporate Governance & Operations.						
Approval of Invoices and NJSDA Check Requests for goods and services related to Administrative Personnel Functions (help wanted ads, employee parking costs, long term disability payments, medical and dental premiums and claims, wage garnishments, pass through disbursements of charitable contributions, etc.)	Co-approval with Level 3 up to \$25,000	Co-approval with Level 3 up to \$25,000	Co-approval with Level 1 or 2 for amounts up to \$25,000 Co-approval with Level 5 or 6 for non-discretionary invoice amounts up to \$500,000	Co-approval with Level 1, 2 or 3 for amounts up to \$25,000 Co-approval with Level 5 or Level 6 for non-discretionary invoice amounts up to \$325,000-\$500,000	Level 5 and Level 6 co-approval for discretionary invoice amounts greater than \$25,000 ----- Level 5 co-approval with level 3 for non-discretionary invoice amounts up to \$500,000 ----- Co-approval with Level 6 for non-discretionary invoices of any amount	Level 5 and 6 co-approval for discretionary invoice amounts greater than \$25,000 ----- Level 6 co-approval with level 3 for non-discretionary invoice amounts up to \$500,000 ----- Co-approval with Level 5 for non-discretionary invoices of any amount	
Approval of Employee Expense Report Reimbursements (Approvals may be obtained from succeeding higher Levels based upon supervisor availability)			After employee certification, singular approval of direct reports' expenses less than \$100	After employee certification, singular approval of direct reports' expenses less than \$250	After employee certification, singular approval of expenses. Singular approval of all other colleagues expenses in Level 5 Singular approval of Level 6 expenses up to \$500	Singular approval of expenses	Chairman of the Board singular approval of Level 6 expenses greater than \$500
Approval of Check Requests for Employee Seminar/Event Attendance, Purchase of Subscriptions/Publications and/or Membership/Licensing fees after verification of inclusion in the Annual Operating Budget and necessary Department of Human Resources' approvals (Approvals may be obtained from succeeding higher Levels based upon supervisor availability)				Co-approval of direct reports' requests	Co-approval of direct reports' requests	Co-approval of requests	
Authorization for Check Signing and Fund Transfers	<i>All checks and transfer of fund actions require the signature from two approved parties. Designation of individuals for approval is based upon Level 6 determination.*</i>						

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

Operating Scope Authority Operations	Operating Levels						
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
	For Operating Scopes relating to Procurement/Purchasing and Equipment Leasing, approval Levels 1 and 2 must be staff from the Office of Corporate Governance & Operations.						
Approval of Sale, Trade or Disposal of Schools Facility Project and/or Operational Assets <i>CFO notification required</i>			Co-approval with Level 4 or higher of assets with an estimated fair market value of up to \$25,000 CFO notification required	Co-approval with Level 5 of assets with an estimated fair market value of up to \$100,000 CFO notification required	Co-approval with Level 5 or 6 of assets with an estimated fair market value of up to \$250,000 CFO notification required	Co-approval of assets with an estimated fair market value of up to \$500,000 CFO notification required	Board approval required for transactions with an estimated fair market value exceeding \$500,000
* Currently, the Level 6 has defined co-approval with one signatory being VP or Level 6 Level. Upon the recommendation of the CFO, second signatory is a Senior Director/Managing Director.							

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

Change Orders/Construction Change Orders
Notification to the Cost Recovery Operating Unit is required for Change Order requests over \$75,000
Contract Management Division approval is required for Change Order requests over \$75,000
Contract Management Division approval is required for any Change Order impacting schedule
Note: Project Budget Manager of each Project Team *must* verify the availability of funds prior to the construction change recommendation

Operating Scope Change Orders	Operating Levels						
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
	Contract Management Division must approve any change order greater than \$75,000. CEO notification is required for any time extension exceeding 30 days, or any time extension impacting school occupancy date.						
EMERGENT PROJECT, SDA-managed: Change Order which singularly does not exceed the lesser of \$250,000 or 10% of the contract value		Not exceeding \$10,000: Co-approval with Level 3 or 4	Not exceeding \$25,000: Co-approval with Level 4	Co-approval with Level 5 or 6	Co-approval	Co-approval	Board approval required for any change order which singularly exceeds \$250,000 or 10% of the contract value Delegation of approval to the CEO for values less than \$10,000
Credit Change Order - all projects		Which singularly does not exceed \$25,000 or 10% of the contract value, co-approval with Level 3 or 4	Which singularly does not exceed \$75,000 or 10% of the contract value, co-approval with Level 4	Which singularly does not exceed \$500,000 or 10% of the contract value, co-approval with Level 5 or Level 6	Co-approval	Co-approval	Board approval required for any credit change order which singularly exceeds \$500,000 or 10% of the contract value Delegation of approval to the CEO for credit values that do not exceed \$100,000
De-obligation of funds due to unspent or underspent allowance provisions				Co-approval with Level 5 or 6	Co-approval with Level 4 or 6	Co-approval	
Change Order which singularly does not exceed \$25,000		Co-approval with Level 3 or 4	Co-approval	Co-approval	Co-approval	Co-approval	
Change Order which singularly does not exceed \$150,000 CMD review and approval required for requests exceeding \$75,000		Recommendation required	Co-approval with Level 4	Co-approval	Co-approval	Co-approval	
Change Order which singularly does not exceed \$250,000 CMD review and approval required for requests exceeding \$75,000		Recommendation required	Co-approval with Level 4- 5 required	Co-approval with Level 5 required	Co-approval required	Co-approval	
Change Order which singularly does not exceed the lesser of \$500,000 or 10% of the contract value CMD review and approval required for requests exceeding \$75,000		Recommendation required	Recommendation required	Recommendation required	VP of Program Operations co-approval with Level 6 required	Co-approval required	

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

Change Orders/Construction Change Orders
Notification to the Cost Recovery Operating Unit is required for Change Order requests over \$75,000
Contract Management Division approval is required for Change Order requests over \$75,000
Contract Management Division approval is required for any Change Order impacting schedule
Note: Project Budget Manager of each Project Team *must* verify the availability of funds prior to the construction change recommendation

Operating Scope Change Orders	Operating Levels						
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
Change Order which singularly exceeds \$500,000 <u>or</u> singularly or in aggregate is greater than 10% of the contract value CMD review and approval required for requests exceeding \$75,000			After review and approval by the Contract Management Department, recommendation required	After review and approval by the Contract Management Department, recommendation required	After review and approval by the Contract Management Department, recommendation required		Board approval required
Any change order valued at less than \$10,000 yet requiring Board Approval							Delegation to the CEO, monthly report required
Any change order impacting schedule Inter-divisional approval required from CMD/Program Operations				After review and approval by the Contract Management Department, co-approval by Program Operations Director required	After review and approval by the Contract Management Department, co-approval required	CEO notification required	
The first time a Change Order which singularly or in the aggregate exceeds 60% of the construction contingency in the most recently approved project charter (one time event) ----- For projects designated as "Emergent" The first time a Change Order which singularly or in the aggregate exceeds 60% of the construction contingency in the most recently approved project charter (one time event)				Project Review and recommendation required ----- Project Review required Co-approval with Level 5 required	VP of Program Operations co-approval with Level 6 required ----- Co-approval required	Co-approval required ----- Co-approval	
Change Order which singularly or in the aggregate exceeds: - Board-approved Project Charter contingency - CEO-approved additional contingency	After review and approval by the Contract Management Department, recommendation required	After review and approval by the Contract Management Department, recommendation required	After review and approval by the Contract Management Department, recommendation required				Board approval required

Operating Levels - any given lowest required level is expected to seek co-approval from the supervisory level of that position. Lower levels shall have approved actions prior to seeking required level approvals.

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

Change Orders/Construction Change Orders
Notification to the Cost Recovery Operating Unit is required for Change Order requests over \$75,000
 Contract Management Division approval is required for Change Order requests over\$75,000
 Contract Management Division approval is required for any Change Order impacting schedule
Note: Project Budget Manager of each Project Team *must* verify the availability of funds prior to the construction change recommendation

Operating Scope Change Orders	Operating Levels						Level 7
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	

Monthly Reports will be provided to the Board of Directors including:
 1. Projects that are projected to exceed their Board-approved Project Charter contingency amount
 2. Projects indicating the possible compromise of an occupancy date, inclusive of recovery plan, as appropriate
 3. All approved Change Orders during the previous month.

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

Amendments to Real Estate Services Contracts							
	Operating Levels						
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
Operating Scope Amendments to Real Estate Services Contracts							
Change Order/Amendment which singularly does not exceed \$25,000		Recommendation required	Co-approval with Level 4 or from succeeding higher	Co-approval	Co-approval	Co-approval	Monthly report on activity required
Change Order/Amendment which singularly does not exceed \$150,000		Recommendation required	Co-approval with Level 5 required	Co-approval with Level 5 required	Co-approval	Co-approval	Monthly report on activity required
Change Order/Amendment which singularly does not exceed the lesser of \$250,000 or 10% of the contract value			Recommendation required	Recommendation required	Co-approval required	Co-approval required	Monthly report on activity required
Change Order/Amendment which exceeds \$250,000 or 10% of the contract value			Recommendation required	Recommendation required	Recommendation required		Board approval required
Impact on Real Estate Relocation Budget			Recommendation required	Recommendation required	Recommendation required		Board approval required
Operating Levels - any given lowest required level is expected to seek co-approval from the supervisory level of that position. Lower levels shall have approved actions prior to seeking required level approvals.							

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

**Amendments to Professional Services, Project Management or Construction Management Firm Contracts
Division of Contract Management Department shall approve *all* amendments**

Operating Scope Amendments Review and approval from the Division of Contract Management Required	Operating Levels						
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
Credit Amendment		Which singularly does not exceed \$25,000 or 10% of the contract value, co-approval with Level 3 or 4	Which singularly does not exceed \$75,000 or 10% of the contract value, co-approval with Level 4	Which singularly does not exceed \$100,000 or 10% of the contract value, co-approval with Level 5 or Level 6	Co-approval	Co-approval	Board approval required for any credit amendment which singularly exceeds \$100,000 or 10% of the contract value Delegation of approval to the CEO for credit values that do not exceed \$100,000
De-obligation of funds due to unspent or underspent allowance provisions				Co-approval with Level 5 or 6	Co-approval with Level 4 or 6	Co-approval	
Amendment -which singularly does not exceed \$25,000			Co-approval with Level 4	Co-approval	Co-approval	Co-approval	
Amendment -which singularly does not exceed \$75,000			Recommendation required	Recommendation required	Co-approval	Co-approval	
Amendment which singularly does not exceed \$100,000 or 10% of the contract vlaue				Recommendation required	Co-approval with Level 6 required	Co-approval required	
Amendment -which exceeds \$100,000 or 10% of the contract value				Recommendation required	With advice from Division of Chief Counsel, recommendation required by the Vice President of Program Operations		Board approval required
Operating Levels - any given lowest required level is expected to seek co-approval from the supervisory level of that position. Lower levels shall have approved actions prior to seeking required level approvals.							

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

Amendments to Goods and Services Contracts, including "Program Wide" Contracts for both Schools Facilities Projects and Authority Operational Contracts including Memorandum of Agreement. **The Office of the Chief Financial Officer must be notified of every Change Order/Amendment prior to approval.**

	Operating Levels						
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
Operating Scope Amendments to Any Goods and Services Contracts							
Amendment which singularly does not exceed \$50,000				Co-approval with Level 5 or higher and with notification to the Audit Committee and Board of Directors	Co-approval with any Level	Co-approval with any Level	
Amendment which singularly does not exceed the lesser of \$100,000 or 10% of the contract value					Co-approval with Level 6 required	Co-approval required	
Amendment which exceeds \$100,000 or 10% of the contract value				Recommendation required	Recommendation required		Board approval required with recommendation from the Board's Audit Committee
Monthly report to the Board of Directors on Goods & Services Change Order/Amendment activity required.							
*SDA contracts provide for a Program Manager, the NJSDA staff member(s) designated to manage the Consultant's performance of Services. Operating Levels - any given lowest required level is expected to seek co-approval from the supervisory level of that position. Lower levels shall have approved actions prior to seeking required level approvals. Supervisory co-approval should be given within 24 hours of receipt of action item. The Office of the Chief Financial Officer must be notified of every Change Order/Amendment prior to approval.							

**New Jersey Schools Development Authority
OPERATING AUTHORITY BY LEVEL**

Amendments to all executed Grants Contract Management Department shall approve <i>all</i> amendments							
Operating Scope Amendments	Operating Levels						
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
Approvals for Levels 1, 2, 3 and 4 must be staff from the Office of Program Operations							
Grant project amendment or a credit amendment which singularly does not exceed \$250,000, or singularly or in the aggregate does not exceed 5% of the revised base grant amount (Pursuant to 34B)			Co-approval with level 5	Co-approval with level 5	Co-approval	Co-approval	
Grant project amendment or a credit amendment which exceeds \$250,000, or singularly or in the aggregate exceeds 5% of the revised base grant amount (Pursuant to 34B)							Board Approval Required
EMERGENT PROJECT, Grant: Any Change Order impacting a delegated Emergent Project				Co-approval	Co-approval	Co-approval	Board Approval Required for grant amendments which exceed 10% of the grant value Delegation of approval to the CEO for values less than \$10,000
Change Orders to Capital Maintenance Grants (13A)		Co-approval with level 4	Co-approval with level 4	Co-approval	Co-approval		
Operating Levels - any given lowest required level is expected to seek co-approval from the supervisory level of that position. Lower levels shall have approved actions prior to seeking required level approvals.							