



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 18-0133, Version: 1

Dept/ Agency: Water and Sewer Utilities

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

Type of Service: Intergovernmental Agreement

Purpose: To correct error in Bulk Water Contract

Entity Name: Wayne Township

Entity Address: 475 Valley Road, Wayne, New Jersey 07470

Contract Amount: Revenue Generating

Funding Source: N/A

Contract Period: January 1, 2016 through December 31, 2025

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

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

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

Additional Information:

Correcting error in previous contract pursuant to Resolution 7R12-i adopted on August 2, 2017.

This resolution will supersede Resolution 7R12-i adopted on August 2, 2017.

WHEREAS, the Township of Wayne desires to enter into an agreement with the City of Newark for the supply of potable water from the City of Newark's Pequannock Water Supply System; and

WHEREAS, the previous agreement with the Township of Wayne for potable water expired on December 31, 2015; and

WHEREAS, by Resolution 7R12-i-dated August 2, 2017, the Municipal Council authorized the supply of potable water from the City of Newark's Pequannock Water Supply System to the Township of Wayne; and

WHEREAS, the related agreement authorized by Council contained an error under Paragraph 3 of said agreement which included duplicative language stating "The rate for the period January 1, 2017 to December 31, 2017 shall be \$2,950.00 per million gallons (this language appears earlier in paragraph 3). Additionally, the final contract included a provision under paragraph 3 which states "The rate for water delivered during period of peak demand shall be charged at a rate of 150% of the applicable rate per million gallons at the time of delivery"; and

WHEREAS, the Township of Wayne, through its Governing Body, previously approved the correct version of the contract; and

WHEREAS, the Township of Wayne and City of Newark would like to correct this error as contained in the Newark contract prior to execution of the agreement; and

WHEREAS, the City of Newark and the Township of Wayne desire to accept and execute the

attached corrected agreement to cover the period January 1, 2016 through December 31, 2025, a period of ten (10) years, for continuation of said water supply; and

WHEREAS, the City of Newark is able and willing to supply water to the Township of Wayne.

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

1. The Municipal Council hereby authorizes the Mayor and/or his designee, the Director of the Department of Water and Sewer Utilities, to execute and enter into this corrected agreement for the supply of water from Newark's Water Supply System to the Township of Wayne, for a period of ten (10) years from January 1, 2016 to December 31, 2025, at the rates indicated below and at a monthly ready to serve charge of \$4,500.00 per month. From January 1, 2016 through December 31, 2016, the rate shall be \$2,700.00 per million gallons. From January 1, 2017 through December 31, 2017, the rate shall be \$2,950.00. Beginning January 1, 2018, and annually thereafter, the Director of the Department of Water and Sewer Utilities shall adjust the water rate upward in an amount not to exceed the Adjustment based upon the Implicit Price Deflator of State and Local Governments for New Jersey and published by the U.S. Department of Commerce, Bureau of Economic Analysis. Newark reserves the right to increase the cost of water being provided under this contract in addition to the Cost of Living Adjustment for any and all charges imposed by the State of New Jersey for mandated water treatment cost increases, fees and capital improvement projects. This contract will also provide for an automatic pass through of any incurred costs from North Jersey District Water Supply Commission.
2. This contract is ratified from January 1, 2016 to the date of adoption by the Municipal Council.
3. This agreement is awarded without competitive bidding pursuant to N.J.S.A. 40A:11-5(2) because the contracting parties are New Jersey Municipalities.
4. No Municipal funds need to be expended for this resolution. This is a revenue generating contract.
5. The Director of the Department of Water and Sewer Utilities shall forward a copy of this resolution and this corrected Contract to the Division of Water Resources Bureau of Water Supply of the New Jersey Department of Environmental Protection and the North Jersey District Water Supply Commission. This agreement is subject to the approval of the aforementioned.
6. The attached agreement shall become effective January 1, 2016 and continue to December 31, 2025. Any changes to the agreement will require the approval of the Newark Municipal Council.
7. The attached corrected agreement supersedes any other agreements that were entered into between the City of Newark and the Township of Wayne concerning the supply of potable water.
8. A fully executed copy of the agreement shall be filed in the Office of the City Clerk by the

Director of the Department of Water and Sewer Utilities.

STATEMENT

This Resolution authorizes and ratifies the Director of the Department of Water and Sewer Utilities to execute the attached corrected agreement with the Township of Wayne for the supply of potable water from the period of January 1, 2016 to December 31, 2025 and ratifies the terms of the agreement for the supply of water from Newark's Water Supply System to the Township of Wayne for the period January 1, 2016 to the date of adoption of this resolution.