

RULS-AD-1976-110

1/4/1976

- CONTRACT AGREEMENT B/W MATHEMATICA + MCCARTER & ENGLISH

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Contract Agreement

This contract is effective as of the second day of August 1976 between Mathematica Policy Research, Inc. (hereinafter known as MPR) and McCarter and English.

Article I - Scope of Work

MPR shall furnish the personnel, materials, equipment and facilities necessary to perform the work, specified in MPR's proposal entitled "A Proposal for Research on Future Job Growth in the Bernard's Township Region" dated July 9, 1976 and attached hereto as Exhibit A.

Article II - Period of Performance

The work described in Exhibit A will be performed by MPR beginning with the effective date of the contract and ending on November 8, 1976.

Article III - Compensation and Payment

Upon submission of approved vouchers in such detail as McCarter and English may reasonably require, McCarter and English agree to pay MPR monthly on a time and material basis for work performed under this contract for a maximum total compensation of \$7,935. After completion

to McCarter and English's reasonable satisfaction of the work described in Exhibit A , McCarter and English agree to pay MPR the remainder of the total compensation as part of the last monthly time and materials payment. MPR agrees to maintain such records as McCarter and English may reasonable require.

Article IV - Key Personnel

James C. Ohls is considered key personnel in the performance of the work under this contract. MPR agrees that it shall not substitute another individual without the prior written approval of McCarter and English.

Article V - Publication and Publicity

As per James C. Ohls's letter to Frederick Conley dated July 8, 1976 attached hereto as Exhibit B, MPR agrees that it will not publish or distribute any material related to the results of the work to be performed under this contract while the current litigation involving McCarter and English's client, Bernard's Township is pending. However, should McCarter and English or its client publish or distribute or cause to be published or distributed the results or any part thereof such as to distort said results in the view of MPR, MPR shall thenceforth be free to publish and distribute said results involving Bernard's Township. At any rate, after the current litigation is completed, MPR shall be free to publish and distribute said results.

Article VI - Modification and Waiver

This contract constitutes the entire agreement between McCarter and English and MPR, and may not be modified except by an agreement in writing executed by both parties. No breach of all or part of this contract shall be considered a waiver of obligation of any other part of this contract.

Article VII - No Assignment without Consent

This contract shall be binding upon and shall be inure to the benefits of the successors and assigns of MPR and the heirs, successors and assigns of McCarter and English. Neither party may assign this contract in whole or in part without the prior written consent of the other.

Article VIII - Construction

This agreement shall be construed according to the laws of the state of New Jersey.

Article IX

Any controversy or claim arising out of this agreement shall be settled by arbitration in accordance with the rules then in force of the American Arbitration Association, and judgment upon the award rendered may be entered in any court having jurisdiction over the parties.

In witness whereof, the parties hereto have executed this agreement as of the effective date of this contract

MATHEMATICA POLICY RESEARCH, INC.

By

Name David N. Kershaw

Title President - MPR

Date

August 10, 1976

MCCARTER AND ENGLISH

By

Name Nicholas C. English

Date

August 12, 1976

A PROPOSAL FOR RESEARCH ON FUTURE JOB GROWTH  
IN THE BERNARDS TOWNSHIP REGION

A. INTRODUCTION

This proposal outlines research which Mathematica Policy Research (MPR) proposes to perform for Bernards Township to forecast future job growth in the Bernards Township region. Section B below establishes a context for the research by briefly discussing the need for the projected analysis. Details concerning the scope of work are presented in Section C. Sections D, E, and F then discuss the timing, staffing, and cost of the research.

B. SOME BACKGROUND

A number of court rulings in New Jersey and elsewhere within the past three years, coupled with recent actions taken by the executive branch of the New Jersey State government, have clearly established the principle that all local political jurisdictions in the state must accept their fair share of new housing construction. In particular, it is now well established that it is not permissible for local zoning laws to be so restrictive as to be inconsistent with a locality's fair share of new housing.

While this fair share concept is well-established in principle, however, there is considerable uncertainty at the operational level with regard to how the concept should be applied by local governments. This issue has recently been the subject of intense discussion among planners and other professionals interested in land use policy, but generally-agreed upon specific methods for computing a community's fair share of new housing are

not yet available. Local officials find themselves, therefore, in the awkward position of having to make zoning and land use policy decisions in the face of considerable uncertainty with respect to the operational principles by which these decisions should be governed. This problem is exacerbated by the fact that the concept of fair share housing raises many complex questions concerning economic and planning issues which most local government have neither the background nor the time to deal with internally.

### C. SCOPE OF WORK

Perhaps the most important single determinant of future housing needs in Bernards Township will be the growth of jobs in the region within which the Township is included. MPR proposes to forecast this job growth as precisely as possible so that the resulting projections can then be used by Township officials as the basis for developing estimates of their fair share of new housing.

Our starting points in this analysis will be employment forecasts which have been prepared by the New Jersey State Department of Labor and Industry and those which have been made by an independently-funded modeling project which was undertaken three years ago at Rutgers University.<sup>1/</sup> It is important, however, that this past work only be used as the starting point for the present analysis. The assumptions and methodologies on which these previous studies have been based will be carefully examined in order to determine their relevance with regard to specific application to the Bernards Township region, and new information about recent employment trends

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<sup>1/</sup> New Jersey Department of Labor and Industry, *New Jersey's Manpower Challenge of the Eighties*; Franklin James and James Hughes, *Modeling State Growth to 1980*.

will be incorporated into the analysis. It must be emphasized that it will not be possible within the resources of the current study to develop a completely new set of statewide employment forecasts which are comparable in scope to the two cited above. It will, however, be possible to identify methods of modifying these existing projections which are considerably more sophisticated and more reliable than the straight line employment projections which are used as the basis for the December, 1975 Johns-Manville Properties Corporation report on fair share housing in Bernards Township.

In order to guarantee that the MPR employment projections are of maximum use to Bernards Township officials, care must be taken to insure that they can easily be integrated into the Township's overall fair share housing analysis. In particular, it will be important that MPR's working definition of the relevant Bernards Township region be compatible with that used by Township officials in their own work. In order to achieve this coordination, it will be necessary for MPR to review existing Township documents with regard to determining fair share housing estimates. After reviewing these documents, MPR will provide Bernards Township officials with informal comments concerning them. A complete formal assessment of these existing plans and/or the development of new fair share housing estimates are, however, beyond the scope of the proposed research.

#### D. PRODUCT OF THE RESEARCH

The findings of the research project will be summarized in a final report which presents the employment forecasts described above and which fully documents the methodology underlying the forecasts. Assuming that the contract for the research is let by July 26, 1976, this final report will be submitted by November 1, 1976.



E. STAFFING

The Project Director for MPR's research effort will be Dr. James C. Ohls. The holder of a Ph.D. degree in economics from the University of Pennsylvania, Dr. Ohls joined the MPR staff last year after spending four years on the faculty of Princeton University. While at Princeton he taught courses in urban economics and public finance in the Woodrow Wilson School of Public and International Affairs and also conducted a seminar in housing policy analysis for the University's Planning School. Dr. Ohls is the author of several published articles about housing policy and land use controls. Approximately one month of his time will be allocated to the research effort.

Professor Peter Bearse, a member of the faculty of the Woodrow Wilson School of Public and International Affairs at Princeton University, will assist MPR in developing job growth forecasts for the Bernards Township region. Before accepting his current position at Princeton, Dr. Bearse was the Staff Director of the New Jersey State Economic Policy Council, and his experience in that role has made him intimately familiar with existing data sources for the state and with techniques for predicting job growth. Five days of Professor Bearse's time will be used for the proposed research.

F. BUDGET

| I. <u>Princeton Labor</u>        | <u>Days</u> | <u>Rate</u> | <u>Amount</u>  |
|----------------------------------|-------------|-------------|----------------|
| Dr. James Ohls                   | 19          | \$115       | \$2,185        |
| Research Assistant               | 10          | 44          | 440            |
| Clerical                         | 5           | 37          | <u>185</u>     |
|                                  |             |             | 2,810          |
| Fringe & Burden @ 98%            |             |             | <u>2,754</u>   |
| Total, Princeton Labor           |             |             | \$5,564        |
|                                  |             |             |                |
| II. <u>Consultant</u>            |             |             |                |
| P. Bearse                        | 5           | \$140       | 700            |
|                                  |             |             |                |
| III. <u>Other Direct</u>         |             |             |                |
| 6 RT Princeton/Bernards Township |             |             | 54             |
| 60 mi. @ \$.15/mi. x 6           |             |             | 250            |
| Computer                         |             |             | 50             |
| Reproduction                     |             |             | <u>50</u>      |
| Total, Other Direct              |             |             | <u>354</u>     |
|                                  |             |             |                |
| G & A @ 10%                      |             |             | 6,618          |
|                                  |             |             | <u>662</u>     |
| Fee @ 9%                         |             |             | 7,280          |
|                                  |             |             | <u>665</u>     |
|                                  |             |             |                |
| TOTAL BUDGET                     |             |             | <u>\$7,935</u> |



MATHEMATICA  
POLICY RESEARCH

*An Equal Opportunity Employer*

July 8, 1976

Mr. Frederick C. Conley  
Administrator  
Bernards Township Municipal Office  
Collyer Lane  
Basking Ridge, New Jersey 07920

Dear Fred,

In response to your suggestion during our July 7 phone call, I have rewritten our research proposal along the lines agreed upon at the meeting last week. A copy of the revised proposal is enclosed with this letter.

Two issues which were raised at last week's meeting require additional comment as a result of things which I have learned since the meeting took place.

(1) Bill Allen asked me at the meeting how detailed in terms of geographical aggregation the employment forecasts could be made. My reply was that since I would be drawing upon the two earlier studies done at the New Jersey Department of Labor and Industry and at Rutgers, my forecasts could be as detailed as these earlier studies and that it was my recollection that they had been disaggregated to the sub-county level. I have since checked, however, and discovered that these previous studies have been disaggregated only to the county level. As a result, my estimates will be limited to this level of geographical aggregation as well. (If necessary in order to fit into your fair housing projection work, it may be possible to divide each county into four or five broad regions and to disaggregate to this level which would be intermediate between counties and municipalities. We can explore this issue further during the research.)

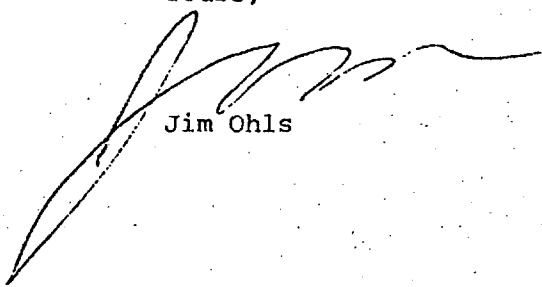
(2) As I indicated to you over the phone, I was somewhat too hasty at the meeting in assuring you that we could write into the contract a blanket guarantee of a complete confidentiality of the results. I have since discovered that such a guarantee would be inconsistent with a standard Mathematica Policy Research policy of which I was unaware at the time of the meeting. This policy is to retain the right ultimately to make all MPR research results freely available. We are, however, prepared to include in the contract a clause which guarantees not to release the research results while the current litigation is pending. This clause would be subject only to the condition that if Bernards Township made use of any individual part of the research we would then have the right to release the whole report. (This latter provision is a standard contract provision to protect us from the possibility of client

Mr. Frederick C. Conley  
July 7, 1976  
Page 2

misrepresentation of our research findings.) I apologize for giving you inaccurate information at the meeting about the degree to which the results could remain confidential--in retrospect, I should clearly have better informed myself about company policy before attending the meeting.

If the confidentiality provisions described above are acceptable to you, and if you believe that the enclosed proposal correctly represents the scope of work which was agreed upon at the meeting, please have your attorney contact me about arranging to write a formal contract for the research. Our business office will want a formal contract to be completed before they allow me to begin billing my time to the project.

Yours,



Jim Ohls

cc. Charles Agle  
Nicholas English

JO/dn  
Enclosure