

AGREEMENT

THIS AGREEMENT made this 1ST day of July, 2013 between the Franklin Lakes Board of Education, which has offices located at 490 Pulis Avenue, Franklin Lakes, New Jersey 07417 (hereinafter referred to as the "Board"), and Pritchard Industries, Inc., which has offices located at 147 Columbia Turnpike, Florham Park, New Jersey 07932 (hereinafter referred to as "Pritchard").

WITNESSETH:

WHEREAS, on May 22, 2013, the Board received bids for Custodial, Maintenance, Grounds Management and Services (hereinafter referred to as the "Services") in the Franklin Lakes School District (hereinafter referred to as the "District"); and

WHEREAS, Pritchard submitted the lowest responsible bid for the Services to the District in response to the Invitation to Bid, Specifications and Instructions to Bidders (hereinafter referred to as the "Specifications"); and

WHEREAS, on May 28, 2013, the Board awarded the contract for the Services to Pritchard; and

WHEREAS, the parties' are desire to enter into a contract memorializing the terms of their understanding;

NOW, WHEREFORE, based on the foregoing premises and mutual promises and covenants contained herein, the parties agree as follows:

ARTICLE I

PURPOSE OF THIS AGREEMENT

1.1 Purpose of Agreement. Pritchard is a provider of the Services. This Agreement sets forth the terms and conditions upon which the Board retains Pritchard to provide the Services to the Board.

1.2 Independent Contractor. Pritchard shall be an independent contractor and shall retain control over its employees and agents.

1.3 Regulations and Access. The Board may make reasonable regulations for use and occupancy of the Premises. Pritchard shall review and comply with Board policies and regulations governing such use and occupancy.

1.4 Bid Specifications. The Bid Specifications for the Services are attached hereto and incorporated herein by reference. In the event of a conflict, the following order of precedence shall prevail: (1) Final Negotiated Agreement; (2) Bid Specifications and any Addenda thereto; and (3) Proposal submitted by Pritchard, unless the documents lower in priority impose a greater obligation on Pritchard.

ARTICLE II

DEFINITIONS

2.1 Annual Period. The period covered by the First Annual Period of this Agreement is July 1, 2013 to June 30, 2014 and the Second Annual Period of this Agreement is July 1, 2014 to June 30, 2015. All subsequent fifty-two (52) week periods of this Agreement will be designated as additional Annual Periods.

2.2 Contract Price. Pritchard's annual compensation for performance of the Services is set forth in Article 7.1.

2.3 Premises. All building and grounds operated by the Board.

2.4 Specifications. The Bid Specifications issued by the Board for the Services.

2.5 Services. The Services shall be provided by Pritchard in accordance with the Bid Specifications, Pritchard's proposal dated May 22, 2013, and this Agreement.

ARTICLE III

TERM

3.1 Term of Agreement. The term of this Agreement, unless terminated earlier as hereinafter provided, shall commence on July 1, 2013 and shall continue until June 30, 2015. The Board reserves the right to renew this Agreement for one (1) additional two (2) year term or for two (2) additional one (1) year terms, provided the terms and conditions of this Agreement remain

substantially unchanged, and subject to the provisions of N.J.S.A. 18A:18A-42.

ARTICLE IV

SERVICES

4.1 Service and Locations. Pritchard shall manage and operate the Services at the Premises in accordance with the aforementioned Bid Specifications and Pritchard's Proposal dated May 22, 2013, which proposal is attached hereto and incorporated herein by reference.

ARTICLE V

EMPLOYEES

5.1 Pritchard Employees. Pritchard shall recruit, hire, train, supervise, direct, and, if necessary, discipline, transfer and discharge employees providing the Services. All personnel employed by Pritchard shall at all times and for all purposes be solely in the employment of Pritchard. Pritchard shall provide sufficient and qualified managers as required by the specifications to supervise the Services. Unless otherwise agreed to by the parties, all Services shall be provided by employees of Pritchard.

5.2 Payroll Taxes and Costs. Pritchard shall prepare and process the payroll for Pritchard's employees and shall withhold and pay all applicable federal and state employment taxes and payroll insurance with respect to its employees, including any

income, social security and unemployment taxes and workers' compensation costs and charges. Upon request, Pritchard shall provide the Board with its actual payroll records within seven (7) days of the request.

5.3 Staffing, Wages and Benefits. All staffing, wages and benefits shall be provided by Pritchard in accordance with the Bid Specifications. Upon notice to Pritchard, Pritchard shall discharge or remove from service related to this Agreement any person whom the Board or its designee determines is unsatisfactory.

5.4 Supplies and Equipment. Pritchard shall provide and maintain the capital equipment as listed in the specifications. Pritchard shall provide all custodial cleaning supplies and disposable items as required in the specifications. Pritchard shall comply with all "Right-to-Know" requirements and provide the Board with a list of all custodial and cleaning supplies to be used by Pritchard. Pritchard shall endeavor to use environmentally friendly, non-toxic, "green" cleaning fluids and products where available.

5.5 Material Safety. Pritchard shall respond to all regulatory agencies and shall provide its employees with Material Safety Data Sheets on all products in use in the Services. Pritchard shall insure that all OSHA, Blood Borne Pathogens and Right-to-Know regulations are adhered to at all times.

ARTICLE VI

FACILITIES, MAINTENANCE AND INVENTORIES

6.1 Condition of Premises and Equipment. The Board's Premises and the equipment provided by Pritchard for use in the Services shall be maintained by Pritchard in good condition and Pritchard shall ensure that said Premises and equipment are maintained in compliance with applicable laws concerning building conditions, sanitation, safety and health.

6.2 Custodial Management System. Pritchard shall maintain a Computerized Maintenance Management System (CMMS) for personnel, production scheduling, financial management, project management and quality control and Pritchard shall generate reports, maintenance inventory, assist in budget analysis and provide such other information that may be required by the Board, in accordance with the specifications. Pritchard shall provide the technical and engineering expertise and support for various operations projects. A web-based computerized quality control system shall also be provided by Pritchard, with required hardware, software, printer and hand-held device for data collection.

6.3 Responsibilities of Pritchard. Pritchard shall perform all responsibilities set forth in the specifications, including but not limited to the following:

(a) Background Checks. Pritchard shall provide background checks, including preliminary county background checks in all counties where the employee resided, State Police/FBI criminal background checks and New Jersey Department of Education, Office of Criminal History Review background checks for all employees (including substitute employees). The cost of the criminal background checks is the responsibility of Pritchard. The Board shall be provided with a monthly fingerprint update as to the status of preliminary and State background check compliance by employee, including data submitted and approval. Pritchard shall comply with the District's pre-employment drug testing policy and shall annually check all employee drivers' licenses to insure that no license has been suspended or revoked.

(b) Black Seal License. Pritchard shall provide at least one (1) Black Seal Boiler licensed employee per building at all times that the building is occupied. Employees must, at all times, follow applicable laws regarding the operation of boilers, pressure vessels and refrigeration.

(c) Asbestos Management Plan. Pritchard shall manage and oversee the Board's asbestos management plan and make recommendations pertaining to asbestos safety and removal. Pritchard and its employees shall not be considered the asbestos-designated person for the School District.

(d) Daily Building Checks. Pritchard must conduct daily building checks of all School District buildings. These checks are to occur during the normal heating season (when boilers are in operation) when schools are closed (Saturdays, Sundays, Holidays and Snow Closings). Each building is checked for heat, security, etc. Verification must be by way of time card. A written log of all building checks must be kept by Pritchard.

(e) Snow Removal. Pritchard shall provide the labor for snow removal for the School District buildings, sidewalks, walkways and parking lots, prior to the start of the school day. All equipment and supplies will be provided by the Board.

6.4 Scope of Services. Pritchard shall provide the following services as more particularly described in the specifications:

(a) Management, Supervisory and Support. Pritchard shall provide administrative and technical direction for the management of the maintenance, custodial and grounds functions throughout the School District.

(b) Performance Services. Pritchard shall directly employ and provide sufficient operations personnel to perform the Services as outlined in the specifications.

(c) Reports. Pritchard shall issue monthly reports as described at length in the specifications.

ARTICLE VII

FINANCIAL ARRANGEMENTS

7.1 Compensation. In consideration of Pritchard's performance of its obligations under this Agreement, the Board shall pay Pritchard an Annual Contract Price for each Annual Period beginning on the effective date of this Agreement. The Contract Price for the First Annual Period (July 1, 2013 - June 30, 2014) shall be a maximum amount not to exceed Nine Hundred One Thousand Three Hundred Eighty Eight Dollars (\$901,388) and for the Second Annual Period (July 1, 2014 - June 30, 2015) Nine Hundred Fifty One Thousand Seven Hundred Eighty Four Dollars (\$951,784) for a total contract sum of One Million Eight Hundred Fifty Three Thousand One Hundred Seventy Two Dollars (\$1,853,172). Should the Board exercise its option to renew the Agreement for up to two (2) one-year extensions or one (1) two-year extension, said renewals shall be in accordance with the provisions of N.J.S.A. 18A:18A-42, which requires that the terms and conditions of the extension shall remain substantially the same as in the original contract, that the contract be awarded by resolution of the Board upon its finding that the services are being performed in an effective and efficient manner, and that the price change, if any, not exceed the change in the index rate as defined by N.J.S.A. 18A:18A-2(bb). Information on the current index rate, as well as the index rate for the last four (4)

quarters, is available, as of the date of this Agreement, at the following website:

http://www.state.nj.us/dca/lgs/lpcl/contractlawinfo/cur_index_rate.shtml.

7.2 Installment Payments. The Board shall pay Pritchard an Installment Payment in equal amounts payable at the end of one (1) month period for the previous one (1) month period. Upon receipt of a duly executed voucher from Pritchard, no later than the first day of the month for the period beginning on the first day and ending on the last day of the previous month, the Board shall make payment to Pritchard no later than the second Tuesday of the month.

7.3 Pritchard's Payment Obligations. Pritchard, at no additional charge to Board, shall provide the following:

(a) All wages and salaries including wages, vacation pay, sick pay, bereavement pay, tuition reimbursement and legal holiday pay for all managers, laborer's and others employed by Pritchard and working at the Premises.

(b) Social Security taxes, state and federal unemployment insurance premiums, general liability and umbrella insurance premiums, workers' compensation premiums, medical and hospitalization, dental and life insurance premiums, contributions to Pritchard's 401K plan payable on behalf of Pritchard's employees at the Premises.

(c) Uniforms.

(d) Manuals, forms, and training aids.

(e) Supporting operations management, and supporting human resources, accounting, legal, training and development, and general administration functions.

(f) Equipment and supplies as specified in the bid specifications.

7.4 Board Obligations. The Board, at its expense, shall provide at the Premises:

(a) Water, utilities and electric power to run equipment.

(b) Space for use by Pritchard, including storage space for supplies and equipment.

ARTICLE VIII

GENERAL TERMS AND CONDITIONS

8.1 Compliance with Law. Pritchard shall comply with all applicable laws, ordinances, rules and regulations relating to the Services operation and shall obtain all required licenses and permits.

8.2 Workers' Compensation Insurance. Pritchard shall maintain workers' compensation insurance as required by state law covering all employees employed by Pritchard in connection with the Services.

8.3 Comprehensive or Commercial Insurance. Pritchard shall maintain during the term of this Agreement: (1) Commercial General Liability insurance not less than the following amounts: \$1,000,000 General Aggregate per location/per job, \$1,000,000 Products/Completed Operations, \$1,000,000 Personal Injury and Advertising Injury limit, and \$1,000,000 Per Occurrence Combined Single Limit for Bodily Injury & Property Damage; (2) Workers' Compensation insurance in accord with statutory limits of the State of New Jersey, together with Employers' Liability in the amount of \$1,000,000 each accident, \$1,000,000 disease policy limit/\$1,000,000 disease - each employee and employee dishonesty with a \$100,000 limit; (3) Comprehensive Automobile Liability Insurance with a Combined Single Limit for Personal Injury and Property Damage of not less than \$1,000,000 Per Accident; and (4) Umbrella Liability with a minimum limit of \$10,000,000 each occurrence. Full coverage must be provided for Pritchard's employees, the Board and its members, agents and employees, any subcontractor and any member of the public who may be injured or suffered damage from any act of Pritchard and its employees or agents. Pritchard shall provide the Board with a certificate evidencing such policies. The insurance policies shall contain covenants from the issuing company that the policies shall not be canceled without thirty (30) days prior written notice of cancellation. In the event of cancellation, Pritchard shall

obtain insurance in the same amount and for the same coverage prior to the date of cancellation. The Board shall be named as an additional insured under Pritchard's policies of insurance.

8.4 Property Insurance. The Board shall keep its buildings, including the Premises and all property contained therein, insured against loss or damage from fire, explosion or other cause normally covered by standard broad form property insurance policies.

8.5 Hold Harmless & Indemnification. Pritchard shall indemnify, defend, and hold the Board and all of the Board's officers, agents, employees and members harmless from and against any and all claims, demands, lawsuits, damages, costs and expenses, including attorneys fees and costs of litigation, arising out of, resulting from or in connection with the services, which are caused by any error, omission, negligent or willful act of Pritchard, its agents and/or employees, and any subcontractor which Pritchard may employ. The Board may defend itself at Pritchard's expense from any claim or lawsuit which may arise out of Pritchard's performance or lack of performance under the terms of this Agreement or the Board may elect to have Pritchard provide the Board with legal representation at Pritchard's own expense.

8.6 Notice. Any notice or communication required or permitted to be given hereunder shall be in writing and served

personally, delivered by courier or sent by United States certified mail, postage prepaid with return receipt requested, addressed to the other party as follows:

To Board: Franklin Lakes Board of Education
490 Pulis Avenue
Franklin Lakes, New Jersey 07417
Attention: Michael Solokas
Board Secretary/Business Administrator

To Pritchard: Pritchard Industries, Inc.
147 Columbia Turnpike
Suite 207
Florham Park, New Jersey 07932
Attn: Thomas Martin

or to such other persons or places as either of the parties may hereafter designate in writing. All such notices shall be effective when received.

8.7 Poor Performance Deduction. Deduction amounts up to two percent (2%) of monthly fee will be deducted for poor contractor performance (i.e. not completing work, poor quality or otherwise unacceptable or unsatisfactory work). Monthly inspections of the maintenance, grounds and custodial programs may be conducted by the Business Administrator/Board Secretary, or his designee, by the seventh (7th) of each month. If any deficiencies found during the inspections are not corrected within seven (7) business days, the Board may, in addition to resorting to its other remedies, deduct up to two percent (2%) of that month's fees, from Pritchard's payment.

8.8 Contract Documents. The contract documents are comprised of this Agreement and the following documents which are incorporated herein by referenced as if set forth at length:

- (a) Notice to Bidders;
- (b) Specifications;
 - i) Instructions to Bidders;
 - ii) Reports to be Supplied by Contractor;
 - iii) Maintenance, Custodial and Grounds Operations Duties;
- (c) Addenda;
- (d) Bid Documents/Forms;
- (e) Mandatory affirmative action language attached hereto as Exhibit A; and
- (f) Board Resolution.

8.9 Termination. If Pritchard fails to comply with any of its obligations required by this Agreement and, following the receipt of written notice specifying the failure, fails to remedy and cure such failure within a reasonable time, but in no event later than fourteen (14) days, then the Board shall have the right to terminate this Agreement and declare Pritchard in default and liable for any and all damages incurred by the Board upon thirty (30) days prior written notice. The Board may, at its option, require Pritchard's surety to complete the project in accordance with the terms of the Performance Bond, in addition to any other legal remedies the Board may have.

Notwithstanding anything contained in the previous paragraph to the contrary, the Board has the right to terminate the contract by providing Pritchard with ninety (90) days prior written notice.

8.10 Laws Against Discrimination. During the performance of this Agreement, Pritchard agrees as follows:

(a) Pritchard will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, Pritchard will ensure that equal employment opportunity is afforded to such applicants in employment, and that all employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such equal employment opportunity shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Pritchard agrees to post in conspicuous places, available to employees and applicants for employment, notice to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

(b) Pritchard will in all solicitations or advertisements for employees placed by or on behalf of Pritchard,

state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

(c) Pritchard will send to each labor union or representative or workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer advising the labor union or workers' representative of Pritchard's commitments under the Law Against Discrimination, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) Pritchard agrees to comply with the regulations promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31, et seq., as amended and supplemented from time to time and the Americans with Disabilities Act.

(e) Pritchard agrees to make good faith efforts to afford equal employment opportunities to minority and women workers consistent with good faith efforts to meet targeted county employment goals established in accordance with N.J.A.C. 17:27-5.2 or good faith efforts to meet targeted employment goals determined by the Division pursuant to N.J.A.C. 17:27-5.2.

(f) Pritchard agrees to inform in writing appropriate recruitment agencies, including, but not limited to, employment agencies, placement bureaus, colleges, universities, labor unions, that it does not discriminate on the basis of age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

(g) Pritchard agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

(h) In conforming with the targeted employment goals, Pritchard agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

(i) Pritchard shall furnish such reports or other documents to the Division of Public Contracts and Equal Employment Opportunity Compliance Office as may be requested by the Division from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Division of Public Contracts and Equal Employment Opportunity Compliance Office for conducting a compliance investigation pursuant to Subchapter 10 of the Administrative Code (N.J.A.C. 17:27).

(j) Pritchard shall comply with the requirements of "Exhibit A, Mandatory Affirmative Action Language - Goods, Services and Professional Services Contracts," which is attached hereto and incorporated by reference as if set forth herein at length.

8.11 Laws. Pritchard shall comply with all applicable laws, statutes, regulations and ordinances and any other rule issued by any governmental entity. This Agreement shall be governed by the laws of the State of New Jersey.

8.12 Construction and Effect. A waiver of any failure to perform under this Agreement shall neither be construed as nor constitute a waiver of any subsequent failure. The article and section headings used herein are used solely for convenience and shall not be deemed to limit the subject of the articles and sections or be considered in their interpretation. This

Agreement may be executed in several counterparts, each of which shall be deemed an original.

8.13 Severability. If any term or provision of this Agreement or the application hereof to any person or circumstance shall, to any extent or for any reason be invalid or unenforceable, the remainder of this Agreement and the application of such term or provision to any person or circumstance other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each remaining term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

8.14 Amendments to Agreement. All provisions of this Agreement shall remain in effect throughout the term hereof unless the parties agree, in a written document signed by both parties, to amend, add or delete any provision. This Agreement contains all agreements of the parties with respect to matters covered herein, superseding any prior agreements and may not be changed other than by an agreement in writing signed by the parties hereto.

8.15 Entire Agreement. This Agreement and its attachments (Bid Specifications, Addenda thereto and Pritchard's proposal dated May 22, 2013) and other documents specifically incorporated by reference herein contains the entire understanding and agreement of the parties concerning the matters contained herein,

and supersedes and replaces any prior or contemporaneous oral or written contracts or communications concerning the matters contained herein.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date first signed or the first day of the Term, whichever is sooner.

WITNESS:

FRANKLIN LAKES BOARD OF EDUCATION

Michael Solokas
MICHAEL SOLOKAS
Board Secretary/School Business Administrator

BY: Laurence Loprete
LAURENCE LOPRETE
Board President

Date: 7/23/13

Date: 7/23/13

WITNESS:

PRITCHARD INDUSTRIES, INC.

Karl Stans

BY: Thomas Martin
THOMAS MARTIN
Vice President

Date: 7/1/2013

Date: 7/1/13