

December 2002 Monthly Report

Introduction

December marked another highly productive month for activities by the School Construction Corporation. The SCC's 2003 Budget was approved, as well as revised regulations for predevelopment activities, and a policy for Project Labor Agreements. Health and safety construction work continued and new projects were initiated, as the overall SCC program begins to see new construction start to come on-line more readily.

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I. 2003 Budget

The Board of Directors approved the SCC's 2003 budget as submitted by the Audit Committee. The proposed \$40 million 2003 proposed budget reflects the magnitude of increased activities in the year ahead. Paid for by state bonds, this budget is less than ½ of 1% of the total \$8.6 billion program.

The SCC staff is projected to rise over the next year in order to accommodate the increased workload of new construction projects that are slated to come on line. The increased staff will provide the critical attention that is needed to build and renovate New Jersey's public schools safely, quickly and in the most cost effective manner. Staff will be added to Design and Construction, as well as Procurement and Contract Administration Divisions to not only accommodate the upswing in production, but also facilitate it. The new hires will manage the delivery process between the top of the SCC organizational chart to the field and vice versa, so that time frames are met and schools are delivered safely and a cost effectively.

The budget also reflects the fact that field offices are scheduled to be opened in Newark, Jersey City, and Paterson, where the construction and spending activities can be monitored more quickly and closely. These sites were chosen because they represent the bulk of the work that is to take place in the coming year. Also, mirroring private industry practices, these field offices will significantly eliminate inefficient staff travel while maintaining coordination with a closer proximity to job sites.

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II. Streamlining Development

Over the course of the last several months, the SCC has worked to streamline its procedures and regulations for procurement in accordance with the Governor's Executive Order #24. Several systems have been modified in this matter and the last of these is how pre-development activities will take place. These are activities that include: site analysis, land acquisition, site remediation and/or development design work and obtaining temporary classroom units.

Outside of construction itself, site identification, analysis and acquisition has been the most time consuming aspect of the school construction process. In an effort to better serve districts and act more expeditiously, districts are now given wider latitude in undertaking these activities themselves. Up until this point, when the SCC was handling the procurement of these activities, the typical scenario was one where the district would first submit a predevelopment application to the Department of Education (DOE). Moving forward, the district will continue to submit site to be evaluated to the DOE, but once they are forwarded to the SCC, the district and the SCC will go through a task list to determine which party can best do each specific activity. The district can then procure an architectural/engineering (A/E) firm to do such things as: a feasibility study, property boundary and topographic survey, wetland investigation, preliminary environmental assessment, environmental site investigation, geotechnical investigation, and site utilization plan. The district can also assume the responsibility for title work and appraisals.

The EFCFA allows for districts to receive grants for up to \$500,000 for activities delegated to school districts to carry out. Now local districts are empowered to not only do it themselves with a grant from the State, but also swiftly apply local knowledge and resources about potential sites. The process preserves SCC oversight so that each district is held to a consistent and high standard of due diligence.

Another time saving initiative comes in overlapping processes so that the entire timetable for delivering a school can be compressed. The necessary tasks to perform due diligence and complete a single acquisition of land were previously scheduled one after another and were charted by months. With addressing the same tasks concurrently and allowing the design professionals to work simultaneously while the land acquisition takes place, the entire process is now charted in weeks. There are checks built into both work schedules to keep them coordinated and therefore efficiently on track. This is consistent with private sector practice and thus better reflects cost savings realized by businesses.

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III. **Project Labor Agreements**

The Board of Directors approved a policy for applying Project Labor Agreements (PLA's) to projects that are managed by the SCC. The policy was developed in pursuant to the Governor's Executive Order #1 and after outreach to focus groups with a diverse of cross section of contractors, labor unions, training providers and interested parties throughout the state.

Projects and bid packages that exceed \$5 million can require successful bidders and their subcontractors to be signatories to a PLA. The purpose of the document is to create uniformity in working conditions and hiring practices in order to promote labor harmony and avoid work stoppages and thus create efficiencies. The PLA policy also calls for local workforce development initiatives, setting a baseline for the hiring of local apprentices and apprentice equivalents. A Labor Management Committee is to be set up to evaluate the process as it moves forward and make recommendations accordingly. The committee is to have representation from the SCC, a Project Management Firm (PMF), labor unions and various community groups and will report directly to the CEO.

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IV. **Construction Update**

o *Construction Starts*

There were thirty-two (32) notices to proceed issued for projects with construction cost estimates totaling \$85,108,134.

One example of construction underway is at the new Main Street Elementary School in the City of Orange. SCC joined elected officials and members of the community for a groundbreaking to kick off construction of the new facility.

The new elementary school, financed by the State of New Jersey and constructed by

the New Jersey Schools Construction Corporation (SCC), will serve 625 students K-8th grade. The 123,768 square foot facility was designed with a construction cost estimate of \$17.8 million. The facility will include 26 classrooms, 4 special education classrooms, administration offices, gymnasium, cafeteria, 2 media centers, 4 small group instruction classrooms, 2 computer classroom labs, technology lab, science lab, art room and music/choral rooms. This new school facility will be located next to the existing Central Elementary School. The two facilities will be linked together by a single corridor and will share space. Central Elementary School will share Main Street's new cafeteria, and Main Street will share Central Elementary School's impressive auditorium.

- o *Contractor Procurement*

In the month of December, seven (7) projects were advertised for nine (9) schools in five (5) school districts. The packages included health and safety work in the Paterson, Pemberton and Long Branch School districts. General contracting services for an addition were sought for Buena and a solicitation utility relocation work in Jersey City also went out.

As of December 31, 2002, the SCC has engaged in one hundred eleven (111) contracts for health and safety design work at three hundred fifty-two (352) schools in the of \$52,067,783. There has also been \$447,562,438 obligated for two hundred three (203) contracts at two hundred ninety-four (294) schools.

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V. **Construction Contracts**

Health and safety work continues at a vigorous pace all over the state. In the month of December, numerous districts commenced new projects. The Paterson School District began work on four (4) elementary schools with a package totaling \$3,639,000 for masonry restoration, door and hardware replacement, roof repairs, electrical upgrades and emergency lighting. The Irvington School District initiated two (2) separate projects for the Florence Avenue School and Irvington High School totaling \$25,892,884 for among other items, masonry repairs, fire detection upgrades and door replacement. A comprehensive list of projects is attached as [Exhibit "A"](#) with contract award amounts and a description of the specific work to take place.

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VI. **Land Acquisition**

In December the SCC received transmittals on six (6) new projects. Those projects included the Most Holy Name School in Garfield, the Ann Street Elementary School in Newark, and PS 6 Elementary School in West New York. There were three (3) transmittals for Passaic including a new middle school, the First Street Elementary School and the, Central Avenue Elementary School.

In the same period, the SCC acquired properties for two (2) projects. Sites were finalized for ECC #44 in Elizabeth and the Phillipsburg High School. The SCC is currently actively involved in acquiring property for twenty (24) school districts for sixty-one (61) projects.

As of December 31, 2002, the SCC has executed one hundred one (101) site acquisition contracts totaling over \$20,425,082 for such activities as site feasibility studies, appraisals, environmental investigations and title services.

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VII. **Affirmative Action**

The staff from the Office of Diversity and Emerging Markets met with NJ Commerce Secretary Rev. Dr. William Watley and the State Director and representatives of the NJ Small Business Development Center (NJSBDC) in an effort to coordinate efforts to assist contractors in

becoming prequalified to bid on school construction work. The SCC has a memorandum of understanding in place with the NJSBDC to promote and aid the prequalification process at numerous locations around the state. The representatives from the NJSBDC will work one-on-one with each participating contractor to determine their eligibility for the program and then complete and file the required prequalification forms with the SCC and any other stipulated agencies. In December, SCC staff also attended the NJSBDC's Success Awards luncheon and spoke with attendees about opportunities with schools construction program.

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VIII. **School District Grants**

In the month of December there were twenty-four (24) grants executed in twenty (20) school districts. The total costs of these projects was in excess of \$22,091,438 with state shares totaling \$7,687,937.

As of December 31, 2002, the SCC executed 563 Section 15 Grant agreements in an amount of \$818,769,652 with school districts that receive less than fifty-five percent (55%) of their budgets in state aid.

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IX. **Conferences/Presentations**

NJ School Public Relations Association 2002 Workshop
December 4, 2002, Jamesburg, NJ

"A Business Card Exchange and Holiday Reception" sponsored by the Statewide Hispanic Chamber of Commerce
December 4, 2002, Wood-Ridge, NJ

NJISJ Second Annual Open House sponsored by the NJ Institute for Social Justice
December 5, 2002, Newark, NJ

NJSBDC Success Awards 2002
December 13, 2002, East Brunswick, NJ

"The 2002 NJ State Employment and Training Commission Fifth One-Stop Conference
"Building Bridges - Breaking Barriers"
December 17 - 18th, 2002, Atlantic City, NJ

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Prepared by George Strachan, January 22, 2003