

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

**WHEREAS**, SOUTH HARRISON TOWNSHIP (hereinafter the "TOWNSHIP") is a member of the Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund (hereinafter the "FUND"); and

**WHEREAS**, the TOWNSHIP'S membership terminates as of January 1, 2015 unless earlier renewed by a Contract between the TOWNSHIP 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 TOWNSHIP 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 TOWNSHIP, 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 TOWNSHIP requires a unique knowledge and understanding of the municipal exposure 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 TOWNSHIP; and

**WHEREAS**, it is the goal of the TOWNSHIP to obtain a single integrated program to provide all types of insurance coverage with a plan to limit the TOWNSHIP'S 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 TOWNSHIP 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 TOWNSHIP 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 TOWNSHIP, and with whom the TOWNSHIP 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 TOWNSHIP’S membership in the FUND; and

**WHEREAS**, for all of the aforementioned reasons, it is impracticable for the TOWNSHIP 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 TOWNSHIP 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 TOWNSHIP as follows:

1. The TOWNSHIP 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 TOWNSHIP 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 TOWNSHIP'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 TOWNSHIP, 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 TOWNSHIP 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 TOWNSHIP.

TOWNSHIP OF SOUTH HARRISON

BY: \_\_\_\_\_  
JAMES MCCALL, MAYOR

Dated: June 11, 2014

ATTEST:

\_\_\_\_\_  
NANCY E. KEARNS, RMC,  
TOWNSHIP CLERK

**CERTIFICATION**

I hereby certify that the foregoing Resolution is a true and complete copy of the Resolution adopted by the Township Committee of the Township of South Harrison at the Regular Meeting held on the 11<sup>th</sup> day of June, 2014.

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NANCY E. KEARNS, RMC,  
TOWNSHIP CLERK

Information