



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 15-0614, **Version:** 1

Dept/ Agency: Water and Sewer Utilities

Action: () Ratifying (X) Authorizing () Amending

Type of Service: Professional Services Contract

Purpose: Water and Sewer Line Service Warranty Program

Entity Name: Utility Service Partners Private Label, Inc., trading and doing business as Service Line Warranties of America

Entity Address: 11 Grandview Circle, Suite 100, Canonsburg, Pennsylvania 15317

Contract Amount: No cost to the City

Funding Source: N/A

Contract Period: 365 consecutive calendar days from the adoption by the Municipal Council

Contract Basis: (X) Bid () State Vendor (X) Prof. Ser. () EUS

(X) Fair & Open () No Reportable Contributions () RFP () RFQ

() Private Sale () Grant () Sub-recipient () n/a

Additional Information:

Two (2) proposals received

WHEREAS, each residential property owner in the City of Newark ("City") is responsible for maintaining its water service lines beginning at the connection to the water main in the street and continuing to the building line, and its sewer service lines from the building line to the connection to the city sewer; and

WHEREAS, the water and sewer service lines for each property can vary widely in age and condition; and

WHEREAS, failure of a service line can be unexpected, unpredictable, and repairs tend to be expensive, such that individual residential property owners may not be prepared to respond quickly or with full knowledge of what is required to remedy the situation; and

WHEREAS, the City believes that there would be significant benefits to its water and sewer customers to provide them with information and the ability to purchase voluntary, service line warranty protection for their water and sewer service lines; and

WHEREAS, the City believes that such a program would be in the best interest of the City, resulting in the expeditious repair of damaged service lines, reducing the response and repair costs to the City, help to prevent damage to City's infrastructure, limit damage to residents' homes, and generally enable City resources to be used more effectively and efficiently; and

WHEREAS, the City desires to inform residential property owners about the voluntary opportunity, to purchase water and sewer service line protection ("Service Line Warranty Protection")

to cover the cost of repair to their service lines; and

WHEREAS, on January 30, 2015, the City of Newark advertised a Request For Proposal (RFP) for the Water and Sewer Line Service Warranty Program; and

WHEREAS, N.J.S.A. 40A:11-4.1 (j), specifically authorizes municipalities to use competitive contracting for concessions; and

WHEREAS, pursuant N.J.S.A. 40A:11-4.3(a), in order to initiate competitive contracting, the Municipal Council must pass a resolution authorizing the use of competitive contracting each time specialized goods or services are desired to be contracted; and

WHEREAS, the competitive contracting process was administered by the Business Administrator and his designee the Director of the Department of Water and Sewer Utilities, pursuant to N.J.S.A. 40A:11-4.3(b) and the contract to be awarded under this process is required to be made by resolution of the Municipal Council; and

WHEREAS, on February 26, 2015, the City of Newark received two (2) proposals in accordance with the Fair and Open Process and the New Jersey "Local Unit Pay to Play" Law, N.J.S.A. 19:44A-20.4 et seq.; and

WHEREAS, the proposal submitted by Utility Service Partners Private Label, Inc., a wholly owned subsidiary of Utility Service Partners, Inc., doing business as Service Line Warranties of America, 11 Grandview Circle, Suite 100, Canonsburg, Pennsylvania 15317, ranked higher in the following areas such as the cost of water and sewer line protection for residential property owners, extent of coverage, program marketing, the company's reputation in the field, and overall ranked higher than its competitor in the City's assessment and evaluation. In addition, Service Line Warranties of America is endorsed by the National League of Cities; and

WHEREAS, the City of Newark wishes to accept the proposal submitted by Utility Service Partners Private Label, Inc., a Delaware corporation with its principal place of business at 11 Grandview Circle, Suite 100, Canonsburg, Pennsylvania 15317, trading and doing business as Service Line Warranties of America ("SLWA"), with its parent corporation Utility Service Partners, Inc. and enter into an Agreement with SLWA to provide residential property owners with information about the opportunity to voluntarily purchase water and/or sewer Service Line Warranty Protection to cover the cost of repair to their service lines; and

WHEREAS, entering into the proposed Agreement with SLWA will be at no cost to the City; and,

WHEREAS, as part of this Agreement, the City will provide Service Line Warranties of America with a license, for the limited and specific purpose, to use the City's name and Official Seal of the City for marketing purposes only, on letters and advertising previously approved by the City to alert and inform the residents of the availability of this Service Line Warranty Protection; and

WHEREAS, in consideration of this license, SLWA will remit to the City a brand license fee; and

WHEREAS, SLWA will pay the City quarterly royalty payments which will be based upon 12% of all collected revenue from enrollments in the Service Line Warranty Protection; and

WHEREAS, SLWA supports the City's efforts to provide assistance to low income and underprivileged families and will donate to the City 50 external water line warranties and 50 external sewer line warranties on an annual basis to be distributed at the City's discretion.

NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:

1. The Mayor, and/or his designee and the Director of the Department of Water and Sewer Utilities, are hereby authorized on behalf of the City of Newark to accept, execute and enter into an agreement with the Utility Service Partners Private Label, Inc., 11 Grandview Circle, Suite 100, Canonsburg, Pennsylvania 15317, trading and doing business as Service Line Warranties of America, with its parent corporation Utility Service Partners, Inc. to provide residential property owners with information about the opportunity to voluntarily purchase water and/or sewer service line warranty protection ("Service Line Warranty Protection") to cover the cost of repair to their service lines at no cost to the City.
2. As part of this Agreement, the City will provide SLWA with a license, for the limited and specific purpose, to use the City's name and Official Seal for marketing purposes only, on letters and advertising previously approved by the City to alert and inform residential property owners of the availability of this Service Line Warranty Protection.
3. In consideration of this license, SLWA will remit to the City in return for the use of the Official Seal of the City, a brand license fee.
4. SLWA will pay the City quarterly royalty payments which will be based upon 12% of all collected revenue from enrollments in the Service Line Warranty Protection.
5. SLWA supports the City's efforts to provide assistance to low income and underprivileged families and will donate to the City 50 external water line warranties and 50 external sewer line warranties on an annual basis to be distributed at the City's discretion.
6. The term of this Agreement shall be for one (1) year from effective date. The City, in its sole discretion, may elect to renew the Agreement for consecutive one year options to renew not to exceed three (3) years.
7. This Agreement is being awarded pursuant to the fair and open procedures of the State Pay-to-Play Law (N.J.S.A. 19:44A-20.5) and pursuant to the provisions of the Local Public Contracts Law (N.J.S.A. 40A:11-5(1)(a)(i)); is in compliance with the City's Contractor Pay-to-Play Reform Ordinance, R.O. 2:4-22C.
8. No amendments, changes or modifications to this Agreement are allowed without prior Municipal Council approval.

9. A fully executed copy of this Agreement will be filed in the Office of the City Clerk by the Director of the Department of Water and Sewer Utilities.
10. No municipal funds are required for this agreement.
11. The Municipal Council of the City of Newark ratifies the use of competitive contracting for the use of a concession to procure optional Water and Sewer Service Line Warranty Protection for the residential property owners of the City of Newark to the date of adoption and authorizes its use in the future.

STATEMENT

This resolution authorizes the Mayor and/or his designee, the Director of the Department of Water and Sewer Utilities, to execute and enter into an Agreement with Utility Service Partners Private Label, Inc., 11 Grandview Circle, Suite 100, Canonsburg, Pennsylvania 15317, trading and doing business as Service Line Warranties of America, to provide residential property owners with information about the opportunity to voluntarily purchase water and/or sewer service line warranty protection to cover the cost of repair to their service lines. The program will be at no cost to the City. The City will grant Service Line Warranties of America a license to use the City's name and Official Seal for marketing purposes and in consideration for such license, will pay the City a brand license fee and annual royalty payments.