KNOWLEDGE IS POWER

*The four sages*
*Who on the following pages*  
*Will show the purchasing and insurance requirements*  
*That will prevent early or forced retirements*
ROBERT S. (BOB) HOFFMANN

Bob is the Township Administrator for the Township of Chatham in Morris County. Bob is QPA with over thirty (30) years of purchasing experience in both the municipal and private sector. He has taught Public Purchasing Seminars for Rutgers over the past 19 years as time permits. Bob is a past President of the New Jersey Municipal Management Association (the NJMMA) and has served on several State wide Task Forces including Pension Reform and Sustainability.

Bob has a BA from Fordham University. He also has an MBA in Finance from Pace University. Bob was an Officer in the United States Naval Reserve assigned to the Supply Corps. During Operation Desert Storm and Desert Shield he was assigned to the Defense Logistics Agency.

He has provided consulting expertise to municipalities in Alaska, Colorado, Florida, Massachusetts, Utah and Texas.

This summer weather permitting Bob will ride the 364 mile long Erie Canal bike path from the Hudson River to Lake Erie.
SPECIFICATIONS LIVE FOREVER
THE PROOF!

The US standard railroad gauge (the distance between the rails) is 4 feet, 8.5 inches. That is an exceedingly off number. Why is this?

Because that’s the way they built them in England and the US railroads were built by English expatriates. But, why did the English build them like this?

Because the pre-railroad tramways used the same tools and jigs that were used for building wagons, which used the wheel spacing. But why did the wagons use that odd wheel spacing?

With any other wheel spacing, the wagons would break on old roads that were had ruts made with that spacing. So, who built those old rutted roads?

The first long distance roads in Europe were built by the Romans. The roads have been used ever since...

The initial ruts, which everyone else matched for fear of destroying their wagons, were first made by Roman war chariots.

Thus, we have the answer to the original question... The US standard railroad gauge of 4 feet, 8.5 inches derives from the original specification for an Imperial Roman Army War Chariot.

Specifications and Bureaucracies are much like the US standard railroad gauge...

... THEY LIVE FOREVER

So the next time you are handed a specification and wonder what horses a_ _ came up with it, you may be exactly right.

Because the Imperial Roman chariots were made to be just wide enough to accommodate the back-ends of two war horses.

Source Unknown
WEBSTERS DICTIONARY

in-surance
[in ɪnˈʃərəns]
NOUN
insurances (plural noun)
1. a practice or arrangement by which a company or government agency provides a guarantee of compensation for specified loss, damage, illness, or death in return for payment of a premium.
“many new borrowers take out insurance against unemployment or sickness”
synonyms:
assurance · indemnity · indemnification · (financial) protection · security ·
[more]
2. a thing providing protection against a possible eventuality.
“adherence to high personal standards of conduct is excellent insurance against personal problems”
[more]
synonyms:
protection · defense · safeguard · safety measure · shelter · security ·

DO YOUR INSURANCE SPECS

L👀k Like
They Were written for . . .
THIS??

OR...

THIS!!!
Risk is the potential of gaining or losing something of value. Values (such as physical health, social status, emotional well-being or financial wealth) can be gained or lost when taking risk resulting from a given action or inaction, foreseen or unforeseen. Risk can also be defined as the intentional interaction with uncertainty.

1. risk assessment
   [risk assessment]
   NOUN
   risk assessments (plural noun)
   a systematic process of evaluating the potential risks that may be involved in a projected activity or undertaking.

All insurance specifications . . .

are not created equal

Different Exposures require different insurance coverages. One size does not fit all. Insurance Specifications for a Project involving underground utility piping replacement is different from the specifications for a professional services contract with the Municipal Attorney, or for that matter, the Risk Management Consultant.
What happens when you ASSUME that all exposures are the same and therefore, insurance specifications and limits are the same...

YOU MAKE AN A$$
OUT OF U AND ME

Requirements for Types of Contracts

What is our Risk Exposure?

a. Construction
b. Solid Waste/Recycling
c. Special Events (Fireworks, Parades, Amusement Rides)
d. What else could there be???

The following slides provide examples of Insurance Specifications for various exposures.
Risk Exposure Basis Analysis
Identify Special/Unique Exposure(s) to the Project/Contract

Construction Project

The Big Three - “Standard” Coverages
Additional Considerations:
Builders Risk – Protection for partial structure

“What insurance coverages should be required?”

“The Big Three” - Standard Coverages
• Workers Compensation
• General Liability
• Automobile Liability
General Insurance Requirements

“The Big Three” - Standard Coverages
* Workers Compensation – Statutory Coverage
* General Liability - $1 million / $2 million
* Automobile Liability – Statutory Coverage

Should there be...
Excess Liability (Umbrella)? What limits?

Property Coverage

Certificate Of Insurance (COI) Should
Evidence the Coverages Required
Name the Municipality as an Additional Insured
The Contract/Agreement should also include a
Hold Harmless

What Insurance Coverages should be included, based upon your

Risk Exposure Analysis

for the following exposures ...
Sanitation / Recycling

Snowplowing Contractor
Fireworks Display

Municipal Pool / Activities
SUMMER EVENTS AT THE POOL

- June 23 – Live Music
- June 30 – Family Float Day
- July 4 – Treasure Hunt and Fireworks
- July 19 – Tween Night
- July 21 – Battle of the Bands
- July 26 – Movie Night
- August 4 – Live Music
- September 1 – Live Music
- 3 Food Truck Nights

What's covered? Who covers it? Who makes sure it's covered?

Festivals / Wet-Downs / Beer Gardens
Bounce Houses

Carnival / Food Vendors
MUNICIPAL PROFESSIONALS

Resources for Risk Analysis & Insurance Specs/Limits...

- Municipal Attorney
- Risk Management Consultant
- Municipal Auditor
- Municipal Engineer
QUESTIONS ?

Thank You for Attending!!