

**PUBLIC WORKS DEPARTMENT
FUEL DISPENSING
INTERLOCAL SERVICE AGREEMENT
BETWEEN
THE TOWNSHIP OF WANTAGE
AND
THE BOROUGH OF SUSSEX**

THIS AGREEMENT is entered the latter of the two dates on the signature page by and between

THE TOWNSHIP OF WANTAGE, a municipal corporation of the State of New Jersey (referred to as "Provider");

THE BOROUGH OF SUSSEX, a municipal corporation of the State of New Jersey ("Recipient").

WITNESSETH, that the Provider and the Recipient agree as follows:

ARTICLE I: AUTHORITY

The Provider and Recipient enter into this Interlocal Service Agreement for the provision of Public Works Department fuel dispensing services in accordance with N.J.S.A. 40:8A-1 et seq.

ARTICLE II: SERVICES PROVIDED

Provider shall make available to Recipient, Provider's fuel pumps located at the Public Works Department in Wantage Township in order that Recipient can fuel its Public Works' vehicles. Provider shall supply Recipient with a key which will allow access to Provider's fuel pumps and which will also keep a separate accounting of the fuel used. The Recipient shall pay Provider for fuel use as provided for in Article V.

ARTICLE III: FUEL USE RECORDS

The number of gallons of fuel used by Recipient will be tracked by the fuel pump key system and will be billed to Recipient as a direct reimbursement based on the current costs incurred by Provider under the Sussex County Cooperative Pricing Contract's Vendor Agreement. Recipient's Public Works Manager shall keep fuel logs for each vehicle and submit copies of them to Provider on a monthly basis in order that Provider can determine the breakdown between gasoline and diesel fuel and bill Recipient accordingly. Recipient shall fill out fuel use sheets supplied by Provider on a monthly basis and return them to Provider along with copies of the fuel use logs referred to above. This system shall be used on a trial basis and if it proves effective, it will be used throughout the term of this agreement. In the event the proposed system of

tracking diesel and gasoline use proves inefficient, Provider reserves the right to resort to a system whereby the fuel use is estimated to be 50% diesel and 50% gasoline for billing purposes.

ARTICLE IV: REPORTS AND MEETINGS

The Provider and Recipient's Administrators and/or Department of Public Works Supervisor shall meet as needed to coordinate and resolve any issues that arise during the term of this agreement.

ARTICLE V: BILLING AND PAYMENT

A. Administrative Fee

An annual Administrative Fee of \$100 shall be charged by Provider and paid by Recipient to cover the administrative costs including billing, tracking fuel usage, and pump maintenance related activities. The Administrative Fee shall be billed by Provider when the first fuel usage bill each year is submitted to Recipient. Recipient shall pay the Administrative Fee along with its first fuel use payment to the Provider.

B. Fuel Use Billing

As indicated in Article III, the actual gallons of fuel used will be billed to Recipient based on the current cost Provider is paying under the Sussex County Cooperative Pricing Contract's Vendor Agreement. Provider's finance department will use Recipient's monthly fuel use reports to calculate the bills. The parties acknowledge that reimbursement requests may not be on a monthly basis and will depend on usage.

C. Payment

All charges billed by Provider shall be paid by Recipient within 14 days of receipt of a bill by Recipient. If Recipient fails to make any payment by the 20th day after receipt of the bill from Provider, a late payment penalty of 5% of the outstanding balance shall be due. Interest will also accrue at the rate of 5% per annum on any outstanding balance that remains unpaid after the 20th day until payment is made by Recipient. If Recipient fails to make a payment in a timely manner twice, this agreement may be terminated by the Provider. In the event of termination, Recipient shall be responsible for all costs incurred to the date of termination as well as any costs associated with the termination of this agreement.

ARTICLE VI: DISPUTES

In the event of a dispute between parties, it is agreed that such disputes may be resolved by legal proceedings initiated in the Superior Court of New Jersey with venue in Sussex County. The parties shall bear their own costs of such proceeding. However, in the event any claim, demand, debt, liability, cause of action, legal proceeding or similar such action is filed against Provider by a third party as a result of any action or inaction of Recipient stemming from the services provided under this agreement,

Recipient shall indemnify and hold harmless as well as provide a defense to and bear the cost of any resulting liability of Provider.

ARTICLE VII: FUEL STORAGE CAPACITY INCREASE

In the event it is determined after this contract is executed, that there is the need for additional pumps or storage capacity in order to accommodate both municipalities, the costs of such upgrade shall be discussed between the parties in order that a determination can be made whether Recipient desires to be a part of the expansion project or seek its own alternative supply options. If the parties agree to proceed with the necessary upgrades or expansion of the system, the terms and conditions agreed to by the parties shall be set forth in a written amendment to this agreement.

ARTICLE VIII: MEMBERSHIP IN SUSSEX COUNTY COOPERATIVE PRICING COUNCIL

Recipient agrees that it shall become a member of the Sussex County Cooperative Pricing Council, since the fuel being supplied to the Recipient is currently being purchased through the Pricing Council. Recipient shall make application to the Pricing Council in an expeditious manner.

ARTICLE IX: DURATION OF CONTRACT, TERMINATION, AMENDMENT & INTERPRETATION

A. Duration

The duration of this contract shall be for the period commencing upon the execution of this contract and terminating on December 31, 2001. The contract shall automatically renew annually subject to termination as provided for in subsection B below.

B. Termination

Either party may terminate this agreement by giving the other party 60 days written notice of its intent to terminate. In the event of termination, Recipient shall be responsible for paying any outstanding charges owed to Provider up to the effective date of the termination.

C. Amendment

The agreement may be amended at any time by mutual agreement of the parties, provided that such amendment is reduced to writing, executed by the Chief Administrative Official of each municipality or his/her designated representative and specifies the date the provisions of such amendment shall be effective.

D. Interpretation and Litigation

Any questions regarding proper interpretation of the terms of the agreement shall be submitted by the Municipal Clerk of the Provider, to the municipal attorney of the Provider for interpretation. Absent a unanimous opinion, the requesting party may terminate their participation in the agreement as provided for in Article IX, Section B, or file an action in a court of competent jurisdiction with venue in Sussex County. Each party shall bear its own cost of any litigation. In the event of a dispute in which the Provider is named as a party, the Recipient shall bear the costs of Provider's attorneys' fees and costs in such action in the event it is determined, by settlement or otherwise, that Provider is not responsible.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date written below.

TOWNSHIP OF WANTAGE

Attest:

By:

Dated: _____

BOROUGH OF SUSSEX

Attest:

By:

Dated: _____

kgg
\\LCR_FS1\APPS\USERS\RIC\WPDOC\3020-1 & 3020-901\Contract-Agreements\Public works fuel dispensing 2-2.doc
05/12/06