

AGREEMENT #10

THIS AGREEMENT made this 7th day of October, 1998, by and between the Borough of Washington, a Municipal Corporation of the State of New Jersey, with its municipal offices located at 100 Belvidere Avenue, Washington, County of Warren and State of New Jersey, hereinafter referred to as the "BOROUGH" and

The Township of Washington, a Municipal Corporation of the State of New Jersey, with its municipal offices located at 350 Route #57, West, Washington, in the County of Warren and the State of New Jersey, hereinafter referred to as the "TOWNSHIP" and

The Township of Franklin, a Municipal Corporation of the State of New Jersey, with its municipal offices located at 2093 Route #57, West, Franklin, in the County of Warren and in the State of New Jersey, hereinafter referred to as "FRANKLIN".

WHEREAS, the Borough of Washington, Township of Washington and Franklin Township desire to enter into an agreement concerning the joint purchase and use of certain paving equipment; and

WHEREAS, the Interlocal Services Act, N.J.S.A. 40:8A-1 et seq. authorizes such a joint service agreement; and

WHEREAS, N.J.S.A. 40A:10 et seq. authorizes joint purchases; and

WHEREAS, the municipalities have determined that a joint paving program may be accomplished most effectively, efficiently and economically by joint cooperation among the respective municipalities; and

WHEREAS, this AGREEMENT has been reviewed by each governing body and determined to be satisfactory and its adoption is deemed to be in the public interest.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter provided, it is hereby agreed by the parties as follows:

1. The BOROUGH agrees to be the lead agency for the joint purchase of the paver, roller and trailer ("Equipment") by the BOROUGH, TOWNSHIP and FRANKLIN and it will, in consultation with and approval of all parties, acquire said Equipment in accordance with the State of New Jersey Public Contracts Law, N.J.S.A. 40A:11-1 et seq.

2. The Equipment purchased under this AGREEMENT shall be jointly owned with each municipality owning an equal share. Title shall be in the name of all three municipalities.

3. The BOROUGH, TOWNSHIP and FRANKLIN shall each cause the Equipment to be insured for liability purposes. The minimum coverage maintained for liability coverage for each municipality will be \$10,000,000. Each municipality will name the other two municipalities as "additional insureds" on that municipality's insurance policy for Equipment and proof of the insurance shall be provided by each municipality to the other two municipalities. Each municipality will also provide first-party (property damage) coverage for that municipality's interest in the Equipment. No insurance carrier for any municipality shall have any right of subrogation against the other two municipalities as a result of any payment made by the insurance carrier to either the BOROUGH, TOWNSHIP or FRANKLIN.

4. FRANKLIN agrees to store said Equipment indoors and out of the weather at no cost to either the BOROUGH or the TOWNSHIP, provided space continues to be available. In the event space becomes unavailable, after this AGREEMENT is executed, then an amendment to this AGREEMENT shall be negotiated by the parties to address this issue.

5. The BOROUGH, TOWNSHIP and FRANKLIN agree to each pay one third (1/3) of the total cost for the purchase of the Equipment, which in aggregate is not anticipated to exceed more than \$75,000.00, for a maximum cost per party to this agreement of \$25,000.00. In the event the purchase price of the Equipment exceeds \$75,000.00 in total, then this agreement shall be terminated and the Equipment shall not be acquired. Payment to the BOROUGH by the TOWNSHIP and FRANKLIN shall be rendered within forty-five days of receipt of all bids or price proposals from the Equipment suppliers as a precondition for the Borough's issuance of a Purchase Order or Contract to purchase the Equipment. Failure to make the payments in accordance with this section of this AGREEMENT shall result in the termination of this AGREEMENT and the Equipment shall not be acquired. If the AGREEMENT is terminated, any and all sums forwarded to the BOROUGH shall be immediately returned minus any expenditures by the BOROUGH. Any labor costs incurred by any municipal participant under this AGREEMENT shall be borne by that municipality.

6. The Equipment shall be maintained and repaired on a regular and thorough basis in order to keep it in good working order. The BOROUGH, TOWNSHIP and FRANKLIN agree to pay one third (1/3) of the cost of all maintenance and repairs to said Equipment. FRANKLIN shall be lead agency responsible for payment of costs for maintenance and repairs. Cost of routine maintenance and repairs, which may include labor, parts and other incidentals, shall be shared equally by the parties to this AGREEMENT and shall be paid to FRANKLIN within sixty (60) days of date of invoice by FRANKLIN. FRANKLIN shall provide copies of all invoices and vouchers to document

its expenditures. Non-routine maintenance, and/or repairs, which are defined as costing in excess of \$1,000.00, shall be undertaken only with the prior consent of the Public Works Managers of the BOROUGH, TOWNSHIP and FRANKLIN.

7. Each party agrees to use the Equipment in a careful and prudent manner. In the event of damage caused to the Equipment due to proven negligence on the part of any party to this AGREEMENT, then that party, and that party alone, shall be responsible for the cost of any repairs, which are not covered by insurance, including insurance deductibles.

8. The BOROUGH, TOWNSHIP and FRANKLIN shall each individually be responsible for having their personnel adequately trained in the operations of all the Equipment purchased under this AGREEMENT. Disputes under this section shall be resolved pursuant to Section 13 of this AGREEMENT.

9. The duration of this AGREEMENT shall be fifteen (15) years from the date first noted above.

10. Scheduling for the use of said Equipment purchased under this AGREEMENT shall be the responsibility of the Public Works Managers of the BOROUGH, TOWNSHIP and FRANKLIN who shall meet in December and/or January of each year to schedule Equipment use for the upcoming construction season. Although it is the intention of the parties to work cooperatively on major paving projects in each others municipality, nothing in this AGREEMENT shall prevent the use of the Equipment by just one or two municipalities, if it is available and not already reserved for use by a party to this agreement on a first come, first served basis. In all cases, joint use by all three municipalities shall take priority over individual municipal use.

11. Cost of expendable items, such as fuel and oil, shall be shared equally for joint projects and paid for by the appropriate party if used by only one or two municipalities.

12. In the event one or more municipalities desire to withdraw from participation in this AGREEMENT, sixty (60) days written notice shall be provided to the Clerks of the remaining one or two municipalities. Said municipalities shall have the option of purchasing, at fair market value, the interest in the jointly owned Equipment of the withdrawing municipality or municipalities. In the event agreement on the fair market value can not be reached within ninety (90) days of the expiration of the notice to withdraw period, then this AGREEMENT shall be terminated and the Equipment sold at public auction and the proceeds divided equally.

13. In the event of any dispute between the parties arising out of this AGREEMENT, said dispute shall be settled first by mediation, then by binding arbitration unless an alternate dispute resolution procedure is specified herein. The cost of mediation and arbitration shall be born equally by all three parties to this AGREEMENT. Arbitration shall be conducted under the rules of the New Jersey State Board of Mediation and the award resulting therefrom shall be final and binding on the parties hereto.

14. This AGREEMENT may be executed in any number of counterparts, each of which shall be an original part, and such counterparts shall together constitute but one and the same instrument.

15. This AGREEMENT shall be deemed complete and comprehensive and shall supersede all other agreements, representations and understandings between the parties with respect to the subject matter hereof, whether oral or written. In the event of any conflicting provisions within this AGREEMENT, then the more strict requirements of which shall govern in the event of any inconsistency or conflict. This AGREEMENT may be amended only in writing specifically designed as such an amendment duly executed by all parties hereto, and shall be governed by the Laws of the State of New Jersey. The non-performance by any part of any obligation hereunder shall not be deemed a waiver by the others of their right to insist on strict performance of the same or any

ATTEST:

THE TOWNSHIP OF WASHINGTON

Mary Ann O'Neil  
Clerk

By Michael A. Kovacs  
Mayor Michael A. Kovacs

SEAL

ATTEST:

THE TOWNSHIP OF FRANKLIN

Anthony Schmitt  
Clerk

By Valerie Riggs  
Mayor Valerie Riggs

SEAL

Nayes:

---

Linda L. Hendershot, RMC/CMC  
Borough Clerk

**RESOLUTION 98-57**

**A RESOLUTION AUTHORIZING THE TOWNSHIP  
OF FRANKLIN TO ENTER INTO AN AGREEMENT WITH  
THE BOROUGH OF WASHINGTON AND THE  
TOWNSHIP OF WASHINGTON, ALL MUNICIPAL  
CORPORATIONS WITHIN THE COUNTY  
OF WARREN**

**WHEREAS**, the Borough of Washington, Township of Washington and Franklin Township desire to enter into an agreement concerning the joint purchase and use of certain paving equipment; and

**WHEREAS**, the Interlocal Services Act, N.J.S.A. 408A-1 et seq. authorizes such joint service agreement; and

**WHEREAS**, N.J.S.A. 40:8A-1 et seq. authorizes joint purchases; and

**WHEREAS**, the municipalities have determined that a joint paving program may be accomplished most effectively and economically by joint cooperation among the respective municipalities; and

**WHEREAS**, the proposed agreement has been received by each governing body and determined to be satisfactory and its adoption is deemed to be in the public interest;

**NOW, THEREFORE, BE IT RESOLVED**, by the Township Committee of the Township of Franklin, in the County of Warren, State of New Jersey that the governing body does hereby approve the proposed Interlocal Service Agreement between the Township of Franklin, Borough of Washington and the Township of Washington, all of Warren County, for the purpose of purchasing paving equipment and cooperating in the use of said equipment in accordance with the terms of the agreement.

**BE IT FURTHER RESOLVED**, that the Interlocal Service Agreement shall take effect upon the adoption of appropriate resolutions by both the Township of Washington and the Borough of Washington and the execution of the agreement by the parties in accordance with N.J.S.A. 40:8A-1 et seq. and N.J.S.A. 40A:11-10 et seq. A copy of the agreement referenced here is on file with the Township Clerk and is available for public inspection.

The above Resolution was moved by Committeeman Earl Sigler and seconded by Committeeman Larry Adams, and voted and carried the 27th day of July, 1998.

Roll Call Vote:	Yes	No	Absent/Abstained
Larry Adams	X		
Earl Sigler	X		
Wayne Ferguson			X
Pence Ziegler	X		
Mayor Riggs			X

( 3 Yes (0) No (2) Absent/abstained

## CERTIFICATION

I, Audrey Schmidt, Clerk of the Township of Franklin, County of Warren and State of New Jersey do hereby certify that the attached Resolution is a true and correct copy of a resolution adopted and approved by unanimous vote of the Mayor and Township Committee at their regularly scheduled meeting held on Monday, July 27, 1998.



Audrey Schmidt, RMC  
Township Clerk

Dated: July 27, 1998

FRANKLIN TOWNSHIP SEAL

**RESOLUTION 98-62**  
**TOWNSHIP OF WASHINGTON**  
**COUNTY OF WARREN**  
**STATE OF NEW JERSEY**

---

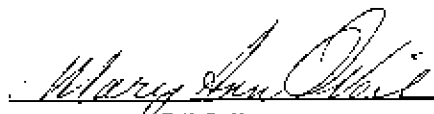
*WHEREAS*, the Borough of Washington, Township of Washington and Township of Franklin wish to enter into a joint service agreement for the purchase of making joint purchases of a paver, roller and trailer for a joint/individual paving program; and,

*WHEREAS*, the Township of Washington is in favor of just such a joint paving program and wishes to enter into the joint purchasing agreement with the other two (2) municipalities.

*NOW, THEREFORE, BE IT RESOLVED* by the Township Committee of the Township of Washington, County of Warren, State of New Jersey that the Mayor and Township Clerk are hereby authorized to enter into, on behalf of the Township of Washington, a joint purchasing agreement with Washington Borough and Franklin Township for a paver, roller and trailer as part of a joint/individual paving program. A copy of the proposed agreement is attached.

INTRODUCED: April 20, 1998.  
ADOPTED: April 20, 1998

I hereby certify this to be a true copy of a Resolution adopted by the Washington Township committee at a meeting held on the 20<sup>th</sup> day of April, 1998.

  
\_\_\_\_\_  
Mary Ann O'Neil  
Township Clerk, Township of Washington

ger's reform package went down in flames before voters last year. California has witnessed a long parade of commissions and blue-ribbon task forces over the years. Each put forward comprehensive reform packages but, as Canciamilla admits, "none of those recommendations have moved from print to action."

As they prepare to leave the Assembly at the end of this year, forced into retirement by term limits, Canciamilla and Richman may find themselves wondering just what their efforts have accomplished. What they won't need to doubt, however, is that they spent their time on behalf of some serious ideas that deserved to be heard.

## POLITICS IN BULK

Joint-purchasing deals are a win-win proposition—except for those who lose.

Have you ever asked your neighbor to pick up a bargain for you when she went shopping at a big warehouse store? Municipalities are turning to



their neighbors in just this way, hoping they can get better deals if they buy their office supplies or fire engines collectively. But joint-purchasing arrangements remain a tough sell politically, because if someone is saving, someone else is likely to feel threatened.

States often give their localities access to purchasing lists, arranging a discount for them by proxy. Cities should take full advantage of these arrangements, says David Akers, a purchasing consultant in the Cleveland area. It makes no sense to try to beat the state's price on a few items. That time could be better spent trying to arrange some sort of discount on the other 90 percent of the things your city needs.

Toward that end, Akers has set up a nonprofit that coordinates purchases among Northeastern Ohio municipalities, getting better prices by agreeing to buy all the same goods from a single vendor. He negotiated, for instance, a 10 to 15 percent discount on auto parts. More important than the money, Akers says, was the staff time the deal will free up. Mechanics can now concentrate on fixing cars, rather than spending hours on the phone getting multiple quotes for each set of spark plugs.

Desirable as it may be, the idea that cities are saving time and simplifying procedures has made some public workers nervous. "The bureaucratic part is complicated," admits Georgine Welo, mayor of South Euclid, a town of about 24,000 that saved \$100,000 last

year by using Akers' cooperative to buy road sealant and workers' compensation insurance. Welo says some town engineers worried that the deal put them at risk of losing their jobs. When people frown upon cooperative efforts, she says, "it's because they're going to lose money in their pockets." Welo, incidentally, has become something of a cheerleader for regionalism in general. "Collectively, we're great," she says. "Separately, we're not going to be able to exist."

Aside from Akers' grassroots model, there's another approach at cooperation, which is for cities to participate in a national group, such as U.S. Communities, a partnership of the National League of Cities, the National Association of Counties and several other organizations. Under this scheme, a large jurisdiction can negotiate its own contract on a widely used commodity such as office furniture, and any other government agency anywhere should be able to obtain the same terms.

But some states, particularly in the Northeast, want to hold on to their position as lead coordinators of discount purchasing. The use of more broadly based cooperatives bleeds their ability to collect the administrative fees they count on from localities who buy from their lists. The prospect of cities buying from vendors halfway across the country has also led many local businesses to lobby against giving localities the right to participate in the large-scale purchasing alliances that are beginning to spring up.

The touchiness of states, city employees and close-to-home businesses is the reason why neither regional nor national purchasing cooperatives have really caught fire, despite their obvious benefits. That's why Akers began his work in Ohio with just 13 towns as part of his program. "The purpose of the pilot project was to see if we could come up with a politically viable model," he says, "because if we couldn't, the rest of it doesn't matter."

## ity

nia legislature among

Date	Approve	Disapprove	No opinion
Apr 03	31%	51%	18%
Sep 02	35	46	19
Jul 02	45	36	9
Apr 02	39	41	20
Jan 02	40	36	24
Dec 01	44	33	23
Sep 01	41	39	20
May 01	35	48	17
Jan 01	51	29	20