

HEAVY EQUIPMENT FLEET MAINTENANCE

SHARED SERVICES AGREEMENT

THIS AGREEMENT, made this 11th day of JANUARY, 2011, between the COUNTY OF CAPE MAY, a body politic and corporate of the State of New Jersey (hereinafter referred to as "County"), whose address is 4 Moore Road, Cape May Court House, New Jersey 08210, and the TOWNSHIP OF LOWER (hereinafter referred to as "the Municipality"), whose address is 2600 Bayshore Road, Villas, New Jersey 08251.

WITNESSETH

WHEREAS, the County Department of Public Works ("Public Works") owns various equipment and employs a variety of personnel to provide general fleet maintenance and related services for all County-owned heavy equipment; and

WHEREAS, the County, in the face of a new 2% state mandated budget cap and a reduction in the value of the ratable base, and in the interest of reducing costs and maintaining critical services; is desirous of entering into an agreement with the Municipality for heavy equipment fleet maintenance; and

WHEREAS, the Municipality is desirous of providing the service to the County for a fee as outlined in Schedule A and pursuant to this Shared Services Agreement; and

WHEREAS, the Uniform Shared Services Act (N.J.S.A. 40A:65-1, et seq.) authorizes and empowers the County and the Municipality to enter into this Agreement.

NOW, THEREFORE, it is agreed, stipulated and understood between the parties, in consideration of the mutual promises contained herein, as follows.

1. Scope of Services

- A. Heavy equipment shop related vehicles may be large trucks, loaders, tractors, mowers, street sweepers, vacuum trucks, trailers, etc... A listing of vehicles is provided in Schedule B attached.
- B. The County will transport County Heavy Equipment Shop related vehicles to the Municipality for service. Service may include typical routine preventative maintenance, may be in response to a fault found during a pre-trip inspection, or may involve more in depth service as may be necessary and as the Municipality may be capable of providing.
- C. The County will be responsible for mounting plows and spreaders to the vehicles. The Municipality will then perform an inspection and service of the vehicles with mounted components.
- D. The County will provide to the Municipality mounted tires and miscellaneous parts as are currently stocked by the County. Any mounted tires or parts not used during the course of this agreement shall be returned to the County upon termination of this agreement.
- E. The Municipality will additionally provide a yearly vehicle safety inspection of each vehicle listed in Schedule B. The vehicle safety inspection shall be performed to USDOT Federal Motor Carrier Safety Administration standards of the periodic inspection also known as: Appendix G to Subchapter B—Minimum periodic inspection standards: 49 CFR Subtitle B Chapter III Subchapter B Appendix G. The completed inspection will be forwarded to the County with the monthly billing statement. A form will be provided by the County to the Municipality. This inspection is considered to be preventive maintenance.
- F. The County anticipates and expects that our equipment will be maintained in a manner and timeframe comparable to industry best practices and standards, and comparable to

that which the Municipality provides for its own vehicles.

- G. The Municipality will provide emergency road service to County heavy equipment vehicles as needed within or near the boundaries of their normal service area. If this service occurs after hours, the County will be billed at the multiplier recognized by the Municipalities Labor Contract as applied to the hourly rate in Schedule A.
- H. The Municipality will provide a mechanic on a stand-by basis at the request of the County. The stand-by mechanic shall provide priority repairs to County equipment during off-hours. If this service occurs after hours, the County will be billed at the multiplier recognized by the Municipalities Labor Contract as applied to the hourly rate in Schedule A.
- I. The Municipality will have the authority to remove a County vehicle from service if, as a result of a safety inspection, critical faults are found which lead the Municipality to believe the vehicle poses a potential hazard to the driver or to the public. The vehicle will be considered removed from service until such time as the necessary repairs can be made or the County authorizes the release in writing. An email or fax represents the acceptable form of written authorization.
- J. The County and the Municipality, in performing the services under this contract, shall have full power and authority to undertake any ancillary operation reasonably necessary or convenient to carry out its duties, responsibilities, and obligations under the contract. Any repair estimated to exceed \$1,000.00 requires prior approval by the County Public Works Supervisor or designee.
- K. The principle managing parties of this agreement will meet as needed, but minimally every quarter during the first year, to discuss the effectiveness of this agreement. Any

service changes recommended as a result of these meetings will be incorporated into this agreement as appendices by mutual approval of the County and the Municipality.

2. Term

This Agreement shall extend from March 25, 2011 to March 24, 2012. The term shall be extendable for an additional six years (through March 24, 2018) upon resolution of both parties. Either party may cancel this Agreement upon 60 days' written notice to the other.

3. Billing and Compensation

The County will pay the Municipality a Shop Impact Incentive Payment, fund an escrow account, and pay an hourly rate for service provided above the anticipated preventive maintenance service hours as indicated on the fee schedule attached as "Schedule A". The County will pay cost on any parts necessary for repair of County vehicles or the parts vendor can bill the County directly. The Municipality will provide an itemized bill to the County along with a signed voucher on a monthly basis. For ease of record keeping and billing, daily communication between the Municipality and County regarding work completed may be necessary. The County agrees to promptly process the Municipality's vouchers for payment and to pay all bills within 45 days of submission by the Municipality to the County. The bill sent by the Municipality to the County will include a detailed description of work performed and parts used, listed by the County's vehicle service center (SC) identification number. It will also include any parts warranties as appropriate.

Shop Impact Incentive Payment: Payable by the County to the Municipality in annual installments in March of each year and refundable in a weekly pro-rated

fashion if either party cancels the agreement prior to the end of the term. This payment is based on the anticipated preventive maintenance hours listed in Schedule A, but buys the County that amount of billable hours indicated with indifference to the type of maintenance work being performed.

Advance Payment Escrow: Payable by the County to the Municipality in annual installments in April of each year and any unused portion fully refundable if either party cancels the agreement prior to the end of the term. The escrow is to be applied to the March payment and is meant to give the municipality working capital to provide this service.

Hourly Rate: Payable by the County to the Municipality based on actual hours worked by municipal workers on County vehicles. This rate is to be applied to any billable hours beyond the number of hours purchased through the Shop Impact Incentive Payment. The billable rate will be broken into quarter hours.

Parts Rate: Payable by the County to the Municipality and based on the actual price of the vehicle part. Purchase receipts and warranties will be included with billing documentation submitted to the County for payment.

4. Contact Person

The Contact person for the County will be the Supervisor of the Road Department or designee.

- a. Road Department Supervisor: Joe Versaggi
 - i. Phone Number: 886-4805
 - ii. Fax Number: 889-9780
 - iii. Email: jveresaggi@co.cape-may.nj.us

- b. Secondary Contact: Lisa D'Amico
- i. Phone Number: 886-4805
 - ii. Fax Number: 889-9780
 - iii. Email: ldamico@co.cape-may.nj.us

The Municipality agrees to assign a person to serve as the "Fleet Maintenance Contact Person" hereinafter referred to as the "Contact Person" between the County and the Municipality in order to support and facilitate the orderly and efficient implementation of this Agreement, including the distribution of service requests and related relevant information. The Municipality's Contact Person will be:

- a. Primary Contact Name: Robert Bailey
- i. Phone Number: 884-0898 x16 or 780-6052
 - ii. Fax Number: 884-7578
 - iii. Email: bobbaileylowertownship@comcast.net
- b. Secondary Contact Name: Gary Douglass
- i. Phone Number: 884-0898 x12 or 780-6049
 - ii. Fax Number: 884-7578
 - iii. Email: gdouglasslowertownship@comcast.net

The parties shall immediately notify each other in the event of any change in their respective designated Contact Person.

5. Effective Date

This Agreement shall become effective as of March 25, 2011 upon passage of an authorizing Resolution by the Municipality and Resolution by the County as required by the Uniform Shared Services Act (N.J.S.A. 40A:65-1, et seq.). The effective date may need to be

adjusted as initialization of the shared service is dependent upon approval from Civil Service of the County's Layoff Plan and Employee Reconciliation Plan. Should either of these Plans not receive Civil Service approval, this agreement will be null and void. The municipality will receive immediate notice if such actions become necessary.

6. Level of Service

The County and the Municipality agree to provide all services in a professional and workmanlike manner in accordance with applicable regulations, industry standards, and best practices.

8. Other Agreements

The County and the Municipality reserve the right to enter into any other contract with other public or private entities for the performance of any service or services which may be included within the scope of services provided in this Agreement.

9. Indemnification

No party shall be liable for any negligent, reckless or intentional acts or omissions of any other(s) and each shall indemnify, defend and hold the other(s) harmless from all losses, injuries or damages caused by the negligent, reckless or intentional acts or omissions of itself or any of its respective employees or independent contractors in rendering the services set forth in this Agreement. Such indemnification shall include payment of reasonable attorneys' fees and costs in the defense of any claim made by a third person incident to such negligent, reckless or intentional acts or omissions. The terms and conditions of this paragraph shall survive the execution, delivery, and performance of this Agreement and any succeeding documents, shall be binding upon the heirs, successors, administrators and assigns of each of the parties hereto. No

party to this Agreement waives any immunity to which it may be entitled pursuant to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq.

10. Insurance

It is recognized and understood that the County is currently insured through St. Paul/Travelers Insurance Company, and the Municipality is currently insured through the Municipal Joint Insurance Fund. The Municipality agrees that it will name the County as an additional insured on any insurance policies it separately maintains. These policies shall include, without limitation, comprehensive general liability, garage liability, automobile liability, errors and omissions and workers compensation with limits and deductibles as mutually agreed upon. Each party shall provide the others with certificates of insurance setting forth the above coverage and naming the other as additional insured promptly upon the execution of this Agreement, and providing that said policies cannot be cancelled except upon sixty (60) days notice to the County. In the event either party ceases to participate in its insurance program as is in effect on the date of this Agreement, such party shall provide alternative insurance comparable to the coverage in effect on the date of this Agreement subject to the approval of the other parties, which approval shall not be unreasonably withheld, conditioned or delayed.

11. Miscellaneous

This Agreement may only be modified in writing, duly authorized and signed by the parties' authorized representatives. All notices, statements or other documents required by this Agreement shall be hand-delivered or mailed to the following addresses:

For the Municipality:

For the County:
County of Cape May
Department of Public Works
Joe Versaggi, Supervisor
4 Moore Road
Cape May Court House, NJ 08210

with a copy to:
County of Cape May
Stephen O'Connor
Clerk/Administrator
4 Moore Road, DN-104
Cape May Court House, N.J. 08210

13. Authorization

Each party represents and warrants to the other that all municipal or county action necessary to enter into and perform all obligations required by this Agreement has been validly taken and that the undersigned are authorized to execute this Agreement.

14. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

15. No Assignments

One party without the written consent of the other may not assign this Agreement.

16. Entire Agreement

This Agreement sets forth the entire understanding of the parties hereto with respect to the transactions contemplated herein. No change or modification of this Agreement shall be valid unless the same shall be in writing and signed by all the parties hereto.

17. Severability

If any clause, sentence, paragraph, section or part of this Agreement shall be adjudged to be invalid by any court of competent jurisdiction, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause,

sentence, paragraph, section, or part thereof, directly involved in the controversy in which such judgment shall have been rendered.

IN WITNESS WHEREOF, the parties affix their signatures to this Agreement, intending to be legally bound. If a party is a corporation, this Agreement is signed by its proper corporate officers and its corporate seal is affixed.

1/11/11
Date

COUNTY OF CAPE MAY
By: *Daniel Beyel*
Daniel Beyel
Director, Board of Chosen Freeholders

ATTEST: *Stephen O'Connor*
Stephen O'Connor
County Administrator

Approved as to Form and Legality:
Barbara Bakley-Marino
Barbara Bakley-Marino, Esquire
Cape May County Counsel

MUNICIPALITY
By: *Michael E Beck*
Mayor

1-24-11
Date

ATTEST: *Claudia R. Korman*
Clerk

Approved as to Form and Legality:

City Solicitor

SCHEDULE "A" FEES

Effective January 1, 2011

Shop Impact Incentive Payment = \$42,205

Anticipated Preventive Maintenance Hours = 536

Advance Payment Escrow = \$5,000

Hourly Rate = \$65.00

Parts = Cost

SCHEDULE "B" VEHICLES

Township of Lower						
Preventive Maintenance Responsibility for the County of Cape May						
Equipment / Vehicles at Airport Yard						
Equipment SC#	Year	Equipment Description	Class Description	No. Services	Hours	Total
926	1978	FLAT TA612				
628	1989	FORD LTS9000	12-14 CY Dump	4	4	16
1588	2005	FORD F-450	3-5 CY Dump	4	4	16
1973	2009	FORD F450	3-5 CY Dump	4	4	16
2033	2011	FORD F-450	3-5 CY Dump	4	4	16
1148	1999	GMC C8500 TOPKICK	8-9 CY Dump	4	4	16
1309	2002	GMC TC7H042	8-9 CY Dump	4	4	16
1518	2004	GMC TC8	8-9 CY Dump	4	4	16
1546	2005	INTERNATIONAL 7400 SFA	8-9 CY Dump	4	4	16
1693	2007	INTERNATIONAL 7400 SBA 4X2	8-9 CY Dump	4	4	16
1971	2009	CHEVROLET CC8C042	8-9 CY Dump	4	4	16
465	1988	INTERNATIONAL 1754/TM420-200B	Asphalt Patching	4	4	16
704	1991	JOHN DEERE 310D	Backhoe	2	4	8
1603	2005	NEW HOLLAND LB75CD	Backhoe	2	4	8
1425	2003	CHEVROLET CW4S042	Bucket Truck	2	4	8
1480	1991	EZ GO EZ GO GOLF	Cart	1	2	2
1527	2004	TORO 07253	Cart	1	2	2
1407	2003	BRUSH BANDIT 150-S	Chipper	3	2	6
2022	2010	Baldor UD	Em. Generator	1	2	2
2028		Baldor UD	Em. Generator	1	2	2
2029	2010	Baldor UD	Em. Generator	1	2	2
	2008	Onan DGCB-5691.649/T	Em. Generator	1	2	2
1728	2007	MAZDA H60FT	Forklift	2	2	4
340	1978	KUBOTA L185	Loader	2	4	8
1107	1998	JOHN DEERE TC54H / 544H	Loader	2	4	8
423	1987	TORO GROUNDMASTER	Mower	3	4	12
735	1990	FORD 7710	Mower	3	4	12
1121	1999	TORO GROUNDMASTER	Mower	3	4	12
1274	2001	N/H FORD TN55B2	Mower	3	4	12
1396	2002	TORO 345-30789	Mower	3	4	12
1793	2007	SCAG STWC61V-25KALC	Mower	3	4	12
2014	1983	CASE 1190	Mower	3	4	12
1208	2001	DODGE BR2500	Pickup	4	4	16
1210	2001	DODGE RAM 2500 P/K	Pickup	4	4	16
1531	2005	GMC TC6C042	Stake Body	4	4	16
1638	2006	CHEVROLET CC8C042	Stake Body	4	4	16
1452	2004	FREIGHTLINER FC 80 CARGO	Sweeper	4	4	16

1595	2006	PETERBILT VACTOR	Sweeper / Vac	4	4	16
1105	1999	INTERNATIONAL 47004X2	Towing	4	4	16
395	1987	GMC C60	Towing Rollback	4	4	16
466	1988	INTERNATIONAL F2574	Tractor	3	4	12
744	1992	WHITEGMC WG64T	Tractor	3	4	12
872	1994	FORD CF-8000	Traffic Line Marker	4	4	16
1128	1999	NATIONAL SIGNAL 2001	Trailer	1	2	2
1572	2004	DOT DH1000	Trailer	1	2	2
1573	2004	DOT SIGN DH1000	Trailer	1	2	2
1281	2001	STERLING lt7500	Vac Truck	4	4	16
1340	2002	DODGE RAM 2500	Van	4	3	12
1599	2005	FORD F350	Van	4	3	12
49	Equipment Count				Total	536