

**NEW JERSEY STATE BUILDING AUTHORITY
MINUTES OF BOARD MEETING
February 17, 2009**

MEMBERS PRESENT

John Fisher, Chairman
Morris Rubino
William Mullen
William Sproule
Debra Bell, State Treasurer's Designee
James Vari, Capital Budgeting & Planning Comm. Designee
Gary Brune, Designee for Comptroller of the Treasury

OTHERS PRESENT

Charles Chianese	Wayne Martorelli
Kavin Mistry	Raymond Arcario
Carl Doan	Bud Montague
John DiGiorgio	Karen DeMarco
Vince Campanella	Richard Flodmand
Anthony Faraca	
Michael O'Reilly	
Mark Kaminski	
Joseph Alessi	

Chairman Fisher convened the meeting at 9:35 AM and read the following announcement:

"Pursuant to the New Jersey Open Public Meetings Act, the New Jersey Building Authority gave notice of the time, place and date of this meeting by providing notice of time, place and date to the Secretary of State of the State of New Jersey, the Newark Star Ledger, the Trenton Times, and the Bergen Record."

Chairman Fisher officially welcomed Mr. Mullen to the Board.

I. ROLL CALL FOR ATTENDANCE

Mr. Chianese proceeded with roll call. Members and others present are noted above.

II. MOTION TO APPROVE THE MINUTES OF OCTOBER 28, 2008

There was not a quorum for the meeting minutes to be approved. They will be resubmitted at the April 2009 meeting.

III. MOTION TO APPROVE THE MINUTES OF DECEMBER 17, 2008

There was not a quorum for the meeting minutes to be approved. They will be resubmitted at the April 2009 meeting.

IV. PROJECT STATUS

Mr. Chianese gave an overview of the FF&E process regarding the New Jersey Public Health Lab Project. The Building Authority in conjunction with the Department of Treasury has visited several sites to see what used furniture can be retrofitted in the new building and therefore lowering the overall amount to be spent on new furniture and fixtures.

Mr. DiGiorgio stated that the first process would be to review all furniture that was needed and all furniture that was available at the different locations. Then there would be a need to check furniture against drawings, configurations and locations to make sure everything would fit.

Mr. Chianese suggested bringing Treasury, OMB and DPMC into the planning phase and/or programming phase of a new project or renovation project at the beginning.

Mr. Brune indicated that the original request to the Capital Budget Commission for furniture was approximately \$4 million. The Capital Planning Commission asked the agencies to see what furniture could be used from other buildings and the warehouse first before buying any new furniture.

Ms. Bell stated historically there has been much more freedom given to the agencies to define their own programs without regards necessarily to metrics, how many square feet per person and budgetary constraints. Treasury is taking a much more pro-active role in making sure things are standardized and efficient, as leases are closed down. It is not pragmatic or economic to put people in the spaces after the buildings are already in the construction phase. As such, Ms. Bell agrees with Mr. Chianese that this issue should be addresses during the beginning planning phase.

Mr. Fisher agrees that this is a great opportunity for the NJBA to partner with Treasury and OMB and help change the way the State does business.

Mr. Chianese and Ms. Bell agreed that Treasury and the Agencies (Health & Ag) need to sit down and discuss the programming of the building. Ms. Bell asked that DPMC put together a list of what it is that they would like to see accommodated in the new facility so Treasury could either close more leases or maybe get out of some leases in their entirety, realizing however, that at this point in time making any further changes may be difficult.

Mr. Mullen asked if the funding for the furniture was already appropriated before the construction started or is the funding not in place? Mr. Chianese replied that the furniture is not a part of the NJBA expenditure, therefore, the agencies have to justify the expense to OMB to secure funding in the 2010 budget. In all likelihood it would be done by a master line of credit thereby appropriating the debt service in the agencies budget.

Mr. DiGiorgio stated often that on this type of large scale project, it is possible in some cases the installation cost for used furniture is higher than installing new furniture. It is something that should be looked at.

IV. CONSTRUCTION WORKSHOP DISCUSSION

Mr. Chianese gave an overview of the matrix of the three fundamental conclusions that came out of the workshop.

Mr. Chianese opened the discussion with the sub-contractor certification form stating that the NJBA continues to refine the internal processes which resulted in a revised sub-contractor certification payment form.

The Compliance Office had a meeting with the GC (Bovis) to ensure that the new form is being utilized properly. After meeting with Bovis, the compliance office was ensured that all sub-contractor certifications will be adequately completed with their next payment requisition.

Mr. Arcario gave a broad overview of the sub-certification form and process in general.

Mr. Arcario stated that there was a misunderstanding when it came to the original form on behalf of the GC as to how it was to be filled out. Once the meeting took place with the Compliance Office, the GC fully understood the process and what they needed to do to correct prior submissions to ensure compliance.

Mr. Arcario also noted that the new form lists the sub-contractors pay period that they are billing for. This will also help set up at “red flag” for the Compliance Office; if the GC was paid their full amount and the sub was not forwarded their full payment, the Compliance Office can then step in and take the appropriate action.

Mr. Rubino asked if we are following the payment of the sub to a sub contractor. Mr. Chianese replied, we do not do that, however, if the GC receives payment and the sub has been paid and the sub of a sub does not receive payment and a call comes into the Compliance Office, we will look into it.

Mr. Arcario stated that if there is a complaint with the sub of a sub contractor or sub-contractor, the GC is contacted first. A letter is sent out from the Compliance Office of DPMC as they are the contracting office for the State. But for the most part, it does not get to this level.

Mr. Arcario suggested that we require a list of 3rd tier contractors on the job so that our compliance office can contact them to assure payment was made by the sub.

Mr. Chianese offered that a statement be put on the sub-contractor certification form verifying that the sub of the sub-contractor has been paid and a certification that the sub-contractor understands its obligation to pay its sub-contractor. There was general agreement among the Board for this approach.

The Chairman thanked everyone involved in the process and awaits its continued modifications to include language for the 3rd tier sub-contractors. There was general agreement among the Board for this approach.

V. EXECUTIVE SESSION

Chairman Fisher asked for a motion to move into Executive Session to discuss certain contractual matters relating to the State Museum, the Hamilton State Police Project and the State Police Emergency management and Operations Center, the Thomas Edison College, the Health and Agricultural Laboratory and the South Woods State Prison and resolving that the minutes of the executive session shall be disclosed to the public at such time as the Authority determines that the matters discussed can be disclosed. On motion by Mr. Rubino, seconded by Mr. Sproule, the Board moved into Open Session.

VI. ADJOURNMENT

There being no other business, on motion by Mr. Rubino, seconded by Mr. Sproule, the meeting was adjourned at 11:35 AM.

The next Authority meeting is scheduled for April 21, 2009, at 9:30 AM at a location to be determined.

Respectfully submitted,

Charles Chianese
Secretary

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EXECUTIVE SESSION

TECHNOLOGY COMPLEX

Mr. Martorelli stated that he is confident that this issue will be resolved shortly and he was informed that Simplex-Brunell is now suing, which pushes back discovery ninety days. Mr. Martorelli stated that he is optimistic that the Authority will be able to reach a comprehensive settlement not only of the E&O claims on the Technology Complex but also on the EOC project. With respect to the Bock litigation, mediation has failed and as such, there is a May 4, 2009 trial date set.

STATE MUSEUM

Mr. Martorelli stated that the mediation with SAFECO & FHC has failed and Ray Angelini Inc., has now consolidated their claim with SAFECO & HFC against the Building Authority for delays in which Mr. Martorelli feels confident that there is no legal basis for it since the State has no liability relating to wrongful acts from one contractor against another. The case against SAFECO is through the discovery phase; the case should go to trial in fall of 2009.

SOUTH WOODS

Mr. Martorelli stated that the Authority filed suit against Perini for the failure of the high temperature hot water system. The Authority has the responses from all parties. The preliminary discussion took place on January 27, 2009 and a trial date of May 27, 2009 is set.

EOC

Mr. Martorelli stated that there are potentially new issues with roof leaks against Kimball and is looking into how we need to proceed to handle this issue.

HEALTH LAB

Mr. Chianese briefed the Board on the HOK issue. He indicated that there appears to be a material difference in what project staff HOK proposed to provide during the construction phase versus what HOK has provided to date. Mr. Chianese indicated that HOK has been put on notice and the NJBA has requested direction from the DPMC who is the contracting officer and from the Attorney General's Office. Two preliminary meetings have taken place with HOK in an attempt to resolve this issue. The State is awaiting HOK's response which another meeting will be scheduled.

GENERAL DISCUSSION

A motion was made to return to open session.