

MEMORANDUM

TO: Members of the Authority

FROM: Larry Hanover, Senior Public Information Manager

DATE: November 20, 2007

SUBJECT: New Jersey Schools Development Authority (SDA)
November Progress Report

Introduction:

The New Jersey Schools Development Authority (SDA) is demonstrating significantly enhanced accuracy in its ability to estimate the award amounts for construction projects.

The Park Elementary School in Newark was awarded to Terminal Construction Corp. for \$33,342,000, which fell 9 percent below the Construction Cost Estimate (CCE). Lincoln Avenue Elementary School in Orange was awarded to Hall Building Corp. for \$28,965,000, only 2 percent above the CCE.

The construction contracts for both schools were announced at the SDA board meeting on October 31.

In 2007, the SDA has bid out 10 projects to date with CCEs totaling \$285.2 million. The total award amount was \$278.2 million. That is 2 percent below the CCE, or a savings of \$7 million. Six came in below the CCE, at an average savings of 10 percent on those projects.

The improvement over past years is significant. In 2006, the Board authorized the award of 11 projects with a total CCE of \$246.7 million. The total award amount was \$266.9 million, or 8 percent higher than estimates.

The SDA continues to make strides in fiscal oversight. The SDA is implementing Project Charters, comprehensive documents that govern a project from start to finish. The creation of project charters not only will improve accountability even further but create clear lines of accountability and a clearly defined project life cycle. Collaboration is institutionalized by defining the members of a project team, including district representatives as well as general contractors, architects and project management firms, in addition to SDA staff.

The SDA Board's oversight capabilities will be enhanced by project charters because members will be presented cost estimates up front, prior to the award of a construction

contract and other significant expenditures. They will vote to approve project charters. If significant increases occur during the project cycle, management is required to come back to the Board for approval.

The new Park Elementary School will provide 21st century educational opportunities for 690 students in pre-kindergarten through 8th grades. The new 118,638-square-foot, three-story Park School facility will include general classrooms, a cafeteria with a kitchen, an auditorium, gymnasium, music rooms, support areas, playgrounds and two parking lots. The school is located within the community it will serve and is adjacent to Branch Brook Park. The new school will provide much-needed early childhood educational programs for 3- and 4-year-old children and help to ease serious overcrowding at the district's Abington Avenue School and Ridge Street School.

The contract to Hall Building Corp. will provide for an addition and extensive renovations at 115-year-old Lincoln Avenue Elementary School. The expansion project will provide 21st century educational opportunities for 645 students in kindergarten through 8th grades. The original school opened on Lincoln Avenue in 1892 and was last expanded in 1906.

The 48,174-square-foot, two-story addition will include general classrooms, a cafeteria, music rooms and a combination gym/auditorium. The existing 81,856-square-foot school will be renovated throughout. The project also includes a playground area and a parking lot. The work is expected to be completed by September 2009.

Other SDA news (as of November 20, 2007):

- A groundbreaking ceremony marked the start of construction of the new **Speedway Elementary School** in Newark. The new school will accommodate up to 690 students in pre-kindergarten through 8th grades. It will replace the present Speedway School, which will continue to house students during construction of the new school. The old school will be demolished when the new one is completed.

Upcoming events:

- November 30: Groundbreaking, **Park Elementary School**, Newark.
- December 4: Ribbon Cutting/Dedication, **Public School #4**, West New York

Construction Update:

The SDA currently has **23** projects under construction. Overall, the SDA has completed **41** schools and **28** major renovations and additions, along with nearly 400 health, safety and other projects in Abbott districts. The program also has distributed \$2.2 billion in grants, impacting more than 1,400 suburban schools statewide.

Contractor Procurement

No construction bids were advertised in October for school projects.

Construction Contracts

As of October 31, 2007, the authority has entered into construction contracts totaling \$3,201,826,126 since the inception of the school construction program in 2002.



Larry Hanover