

RESOLUTION 129-15

RESOLUTION AUTHORIZING THE EXECUTION OF A CONTRACT **RENEWING MEMBERSHIP IN THE** **GLOUCESTER, SALEM, CUMBERLAND COUNTIES** **MUNICIPAL JOINT INSURANCE FUND**

WHEREAS, the Borough of Clayton (hereinafter the "MUNICIPALITY") is a member of the Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund (hereinafter the "FUND"); and

WHEREAS, the MUNICIPALITY'S membership terminates as of January 1, 2016 unless earlier renewed by a Contract between the MUNICIPALITY and the FUND; and

WHEREAS, N.J.S.A. 40A:11-5 (1) (m) provides that a Contract which exceeds the bid threshold may be negotiated and awarded by the governing body without public advertising for bids and bidding therefor, if the subject matter is for the purchase of insurance coverage and consultant services, provided that the award is in accordance with the requirements for extraordinary unspecifiable services; and

WHEREAS, N.J.S.A. 40A:11-6.1(b) provides that the MUNICIPALITY shall make a documented effort to secure competitive quotations; however, a Contract may be awarded upon a determination, in writing, that the solicitation of competitive quotations is impracticable; and

WHEREAS, in accordance with N.J.A.C. 5:34-2.3, a designated official of the MUNICIPALITY, has filed a certificate with the governing body describing in detail, as set forth below in this Resolution, why this Contract meets the provisions of the statutes and the regulations and why the solicitation of competitive quotations is impracticable; and

WHEREAS, it has been determined that the purchase of insurance coverage and insurance consultant services by the MUNICIPALITY requires a unique knowledge and understanding of the municipal exposures and risks associated with the operation of a municipal entity, and many insurance professionals are not qualified to assess these risks and exposures based upon their inherent complexity; and

WHEREAS, insurance coverage for municipal entities can vary greatly in the type, limits, and exceptions to coverage, and therefore particularized expertise in determining and obtaining the appropriate coverage is required to protect the MUNICIPALITY; and

WHEREAS, it is the goal of the MUNICIPALITY to obtain a single integrated program to provide all types of insurance coverage with a plan to limit the MUNICIPALITIES exposure; and

WHEREAS, the FUND has provided comprehensive insurance coverage to member municipalities since 1991; and

WHEREAS, since 1991, the Fund has continually refined all of the types of coverage that it provides to its members so that it offers comprehensive insurance coverage and limits to all

members that is unique and cannot be purchased from a single entity in the commercial insurance market; and

WHEREAS, the FUND has also developed and made available to its members Safety, Risk Management and Litigation Management programs that address the specific exposures and risks associated with municipal entities; and

WHEREAS, the FUND provides the MUNICIPALITY with Fund Administration, Claims Review, Claims Processing, Claims Administration, Actuarial and Legal services; and

WHEREAS, the FUND is one of the most financially sound Municipal Joint Insurance Funds in New Jersey, and the FUND operates with strong fiscal controls, member oversight, and meets all of the requirements promulgated by the New Jersey Department of Community Affairs and the Department of Banking and Insurance; and

WHEREAS, as an existing member of the FUND, the MUNICIPALITY would be renewing its membership in an organization with experienced and dedicated FUND Professionals who provide specialized services to the members; and

WHEREAS, the membership of the FUND includes many neighboring municipalities that uniquely have similar exposures to the MUNICIPALITY, and with whom the MUNICIPALITY has existing inter-local arrangements; and

WHEREAS, all of the aforementioned factors categorize the award of this Contract as an "extraordinary, unspecifiable service" that cannot be duplicated, accounted for, accurately detailed, or described in a manner that truly depicts the value of the MUNICIPALITY'S membership in the FUND; and

WHEREAS, for all of the aforementioned reasons, it is impracticable for the MUNICIPALITY to seek competitive quotations for a Contract to provide the procurement of insurance coverage and consultant services; and

WHEREAS, the FUND has been organized pursuant to N.J.S.A. 40A:10-36 et seq., and as such is an agency of the municipalities that created it; and

WHEREAS, N.J.S.A. 40A:11-5(2) also provides that a Contract which exceeds the bid threshold may be negotiated and awarded by the governing body without public advertising for bids and bidding therefor, if the Contract is entered into with a municipality or any board, body, officer, agency or authority thereof; and

WHEREAS, the FUND meets the definition of an agency as set forth in N.J.S.A. 40A:11-5(2); and

WHEREAS, for all of the aforementioned reasons, the MUNICIPALITY desires to enter into a Contract to renew its membership with the FUND for a period of three (3) years, for insurance coverage and consultant services, as an exception to the public bidding requirements of the Local Public Contracts Law.

NOW THEREFORE, be it resolved by the governing body of the MUNICIPALITY as follows:

1. The MUNICIPALITY agrees to renew its membership in the FUND and to be subject to the Bylaws, Rules and Regulations, coverages, and operating procedures thereof as presently existing or as modified from time to time by lawful act of the FUND.

2. The Mayor and Clerk of the MUNICIPALITY shall be and hereby are authorized to execute the "Contract to Renew Membership" annexed hereto and made a part hereof and to deliver same to the FUND evidencing the MUNICIPALITY'S renewal of its membership.
3. In accordance with N.J.A.C. 5:34-2.3, the certificate of a designated official of the MUNICIPALITY, which details why the solicitation of competitive quotations is impracticable, is attached hereto and made a part of this Resolution.
4. The Clerk of the MUNICIPALITY is authorized and directed to place a notice of the adoption of this Resolution and the award of this Contract in the official newspaper of the MUNICIPALITY.

This Resolution agreed to this 9th day of July, 2015 by a vote of:

 4 Affirmative 0 Negative 0 Abstentions



THOMAS BIANCO, Mayor

CERTIFICATION

I hereby certify that the foregoing is a true copy of Resolution 129-15 adopted by the Borough of Clayton, in the County of Gloucester, at a regular meeting thereof held on July 9, 2015



CHRISTINE NEWCOMB, Clerk

CONTRACT TO RENEW MEMBERSHIP WITH THE
GLOUCESTER, SALEM, CUMBERLAND COUNTIES
MUNICIPAL JOINT INSURANCE FUND

WHEREAS, the Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund (hereinafter the "FUND") is a duly chartered Municipal Joint Insurance Fund as authorized by NJSA 40A:10-36 et seq.; and

WHEREAS, the MUNICIPALITY is currently a member of said FUND; and

WHEREAS, effective December 31, 2015, said membership in the FUND will expire unless earlier renewed; and

WHEREAS, the Governing Body of the MUNICIPALITY has authorized the entry into this Contract to renew said membership through the adoption of a Resolution # 129-15 which details the reasons for renewing said membership with the FUND; and

WHEREAS, the FUND has accepted the renewal of the membership of the MUNICIPALITY in the FUND by the adoption of Resolution #2015-__.

NOW, THEREFORE, it is hereby contracted and agreed between the FUND and the MUNICIPALITY as follows:

1. The MUNICIPALITY hereby renews its membership in the FUND for a three (3) year term commencing on January 1, 2016 and ending on January 1, 2019 as authorized by Resolution #129-15.
2. The MUNICIPALITY hereby ratifies and reaffirms the Indemnity and Trust Agreement, the By-Laws and other organizational and operating documents of the FUND as are from time to time amended and altered by the FUND and/or the Department of Banking and Insurance in accordance with the applicable statutes and administrative regulations as if each and every one of said documents were re-executed contemporaneously herewith.
3. The MUNICIPALITY shall be a participating member of the FUND for the three (3) year term of this Contract, and the MUNICIPALITY shall comply with all of the rules and regulations and obligations associated with said membership.
4. In consideration of the continuing membership of MUNICIPALITY in the FUND, the FUND has agreed by the adoption of Resolution #2015-__ subject to the continuing approval of the Commissioner of Banking and Insurance, to accept the renewal application of the MUNICIPALITY.

This Contract was executed on this 9th day of July, 2015 as the lawful and binding act and deed of the MUNICIPALITY and the FUND, and the execution of this Contract has been duly authorized by Resolution #129-15 of the governing body of the MUNICIPALITY and Resolution #2015-___ of the FUND.

MUNICIPALITY

Attest: Christine Newcomb
CHRISTINE NEWCOMB, CLERK

Thomas Bianco
THOMAS BIANCO, MAYOR
FUND

Attest: _____
SECRETARY

CHAIRPERSON

CERTIFICATE OF A DESIGNATED OFFICIAL

In accordance with N.J.A.C. 5:34-2.3, I, Sue Miller, Fund Commissioner, am the designated official of the MUNICIPALITY, and I am certifying to the governing body, in detail, why the Contract with the FUND, meets the provisions of the statutes and the regulations and why the solicitation of competitive quotations is impracticable. The reasons are as follows:

- 1) The purchase of insurance coverage and insurance consultant services by the MUNICIPALITY requires a unique knowledge and understanding of the municipal exposures and risks associated with the operation of a municipal entity, and many insurance professionals are not qualified to assess these risks and exposures based upon their inherent complexity; and
- 2) Insurance coverage for municipal entities can vary greatly in the type, limits, and exceptions to coverage, and therefore particularized expertise in determining and obtaining the appropriate coverage is required to protect the MUNICIPALITY; and
- 3) It is the goal of the MUNICIPALITY to obtain a single integrated program to provide all types of insurance coverage with a plan to limit the MUNICIPALITIES exposure; and
- 4) The FUND has provided comprehensive insurance coverage to member municipalities since 1991; and
- 5) Since 1991, the Fund has continually refined all of the types of coverage that it provides to its members so that it offers comprehensive insurance coverage and limits to all members that is unique and cannot be purchased from a single entity in the commercial insurance market; and
- 6) The FUND has also developed and made available to its members Safety, Risk Management and Litigation Management programs that address the specific exposures and risks associated with municipal entities; and
- 7) The FUND provides the MUNICIPALITY with Fund Administration, Claims Review, Claims Processing, Claims Administration, Actuarial and Legal services; and
- 8) The FUND is one of the most financially sound Municipal Joint Insurance Funds in New Jersey, and the FUND operates with strong fiscal controls, member oversight, and meets all of the requirements promulgated by the New Jersey Department of Community Affairs and the Department of Banking and Insurance; and
- 9) As an existing member of the FUND, the MUNICIPALITY would be renewing its membership in an organization with experienced and dedicated FUND Professionals who provide specialized services to the members; and
- 10) The membership of the FUND includes many neighboring municipalities that uniquely have similar exposures to the MUNICIPALITY, and with whom the MUNICIPALITY has existing inter-local arrangements; and
- 11) The FUND has been organized pursuant to N.J.S.A. 40A:10-36 et seq., and as such is an agency of the municipalities that created it; and

- 12) N.J.S.A. 40A:11-5(2) also provides that a Contract which exceeds the bid threshold may be negotiated and awarded by the governing body without public advertising for bids and bidding therefor, if the Contract is entered into with a municipality or any board, body, officer, agency or authority thereof; and
- 13) The FUND meets the definition of an agency as set forth in N.J.S.A. 40A:11-5(2); and
- 14) The coverage and services provided under the Contract with the Fund cannot be duplicated, accounted for, accurately detailed, or described in a manner that truly depicts the value of the MUNICIPALITY'S membership in the FUND; and
- 15) It is impracticable for the MUNICIPALITY to seek competitive quotations for a Contract to provide the procurement of insurance coverage and consultant services; and

Dated: 7-9-15

A handwritten signature in cursive script, appearing to read "Sue B. Miller", written in black ink.

SUE MILLER, Fund Commissioner