

March 2003 Monthly Report

Introduction

March saw a great deal of activity on many fronts for the Schools Construction Corporation (SCC). Governor McGreevey visited a Trenton school site to unveil his administration's School Renaissance Zone Program. Dozens of professional services and construction services contracts were executed totaling in excess of \$38,685,846.

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I. **Governor McGreevey Announces School Renaissance Zone Program**

On March 12th, Governor McGreevey was joined by Caren Franzini, Executive Director of the Economic Development Authority, Education Commissioner William Librera, representatives of the SCC, as well as other dignitaries, to outline his vision for the administration's New Jersey School Renaissance Zone Program. Governor McGreevey stated that the Roebling initiative is the first of many Renaissance Zones to be announced across the state in coming weeks and months.



The School Renaissance Zone Program will leverage targeted state investment, in an effort to help revitalize communities in Abbott districts. As the State is providing significant capital expenditures toward school construction, that investment should be leveraged in an effort to revitalize the surrounding areas. Much like an anchor store, the school can serve as a catalyst for neighborhood revitalization and further investment.

This program complements the Governor's focus on Smart Growth Planning. With the NJ Economic Development Authority as the lead agency, other state agencies can be brought to the table in order to create targeted investment based on the specific needs of a designated area. Examples of other partners that could be involved include: New Jersey Department of Community Affairs (DCA), New Jersey Department of Transportation (DOT), New Jersey Housing and Mortgage Finance Agency (HMFA), New Jersey Department of (DHS). Projects

that are identified within the Renaissance Zone would be given priority status within a given agency.

The new school complex itself, slated to house 1,200 students dependent on approvals by the DOE, will inhabit roughly 200,000 square feet of renovated and new construction on the 6.5 acre Roebling lot. The cost of the school construction project is estimated at \$50 million, pending approvals by the DOE. The site itself once housed the factory where the steel ropes that support the Brooklyn, Golden Gate, and Ben Franklin bridges were produced.



Photograph of Roebling Factory

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II. **NJ Business and Industry Association (NJBIA) Information Session**

Over 200 members of the NJBIA attended a seminar on the progress of the Schools Construction Program at the Sheraton in Iselin. Presentations from representatives of all three SCC divisions provided updates on the various program aspects and discussed the on-going changes at the SCC. Barbara Bohi, Director of Policy, discussed sustainable design, Project Labor Agreements (PLA's) and the design-build delivery system. Managing Director for Procurement and Contract Administration, Andrew Yosha, presented specifics on the prequalification and bidding process, as well as informed the audience of changes that have taken place within that division in the past several months. Mike Rafat, Regional Director from Design and Construction, primarily discussed the regionalization efforts that are taking place at the SCC. The speakers took questions throughout the program, during a networking break and at the conclusion of the event. Representatives from the 10 regional Project Management Firms (PMF's) provided specific information about upcoming scheduled work throughout the state.

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III. **Construction Update Construction Starts**

March also saw 19 construction notices to proceed issued in 10 districts with for projects with total construction cost estimates worth \$25,118,527. Paterson had 6 contracts move forward worth \$5,670,400. Newark had 3 projects receive notices to proceed worth \$4,139,493. Camden had 3 also had notices to proceed worth \$2,021,112.

As of March 31, 2003, the SCC has executed 266 construction contracts worth \$716,460,550.

The Board of Directors approved a design commission for the Performing Arts High School in Elizabeth. The approximately \$37 million contract award will cover the predevelopment, the design of the building and the contract administration. The project is noteworthy in its scope, but also because the architect was brought on early in the process, in order to see the project through to fruition and reduce the overall amount administrative allowances.

Other districts with notable activities included Neptune, Burlington City, and Perth Amboy.

As of March 31, 2003, the SCC has awarded 124 design contracts totaling \$70,400,163. There were an additional 62 architectural assignments totaling \$64,877,251.

Attached is [Exhibit A](#), which details projects that have been awarded over the past month.

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IV. **Predevelopment & Land Acquisition**

There were 9 site investigation contracts executed in March for 9 schools in 4 school districts. There were an additional 6 appraisal contracts executed in 3 districts in support of activities at 7 schools that totaled \$14,750.

As of March 31, 2003, the SCC has executed 142 contracts for site acquisition services totaling \$22,168,469.

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V. **Affirmative Action**

Waiver of Surety Bonding for Contracts Less Than \$200K

The SCC now waives the bonding requirements for contracts valued at \$200,000 or less. Prior to this decision smaller contractors were faced with having to purchase surety bonding in order to work on school construction projects. It was determined that the requirement was detrimental to many minority and women owned firms, as well as companies that are just starting up. The result was that many quality firms were being excluded from bidding on SCC's projects.

With this new practice, the benefits to the small, minority or women-owned contractors and the SCC are extremely important. The contractors gain increased access to larger public construction projects, adding to their portfolio of work experience, as the SCC simultaneously gains a larger pool of qualified contractors. The state's taxpayers are also better served as conceivably the larger pool will lead to more competitive price proposals, as well as by the subsequent higher quality that competition invariably brings.

Contractors benefiting from the change in policy have already been scrutinized through the SCC's pre-qualification process for financial and organizational stability. In addition, the Office of Design and Construction has internal controls in place through our regional project management firms (PMF) and the vigilance of our in-house Project Managers to ensure each of these smaller projects are completed in a timely and effective manner.

The Office of Diversity continues to work diligently in order to exceed its goals for minority and women owned business of 7% and 3% respectively.

As of March 31, 2002, the SCC has \$148,797,290 or 19.68% of it total program contracts going to minority-owned businesses and \$56,234,626 or 7.44% going to women-owned businesses.

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VI. **School District Grants**

March also saw a great deal of grant activity with districts that receive less than 55% of their funding in state aid. The SCC executed Section 15 grants for 32 schools in 15 districts. The sum of those grants was \$958,708,317, which represented a state share for projects that totaled \$92,661,477.

Some of the districts that were notable included Secaucus and Spotswood. Secaucus received 5 grants for three schools with a state share of \$4,254,326. Spotswood received 4 grants for the same number of schools for which the state share was \$9,699,636.

To date the SCC has executed 770 Section 15 Grants for projects with a total cost of \$3,055,920,506, of which the state share represented \$958,708,317.

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VII. **Conferences/Presentations**

"Where's the Work", NJ's \$12 Billion School Construction Program sponsored by the NJ Alliance for Action
March 6, 2003, Ramada Conference Center, Windsor, NJ

NJEA Environment Issues Committee Meeting
March 10, 2003, Trenton, NJ

NJBIA Schools Construction Program Seminar
March 12, 2003, Iselin, NJ

School Renaissance Zone Press Release, Roebling Site
March 12, 2003, Trenton, NJ

"Apprenticeship: An Investment That Pays Off", 2003 NJ Apprenticeship & Training Conference
March 12-14th, 2003, Atlantic City, NJ

Groundbreaking Ceremony, Princeton Regional Schools
March 17, 2003, Princeton, NJ

Groundbreaking Ceremony, Dennis Township Board of Education
March 24, 2003, Cape May, NJ

Groundbreaking Ceremony, Dennis Township Board of Education, New Pre-K and 2nd Elementary School
March 29, 2003

Association of School Business Officials Annual Seminar
March 30 - 31st, 2003, Atlantic City, NJ

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Alfred T. McNeill, Chief Executive Officer
Prepared by George Strachan, April 23, 2003