

August 2003 Monthly Report

Introduction

The month of August marked the transition into another school year and strong activities to ensure that schools opened on time. Among other activities, the SCC worked diligently to complete health and safety repairs in Abbott districts. August also saw notices to proceed issued for 11 schools totaling just under \$189 million. 50 grants were also executed within 23 districts that receive less than 55% of their funding in state aid. The state share of these projects is anticipated to be worth \$169,821,587, representing direct property tax relief.

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1. **Governor McGreevey Marks the Groundbreaking For Paterson's New Roberto Clemente School**



Governor James E. McGreevey, state, city and school officials held a ceremony to break ground on the new Roberto Clemente School in Paterson. The groundbreaking is the result of a \$32 million dollar investment from New Jersey's Schools Construction Program, and will support the creation of a brand new school.

The new kindergarten through eighth grade school will be an 113,000-square-foot facility. The

two-story building, featuring space dedicated to the community, will include 33 classrooms and 8 small group instruction rooms. It will also have a large state-of-the-art media center and library, along with a full size gymnasium with stands, 2 science rooms, a technical education room, computer lab, life science skills room, 2 speech rooms, a music room with individual practice rooms adjacent to the stage and 2 dedicated "Community Rooms."

It will replace the old Roberto Clemente Elementary School and Public School #11. The project is situated on a lot that has been empty since 1974. The site encompasses an entire 3.6-acre city block and was the previous home of the Paterson General Hospital. The new Roberto Clemente Elementary School is expected to serve 710 children and open in January of 2005.

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II. Newark Regional Office Opens



Also in August, State, city and local officials joined the SCC to mark the opening of the Newark regional office.

Located at 375 McCarter Highway, this facility is the second of three satellite offices SCC expects to open this year. SCC plans to strategically site its regional offices in areas where the bulk of the work will be done. The Newark City office sits in the heart of the city's redevelopment area and is well placed to ensure individual school districts are better served.

The Newark office will serve the cities of Newark, East Orange and Orange. It will house SCC, the New Jersey Department of Community Affairs and the New Jersey Department of Education staff. Individuals who staff each office will be responsible for project management, design and construction review and oversight, affirmative action, land acquisition and feasibility assessments, property management, district communications and outreach.



Assemblyman Bill Payne 29th Legislative District

The offices will not only provide a base of operations for SCC staff and other representatives assigned to projects in the region, they also will serve to receive bids and accommodate design presentation by architectural, engineering and construction management firms.

The regional offices are expected to help SCC facilitate community involvement and accelerate the time it takes to move a school construction project forward.

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III. **Construction Update** **Construction Starts**

The SCC awarded 7 construction packages in 5 districts during the month of August for combined construction bid amounts totaling \$188,944,427. These awards will affect 11 schools in various districts including: Long Branch Middle School - \$50,739,000, Jersey City PS #3 and MS #4 - \$62,744,000, additions to Neptune High School - \$46,894,000. A full list is attached as [Exhibit A](#).

An award in Jersey City, encompassing 2 schools, the PS #3 Elementary School and MS #4 Middle School was approved. The Terminal Construction Corporation was awarded a contract for construction services and general construction work for this project, which is project to cost \$62,744,000. PS #3 is designed to be an 116,000-square-foot facility, with an anticipated to enroll of 550 students. MS #4 is expected to serve 775 students in a 166,000-square-foot school. The project will be built on a shared campus site, allowing Directors of the Corporation for economies of scale to be realized by having one contractor responsible for both projects. This is one of the largest projects awarded to date by the SCC.

In the Long Branch School District, a project that is expected to cost \$50,739,000 was also approved. Skanska USA Building, Inc. was awarded the contract for construction services for general construction work. The new 246,000-square-foot school will be built on the same site as the Long Branch High School and an existing middle school. It is designed to serve 1,200 students.

Neptune School District; received a contract awarded for construction of a high school, which is expected to cost \$46,894,000. The project consists of renovating the existing 132,000-square-foot facility and construction of an additional 150,000 square feet. It is projected to serve 1,146 students. Torcon, Inc. was awarded the contract for construction services for general construction.

As of August 29, 2003, the SCC has entered into 333 construction contracts that total \$938,779,264.

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IV. **Contractor Procurement**

The SCC advertised 12 construction packages for 8 school districts in the month of August, which will impact 12 schools. A full list of the construction advertisements for August is attached as [Exhibit B](#).

Design bids were sought for 7 schools in 7 districts in August as well. The list of those advertisements is attached as [Exhibit C](#).

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V. **Design Update**

Passaic School District, design contracts for 2 new schools that totaled \$4,120,000. The firm of Edwards and Kelcey was awarded a professional services contract for design and construction administration. The New Dayton Middle has a construction cost estimate of \$32,400,000 and is expected to serve 1,200. The New Henry Howe Elementary School is

projected to serve 963 students and has a construction cost estimate of \$20,000,000.

As of August 29, 2003, the SCC has entered into 175 design contracts with a total value of \$149,299,806, as well as assumed an additional 67 architectural assignments that totaled \$78,611,133.

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VI. **Predevelopment & Land Acquisition**

As of August 29, 2003, the SCC has entered into 262 site acquisition contracts for appraisals, site evaluations, environmental investigations, title services and actual acquisitions totaling \$64,147,004.

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VII. **Office of Diversity**

The SCC's Office of Diversity and Emerging Business Markets distributed its third issue of the *Diversity Digest*. The publication serves to outline programs that are available through that office, as well as provide specific program updates, contact information and scheduled activities. It is distributed via e-mail and hardcopy, and is available as well on the SCC's website, www.njscc.com.

At its regular monthly meeting on August 27th, SCC rolled out two new initiatives to increase the participation of small business contractors in school construction projects. The new programs are designed to increase awareness and provide technical assistance. The SCC worked with the Governor's office, legislators, the construction industry and other state agencies, including the Department of Treasury and the Commerce and Economic Growth Commission, to make these initiatives a reality.

The Surety Bond and Working Capital Assistance Program is designed to enhance the ability of small, women-owned and minority-owned firms to compete for school construction contracts. The bonding services entail providing bonding to contractors through six surety firms, assistance in marketing the program to small, women-owned and minority-owned firms that could take advantage of this help, mentoring clients through the bonding process, providing business assessment services including such items as net worth evaluation and cash flow analysis, and partnering with the NJ Small Business Development Centers (NJSBDC). The working capital aspect involves assisting contractors who are bonded under the program in obtaining working capital. These contractors will be provided with access to underwriting services through public and private sources.

At the SCC Board of Directors meeting, Surety Bonding Associates was awarded a 3-year contract for \$349,500 per year for a total not to exceed \$1,048,500 to perform these services. The program calls for measurable goals for firms to not only participate in the program, but also successfully qualify for bonds and loans, and bid on projects.

The SCC's Board of Directors also approved a contract for a Marketing and Outreach Program that will focus on small, women-owned and minority-owned firms in an effort to make them more aware of the resources available to them and the scheduled work that will be put out for bid. Another aspect of this initiative involves reaching out to minority members of communities where school projects are planned, in order to ensure that they are more fully aware of and involved in the planning and construction of school projects in their communities. IRODZ Associates / C3 Strategies was awarded a 3-year contract for implementing this program, at an annual rate of \$500,000, with total amount not to exceed \$1,500,000.

These programs address fundamental barriers that firms have historically encountered in accessing the bonding and lending resources needed to compete for and complete construction projects. The SCC believes the Surety Bond and Working Capital Assistance Program is the first of its kind in the country to be implemented on a statewide basis.

These efforts augment an active program put forth by the SCC's Office of Diversity and Emerging Business Markets. That office has outreach efforts in place to bring firms into the school construction process, and get firms prequalified to bid on work. The bonding and working capital initiative is the next step in the process to help firms get the resources they need to be successful in not only school construction, but also the building industry in general. It will also enhance existing efforts for mentoring and training. The Office of Diversity and Emerging Business Markets is focused on helping small, women-owned and minority-owned firms grow and become viable in the overall construction industry.

The Office of Diversity helped celebrate the graduation of students from the SCC Workforce Pre-Apprenticeship Training Programs in Camden and Newark. Nearly 50 residents of the City of Camden and 30 Newark residents graduated from the SCC Construction Trades Training program for Women and Minorities. The Camden program is managed by the American Community Partnerships (ACP) and in Newark delivered by the NJ Institute for Social Justice (NJISJ).

The Construction Trades Training Program is funded by SCC through the NJ Department of Labor and implemented by the SCC Office of Diversity and Emerging Business Markets. The 13-week courses provided general construction and job readiness skills and case management services to men and women of all ages. The program is designed to help prepare graduates to take an apprentice examination for acceptance into union apprenticeship programs as they become available.

Mayor Douglas Palmer was on hand with several dozen small business contractors for a kick-off event in Trenton to mark the start of SCC's 8-week Small Contractors Training Program for the western region. Free classes to help small businesses gain the marketing and back office expertise needed to grow their businesses will be held at the College of New Jersey in Trenton. Classroom instruction will include such topics as cost estimating, bonding, insurance, and scheduling. This initiative was conceived by the SCC Office of Diversity and Emerging Business Markets to help foster strong and viable small businesses enterprises for the school construction program.

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VIII. **School District Grants**

The SCC executed 50 Section 15 grants with 23 districts that receive less than 55% of their funding in state aid. The total project costs for these grants are expected to be \$169,821,587, with a state share anticipated to be worth \$97,732,742 of that total. This represents direct property tax relief in 15 counties for the month of August alone.

Several districts received multiple grant awards in August. Edison Township School District in Middlesex County received 10 grants for projects at schools in their district. The total projects costs are expected to be \$2,084,404, with a state share of \$833,761. The Readington Township School District in Hunterdon County will receive \$7,349,795 in state funding toward 3 projects, worth \$27,554,711. The Matawan-Aberdeen Regional School District in Monmouth County received grants for 5 schools with total project costs of \$36,921,463, of which the state will pay \$10,907,167.

As of August 29, 2003, the SCC has executed 1,033 Section 15 grant agreements with districts that receive less than 55% of their budget in state aid for total project amounts of \$3,891,172,095, for which the state share totaled \$1,198,836,569.

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IX. **Conferences/Presentations**

Project Labor Agreement Workshop, 08/01/2003, Asbury Park, NJ

"Bridging the Gap Through Effective Teambuilding", 08/06/2003, Deptford, NJ

AFL-CIO Southern NJ Central Labor Council 109th Annual Peter J. McGuire Labor Day
Observance, 08/29/2003, Camden, NJ

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Prepared by George Strachan, September 24, 2003