

RESOLUTION 2020-219

RESOLUTION OF THE TOWNSHIP OF CHATHAM AMENDING RESOLUTION 2020-210 REGARDING THE AUDIT OF WATER & FIRE HYDRANT ACCOUNTS TO ENSURE ACCURACY AND PROPER PAYMENT

WHEREAS, on September 24, 2020 the Township Committee unanimously adopted Resolution 2020-210 which authorized the audit of Water and Fire Hydrant accounts; and,

WHEREAS, the Township of Chatham is a member of the Texas Interlocal Purchasing System (TIPS); and,

WHEREAS, if there is a reduction in future costs for water service resulting from the audit and analysis efforts of Troy & Banks, TIPS members pay a fee of 33% of the amount saved each month for a period of 24 months; and,

WHEREAS, non-TIPS members pay a fee of 50% of the amount saved each month for a period of 24 months; and,

WHEREAS, the Township of Chatham is entitled to an additional savings of 17% (50%-33%=17%)

WHEREAS, the incorrect percentage (50% instead of 33%) was listed in Resolution 2020-219; and,

WHEREAS, all other terms and conditions of Resolution 2020-210 remain the same and are listed in this resolution; and

WHEREAS, the Township of Chatham budgets over \$170,000.00 per year to pay for water for fire protection; and

WHEREAS, the Township of Chatham pays a rate that includes maintenance, pressure and diameter of the line; and

WHEREAS, over time, the rates and software used to track each of the factors that are part of the bill may have changed which could affect billing for the Township's water and fire hydrant accounts; and

WHEREAS, the Township of Chatham has not conducted a specialized audit of its water and hydrant accounts to ensure that there are no billing errors or costs in excess of those permitted so that its accounts are charged the correct fee and that the Township is paying the proper rate; and

WHEREAS, this specialty type of audit, which includes cost recovery if appropriate, requires a level of knowledge and experience that few audit firms have; and

WHEREAS, the firm of Troy & Banks 2216 Kensington Avenue Buffalo, New York 14226 have the experience and resources required to complete this type of audit; and

WHEREAS, if Troy & Banks finds overcharges, billing errors, or costs in excess of those permitted by applicable contracts, tariffs, statutes, rules and regulations, Troy & Banks will be paid 50% of all of the monies refunded or credited to the Township of Chatham; and

WHEREAS, the Township of Chatham will only pay Troy & Banks when a credit has been posted to an invoice or a refund check has been received; and

WHEREAS, if there is a reduction in future costs for water service resulting from the audit and analysis efforts of Troy & Banks, they shall receive a fee of **33%** of the amount saved each month for a period of 24 months; and,

WHEREAS, the Township of Chatham like several of other New Jersey municipalities is a member of the Texas Interlocal Purchasing System (TIPS); and,

WHEREAS, Troy & Banks is an approved TIPS vendor and will provide the services outlined under Contract Number 200601 that is valid through August 27, 2023; and,

WHEREAS, The State of New Jersey Local Finance Notice (LFN) 2012-10 dated May 14, 2012 has been reviewed by the Township Administrator to verify that the documents required in Section E. Legal Requirements to Use a National Cooperative Contract are on file.

NOW THEREFORE BE IT RESOLVED, that the Township of Chatham authorizes Troy & Banks to conduct an audit of the Township's water and fire hydrant accounts as outlined in this resolution.

BE IT FURTHER RESOLVED that this contract is awarded under the terms and conditions of the TIPS national contract.

Adopted: October 8, 2020

Attest:

Gregory J. LaConte, Clerk

TOWNSHIP OF CHATHAM IN
THE COUNTY OF MORRIS

By: _____
Michael J. Kelly, Mayor