

BOROUGH OF HIGHLAND PARK
NO. 5-20-168

RESOLUTION OF THE BOROUGH OF HIGHLAND PARK AWARDING A CONTRACT TO UTILITY SERVICE AFFILIATES, INC., A MIDDLESEX WATER COMPANY AFFILIATE, FOR THE OPERATION AND MANAGEMENT OF THE BOROUGH'S WATER AND SEWER SYSTEMS

RESOLUTION: Public Works and Public Utilities Committee

WHEREAS, the Borough of Highland Park, Middlesex County, New Jersey (the "Borough"), a municipal corporation organized and existing under the laws of the State of New Jersey, provides, among other things, certain water and sewer services to the residents of the Borough; and

WHEREAS, the Borough owns and operates the water system, including distribution facilities, all properties, assets and franchises and all improvements, additions and extensions thereto which relate to the purposes of distributing potable water service to residents and commercial and industrial establishments in the Borough (the "Water System"); and

WHEREAS, the Borough owns and operates the sewer system, including the collection systems and force mains used to collect and transport wastewater generated in the Borough from its point of origin to Middlesex County Utilities Authority treatment facility (the "Sewer System" and together with the Water System, the "Systems"); and

WHEREAS, the Systems provide water distribution and sewer collection services to the Borough's residents and customers; and

WHEREAS, the proper provision of such water distribution and sewer collection services are necessary for the public health, safety and welfare of the Borough's residents and customers and the financial well-being of the Borough; and

WHEREAS, on October 29, 2019 the Council of the Borough (the "Borough Council") adopted Resolution R-10-19-311 authorizing the use of the competitive contracting provisions of the Local Public Contracts Law *N.J.S.A. 40A:11-4.1 et seq.* ("LPCL") to seek proposals for an operation and management contract for the Systems (the "Services"); and

WHEREAS, for the purpose of determining the best candidate to provide the Services, the Borough issued a Request for Proposals ("RFP") through the competitive contracting process of the LPCL on January 21, 2020, to solicit proposals from qualified and experienced firms or entities to enter into an operating and management agreement (the "Contract") with the Borough for a ten (10) year term for the provision of the Services; and

WHEREAS, the Borough advertised the issuance of the RFP, posted the RFP on the Borough's website and issued three (3) addenda to the RFP which were emailed to all recipients of the RFP; and

WHEREAS, the Borough formed an evaluation committee (the "Committee") to review and evaluate the proposals submitted in response to the RFP in accordance with the criteria set forth in the RFP; and

WHEREAS, the RFP includes provisions for the Borough Council to i) reject all proposals or ii) to reject incomplete or non-responsive proposals; and

WHEREAS, on February 28, 2020 the Borough received proposals from Suez Water Environmental Services, Inc. ("Suez") and Utility Service Affiliates, Inc., (a Middlesex Water Company Affiliate) ("USA") in response to the RFP (the "2/28 Proposals"); and

WHEREAS, the 2/28 Proposals were reviewed by the Committee and McManimon, Scotland & Baumann, LLC, Special Counsel to the Borough, (the "Special Counsel") for compliance with the RFP; and

WHEREAS, after extensive review of the 2/28 Proposals, the Committee concluded that the 2/28 Proposals were not economically feasible and included both capital items and excessive risk protection in their proposed annual fee; and

WHEREAS, the competitive contracting provisions of the LPCL do not provide for negotiation of a proposal once submitted; and

WHEREAS, the Committee recommended the Borough Council reject the 2/28 Proposals and re-issue the RFP with revisions to the capital improvement, minor repair/replacement and annual fee provisions of the Contract; and

WHEREAS, On March 24, 2020 the Borough Council adopted a resolution, No. 3-20-188, the 2/28 Proposals and authorizing the re-issuance of the RFP; and

WHEREAS, on March 26, 2020, the Borough re-issued the revised RFP; and

WHEREAS, the Borough issued one (1) addendum to the re-issued RFP which was emailed to all recipients of the re-issued RFP; and

WHEREAS, on April 30, 2020, the Borough received proposals from USA and Suez which incorporated their February 28, 2020 Proposals by reference and amended certain sections thereof, including a revised Cost Proposal (the "4/30 Proposals"); and

WHEREAS, following review of the 4/30 Proposals, the Borough determined to modify the scope of services in the Contract; and

WHEREAS, on May 4, 2020, the Borough sent Suez and USA the revised scope of services and clarified certain issues raised by the 4/30 Proposals; and

WHEREAS, on May 8, 2020, the Borough received amended and supplemented proposals from Suez and USA, including a revised Cost Proposal; and

WHEREAS, the Committee conducted a comprehensive review and evaluation of the proposals from USA ("USA Proposal") and Suez ("Suez Proposal" and together with the USA Proposal, the "Proposals"); and

WHEREAS, the review of the Proposals was based upon (i) legal compliance; (ii) qualifications; (iii) administrative, technical, experience and financial strength requirements; (iv) proposed operation and management plan and approach; (v) project team and staffing; (vi) cost proposal and (vii) other factors, as set forth in the Proposals; and

WHEREAS, the review and evaluation of the Proposals was conducted in accordance with the proposal evaluation criteria set forth in the RFP; and

WHEREAS, in the report prepared by the Committee and Special Counsel in accordance with N.J.S.A. 40A:11-4.5(d) (the "Evaluation Report") and attached hereto as Exhibit A, the Committee ranked the Proposals based on the scores from the evaluation form and concluded that USA has the experience, administrative and technical capability and financial strength to work with the Borough and efficiently and effectively provide the Services sought under the RFP and that the Cost Proposal in the amount of \$747,000 per year for the term of the Contract for the Annual Fee and \$789,242 for the Initial Capital Improvements is reasonable and justifiable based on the Services to be provided; and

WHEREAS, the Committee recommended that the Borough Council award the Contract to USA in the total contract amount of \$8,259,242 for the ten (10) year term set forth in the RFP with a Net Present Value of \$6,863,293.37.

NOW, THEREFORE, BE IT RESOLVED BY THE BOROUGH COUNCIL OF THE BOROUGH OF HIGHLAND PARK AS FOLLOWS:

1. The aforementioned recitals are incorporated herein as though fully set forth at length.
2. The Borough hereby awards the Contract for the operation and management of the Systems to Utility Service Affiliates, Inc. at the annual fees attached hereto as Exhibit B. The Mayor and Borough Clerk are hereby authorized to execute the Contract in substantially the form attached hereto as Exhibit C with such changes, omissions or amendments and any and all other documents necessary to effectuate the purposes therein as the Mayor deems appropriate in consultation with the Borough counsel and consultants.
3. A copy of this Resolution and the Evaluation Report shall be available for distribution to the public and for public inspection at the Borough offices.
4. Notice of Award of the Contract shall be published in the local paper in accordance with N.J.S.A 40A:11-4.5(g).
5. This Resolution shall take effect immediately.

ADOPTED: May 19, 2020

ATTEST:


Joan Hullings, Borough Clerk

I, Joan Hullings, Borough Clerk of the Borough of Highland Park, New Jersey, do hereby certify the above to be a true copy of a resolution adopted by the Borough Council of said Borough on the 19th day of May, 2020.

Joan Hullings, Borough Clerk

RECORD OF COUNCIL VOTES

Council Member	Ayes	Nays	Abstain	Absent
Fine	✓			
Foster-Dublin	✓			
George	✓			
Hale	✓			
Kim-Chohan	✓			
Welkovits				✓

a - above