

**PLAINFIELD BOARD OF EDUCATION**

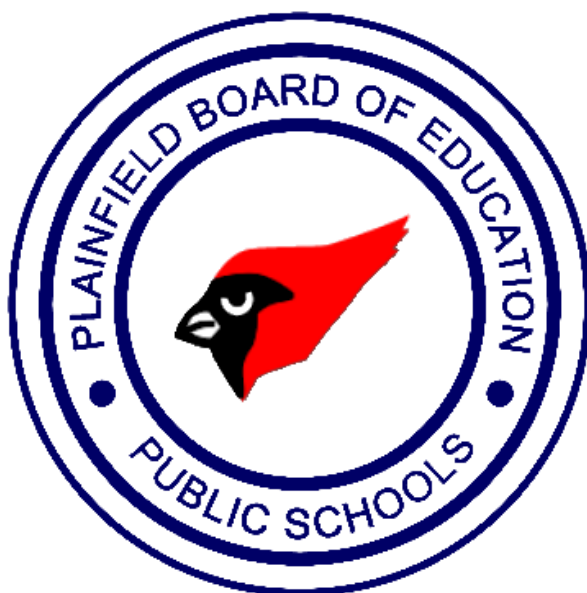
**Standard Operating Procedures**

**PURCHASING MANUAL**

**Dr. Diana L. Mitchell**  
**Superintendent**

**Mr. Mark A. Williams**  
**Assistant Superintendent**

**Rashon K. Hasan, QPA, MBA**  
**School Business Administrator**



## **PURCHASING MANUAL**

The Board has prepared a user-friendly Purchasing Manual for district officials. The manual is reviewed and revised on an annual basis. It will be distributed to district officials upon adoption by the Board of Education.

Table of Contents

***Standard Operating Procedures* ..... 6**

***Purchasing* ..... 6**

    Deliberative Process—Purchases of Goods and Services Take Time!.....7

    Mandatory Purchasing Training .....7

    ETHICS AND CONDUCT IN PURCHASING; VENDOR RELATIONS.....9

    CRIMINAL CODE CITATIONS .....11

    PUBLIC SCHOOL PURCHASING .....12

    LEGAL AUTHORITY .....12

    Corrective Action for Non-compliance.....13

    Purchasing Prohibitions .....14

    Purchasing Guidance .....15

***Methods of Procurement*..... 20**

    Public Bidding.....21

    Exceptions to the Bidding .....21

    Activities for Bidding.....22

    Solicitation of Quotations .....26

    Request for Proposal.....29

    Competitive Contracting .....34

    Extraordinary Unspecifiable Services – EUS.....40

    EUS Procurement Process—More Activities .....41

    New Jersey State Contract Purchases.....43

    Emergency Contracts .....45

    Proprietary Purchases .....47

    Concessions .....51

    Cooperative Purchasing .....55

    Cooperative Purchasing .....58

    National Co-ops .....58

    Public Works Contracts Prohibited.....58

***Shared Services Agreements* ..... 60**

***Professional Services* ..... 62**

***Federal Funds*..... 65**

***Procurement Process* ..... 65**

More Restrictive Clause.....	66
Methods of Procurement—When Using Federal Funds.....	66
Debarment and Suspension of Vendors.....	67
Standards of Conduct; Conflict of Interests--2 CFR 200.318 (c) (1).....	68
Renewal of Contracts .....	71
Contract Renewal Procedures .....	72
<i>Annual Report--Board of Education .....</i>	<i>74</i>
<i>District Contracts.....</i>	<i>74</i>
<i>Publication of Contract Award Notices.....</i>	<i>76</i>
<i>Procurement Documents .....</i>	<i>78</i>
New Jersey .....	81
Business Registration Certificate.....	81
Responsibilities of the Boards of Education .....	81
Pay to Play.....	83
DISCLOSURE .....	84
INVESTMENT ACTIVITIES IN IRAN .....	84
<i>PURCHASE ORDER RATIONALE.....</i>	<i>86</i>
Exceptions for Purchase Order Rationale Form.....	87
<i>Board of Education Actions .....</i>	<i>89</i>
<i>(Public School Purchasing).....</i>	<i>89</i>
<i>Taxes and School Districts .....</i>	<i>95</i>
Payment from Bequest, Legacy or Gift .....	98
<i>Contract Notification.....</i>	<i>100</i>
<i>Office of the State Comptroller.....</i>	<i>100</i>
<i>Disposal/Sale of Personal Property .....</i>	<i>102</i>
<i>Vendors Doing Business with the District.....</i>	<i>105</i>
<i>MEALS and REFRESHMENTS.....</i>	<i>108</i>
Prohibited Activities for Meals and Refreshments .....	109
<i>Miscellaneous Purchasing Provisions.....</i>	<i>110</i>
Credit Cards Prohibited.....	110
Employees Prohibited from Signing Contracts--Prohibition .....	110
Increasing a Purchase Order Amount .....	110
Private Purchases -- Prohibited.....	111
Purchase Order Cut Off Dates.....	111

***Requisition & Purchase Order Process..... 112***  
***Roles and Responsibilities ..... 112***

## **Standard Operating Procedures**

### **Purchasing**

The Board of Education provides standard operating procedures (SOP) for purchasing, is to assist all school district employees with the proper purchasing practices to be in full compliance with:

- New Jersey Public School Contracts Law--N.J.S.A. 18A:18A-1 et seq.;
- New Jersey Administrative Code--N.J.A.C. 5:34-1 et seq.;
- Board of Education Purchasing Policies;
- Federal Procurement Code--2 CFR 200.317 et seq., when applicable;
- NJQSAC Fiscal Indicator #15;
- Local Finance Notices – NJ Division of Local Government Services; and
- Other laws and administrative code when applicable.

The standard operating procedures are designed to achieve three (3) goals:

- Compliance with the law, code and board policy on purchasing;
- Promote efficiency in the purchasing practices; and
- Achieve savings of money through proper purchasing practices.

#### **Proper Planning**

We ask you, the user of the purchasing system, to help achieve these goals through proper planning. Please allow yourself enough leeway between generating a purchase order and the actual date materials or services are needed. Please think of purchasing in terms of a whole year. What items and services do you need on an annual basis? Through proper planning, we can eliminate much of the frustration that is encountered with all public school purchasing procedures.

## Deliberative Process—Purchases of Goods and Services Take Time!

- Compliance with Law; Code; Board Policy

Public school purchasing is a deliberative process, designed to ensure compliance with the Public School Contracts Law, appropriate New Jersey Administrative Code, board of education policy and when applicable, Federal Procurement Code.

- Limit Fraud

The deliberative process also encompasses checks and balances and internal controls designed to limit fraudulent activities.

## Mandatory Purchasing Training

All school personnel involved in the requisition and purchasing process shall attend mandatory training sessions concerning proper purchasing procedures. The training will be presented in two (2) sessions:

- **Session I—Purchasing Procedures**

All administrators, supervisors and principals, pursuant to N.J.A.C. 5:34-1.1 (b), shall attend this mandatory training session on purchasing procedures.

- **Session II—Requisition and Purchase Order Process**

All school personnel involved in the preparation of requisitions and purchase orders shall attend this mandatory training session.

## **Ethics and Conduct in Purchasing**



## ETHICS AND CONDUCT IN PURCHASING; VENDOR RELATIONS

All district employees are to practice exemplary ethical behavior in the purchasing process. Employees are to avoid any action that may be considered a conflict with their position with the district and those dealings with vendors who provide goods and services to the district. All district employees should adhere to the following terms and conditions of the board's policy on Ethics and Conduct in Purchasing; Vendor Relations.

### **Federal Code of Standards of Conduct**

The board of education, pursuant to Federal Regulation 2 CFR 200.318 (c) (1), hereby acknowledges the Ethics and Conduct in Purchasing section to be applicable to the selection, award and administration of contracts using federal funds. The code of conduct also applies to all purchases, notwithstanding the source of funding.

### **Financial Interest in any Contract with the Board of Education--Prohibited**

No employee or board member may have a direct interest in any contract or agreement for the sale of goods and services to the Board of Education, nor receive any benefit, compensation or reward from any contract for the sale of goods and services to the Board of Education. Reference—N.J.S.A. 18A:6-8.

### **Solicitation/Receipt of Gifts from Vendors -- Prohibited**

School board members, school officials and employees, or members of their immediate family are prohibited from soliciting, receiving or agreeing to receive any compensation, reward, employment, gift, meal, honorarium, travel, reimbursement, favor, loan, service, or other thing of value from any person, firm, corporation, partnership, or business that is a recipient of a purchase order from the district, or a potential bidder, or an applicant for any contract with the district, based upon an understanding that what is solicited or offered was for the purpose of influencing the board member or school employee in the discharge of their official duties. This policy shall be consistent with the School Ethics Act—N.J.S.A. 18A:12-21 et seq.

### **School District Responsibility – Favoritism; Family Members; Businesses**

School officials and employees who recommend purchases shall not extend any favoritism to any vendor. Each recommended purchase should be based upon the quality of the items, service, price, delivery, and other applicable factors in full compliance with N.J.S.A. 18A:18A-1 et seq.

School officials and employees are to avoid recommending purchases from members of their families, businesses that employ members of their families and from businesses in which the official, employee or members of their immediate family have a direct financial interest.

School officials and employees who are authorized to sign off on purchase orders and/or to recommend purchases or business transactions by virtue of their signature on the purchase order certify that their actions are consistent with this policy and all applicable statutes.

### **Vendor Responsibility – Doing Business with the Board of Education**

Any vendor doing business or proposing to do business with the Board of Education, shall neither pay, offer to pay, either directly or indirectly, any fee, commission, or compensation, nor offer any gift, gratuity, or other thing of value of any kind to any official or employee of the Board of Education or any member of the official's or employee's immediate family.

No vendor shall cause to influence or attempt to cause to influence, any official or employee of the Board of Education, in any manner which might tend to impair the objectivity or independence of judgment of said official or employee.

**Vendor Certification**

Vendors will be asked to certify that no official or employee of the Board of Education or immediate family members are directly or indirectly interested in this request or have any interest in any portions of profits thereof. The vendor participating in this request must be an independent vendor and not an official or employee of the Board of Education.

**Disciplinary Actions for Violations of the Policy--Sanctions**

In accordance with N.J.S.A. 18A:6-8, any school district employee who violates the terms of this policy may be subject to withholding of annual increments, suspension, demotion, school ethics complaint, termination and/or revocation of license to teach or to administer.

**Conflict of Interests**

No employee, officer, or agent of the Board of Education may participate in the selection, award, or administration of any contract if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. Ref. 2 CFR 200.318 (c) (1)

School district employees who are part of an evaluation committee to review responses to Request for Proposals (RFP) and/or to Competitive Contracting proposals will be required to complete a Conflict of Interest certification in accordance with N.J.A.C. 5:34-4.3 (e) (f).

**Possible Conflict of Interest—Contact the School Business Administrator/Board Secretary**

Any school employee who feels there may be a potential conflict of interest with a recommendation of the award with any vendor doing business with the district is encouraged to contact the School Business Administrator/Board Secretary for guidance.

## CRIMINAL CODE CITATIONS

All school employees are reminded of the following New Jersey Criminal Code citations:

### 2C:27-9 Unlawful Official Business Transaction

“A public servant commits a crime of the fourth degree if, while performing his official functions on behalf of the government entity, the public servant knowingly transacts any business with himself, a member of his immediate family, or a business organization in which the public servant or an immediate family member has an interest.” (N.J.S.A. 2C:27-9)

### 2C:27-10 -- Acceptance or Receipt of Unlawful Benefit by Public Servant for Official Behavior

“A public servant commits a crime in the fourth degree...if the public servant directly or indirectly, knowingly solicits, accepts or agrees to accept any benefit, whether the benefit inures to the public servant on another person, to influence the performance of an official duty or to commit a violation of an official duty.” (N.J.S.A. 2C:27-10)

## **Public School Purchasing Legal Authority**

### **PUBLIC SCHOOL PURCHASING LEGAL AUTHORITY**

#### **Authority to Purchase—School Business Administrator/Board Secretary**

The purchase of goods and/or services by a board of education is governed by state statutes, administrative code and board policy. New Jersey State Law 18A:18A-2 (b) assigns the legal authority to the Purchasing Agent to make purchases for the board of education. The Purchasing Agent is the only individual in the school district that has the authority to make purchases for the board of education.

For the purposes of this manual, the term Purchasing Agent and School Business Administrator/Board Secretary will be used interchangeably.

#### **Authorized Purchases**

All requests for purchases of goods and/or services must be made through an approved purchase order signed by the Purchasing Agent, prior to the goods or services being received.

#### **Purchase Order--Defined**

A purchase order, pursuant to N.J.S.A. 18A:18A-2 (v), is a document issued by the Purchasing Agent authorizing goods or materials to be ordered for the school district or work/service to begin. No goods or materials may be ordered or work/service be authorized to begin by any other individual in the school district other than the Purchasing Agent.

#### **Unauthorized Purchases**

Any school district employee who orders and/or receives any materials, supplies or services without first going through the approved purchase order process has made an unauthorized purchase.

Unauthorized purchases are a violation of State Law and Board Policy.

Penalties and sanctions for unauthorized purchases may be assigned by the Superintendent of Schools, which may include for the employee to pay for the unauthorized purchase.

## Corrective Action for Non-compliance

### **Memo to Administrator**

If the Purchasing Agent has determined that an unauthorized purchase has been made, a memo will be sent to the responsible administrator advising the administrator of the unauthorized purchase. The Superintendent of Schools shall receive a copy of the memo.

### **Memo to Superintendent**

The responsible administrator shall prepare a memo explaining the reasons why proper purchasing procedures were not followed. The memo will be attached to the purchase order and a copy of the memo will be sent to the Superintendent of Schools.

### **Letter to Vendor**

The Purchasing Agent will also send a letter to the vendor who provided either unauthorized services or goods. The letter will advise the vendor that payment may not be made for the unauthorized purchase. The Board Attorney will be copied on the letter.

### **District Sanctions and Violations**

All district employees are reminded that the school district may receive sanctions because of unauthorized (confirming) purchases. Employees are to note the following consequences of such actions:

### **Withholding of State Aid—N.J.A.C. 6A:23A-5.4**

The Commissioner of Education may withhold State funds from any school district that fails to obey the provisions of the Public School Contracts Law—N.J.S.A. 18A:18A-1 et seq.

### **NJQSAC Fiscal Indicator #15**

The school district is subject to a penalty of four (4) NJQSAC points for not being in compliance with the Fiscal District Performance Review Item #15, which prohibits confirming or unauthorized orders.

### **Audit Finding and Recommendations**

All financial transactions are subject to audit review. The district may receive an audit finding and recommendation for unauthorized (confirming) purchases. Repeat audit findings may lead to sanctions against the school district.

### **Employee Sanctions**

The Superintendent of Schools may recommend to the Board of Education the filing of sanctions against any employee who does not comply with federal and state purchasing laws and code, board policy and district purchasing procedures. The sanctions may include but are not limited to, paying for any unauthorized purchase, withholding of increment, suspension or tenure charges.

## Purchasing Prohibitions

### **Employees Prohibited from Signing Contracts--Prohibition**

Board of Education employees are prohibited from signing any contract offered by a vendor. The power to sign and execute vendor contracts after Board of Education approval lies with the Board President and the School Business Administrator/Board Secretary.

### **Personal Liability**

Contracts signed by an employee shall be considered non-binding by the Board of Education with the employee accepting full responsibility for the costs of the contract.

### **Reimbursements; Employee--Prohibition**

The Board of Education only recognizes an employee reimbursement purchase order when it pertains to tuition reimbursement, pre-approved travel, meals, and conferences. The Board will not reimburse employees for items and goods personally purchased by the employee.

### **Student Activity Accounts--Prohibition**

Purchases made through Student Activity Accounts may not be reimbursed with Board funds. Purchase orders made payable to Student Activity Accounts for the aforementioned purpose will not be signed by the Purchasing Agent.

### **Private Purchases -- Prohibited**

Goods and services procured by the Board of Education are exclusively for the use of the board and if applicable, other public and non-public schools. These goods and services are purchased through the signed purchase order process.

Employees of the Board of Education are prohibited from purchasing privately goods and/or services off the bid prices and quotation prices offered by the vendors to the board of education.

## Purchasing Guidance

### **Cancellation of Purchase Orders--Guidance**

All requests to cancel purchase orders must be made in writing to the Purchasing Agent. Reasons explaining the need to cancel the purchase order must be outlined. The Purchasing Agent maintains the sole right to cancel purchase orders.

### **Credit Cards Prohibited**

Pursuant to the New Jersey Department of Education Audit Program page I-5.9, a school district is not permitted to use a credit card for the purchase of goods and services. All purchases are to go through the purchase order process in compliance with the Public School Contracts Law.

### **Contracts; Purchase Order Required--Guidance**

The award of contract to a vendor approved by the Board of Education at a public meeting does not automatically authorize any employee to use the services of, or purchase materials from, the vendor.

All contract purchases require the issuance of a purchase order authorizing the purchase of services and/or goods and materials from the vendor. N.J.S.A. 18A:18A-2 (v).

### **Preview of Materials--Guidance**

All staff members must receive permission from administrators, supervisors, or principals to preview materials. After the preview process has been completed, the item must be returned. If there is a desire to purchase the previewed item, then a purchase order must be prepared for a new item.

**Confirming/Unauthorized Purchases**



## **Confirming/Unauthorized Purchases**

The School Business Administrator/Board Secretary shall take the following corrective actions to limit unauthorized purchases. He/she shall develop and institute the following strategies to limit unauthorized purchases.

### **A. Annual Letter to Employees**

Annually, the School Business Administrator/Board Secretary shall send a letter to all employees in the school district, informing them of the possible consequences of unauthorized (confirming) orders.

The letter should highlight the following;

- The authority to purchase;
- Explanation of an unauthorized purchase;
- Laws and code relevant to purchasing; and
- District warning and sanctions.

The letter should be given to all employees and discussed at staff meetings.

### **B. Annual Training Session**

The School Business Administrator/Board Secretary, to be in compliance with New Jersey Administrative Code N.J.A.C. 5:34-1.1(b), should provide an annual training session(s) to all officials involved with the purchasing process. A letter should be sent to all principals and district administrators inviting them to the training session. Attendance is mandatory.

### **C. Annual Letters to Vendors**

The School Business Administrator/Board Secretary should, on an annual basis, send a letter to all vendors who provide goods and services to the school district.

The main focus of this letter is to inform vendors about authorized purchases and unauthorized purchases. The vendors have to be told up front to only accept requests for purchases through the approved purchase order process.

### **D. Formalize the Purchasing Process**

The School Business Administrator/Board Secretary shall formalize the purchasing procedures of the district and highlight the authorization to purchase process.

- Update Board of Education Policy on Purchasing

The School Business Administrator/Board Secretary will review all board policies and regulations to ensure compliance with current laws and code; and to furthermore, codify the actual purchasing practices of the school district.

- Adopt Annual Resolution on Authorization for Purchasing

The board will adopt on an annual basis, a resolution on Authorization for Purchasing of Goods and Services. Among the suggested topics in the board resolution are:

- Authorization to Purchase;
- Aggregation and Remaining Amount;
- Preparation of Bid Advertisement; Opening of Bids;
- Authorized Purchases; and
- Unauthorized Purchases

- Purchasing Manual – Preparing and Adoption

The School Business Administrator/Board Secretary will prepare a working, user-friendly purchasing manual. The manual will be the guidebook for all employees to understand the district's purchasing procedures. The manual should be revised on an annual basis and approved by the board of education, prior to the beginning of the new fiscal year.

The Purchasing Manual should emphasize again, that the only person in the school district that is authorized to purchase goods and services is the Purchasing Agent.

#### **Penalties for Unauthorized Purchases**

Penalties for unauthorized purchases will be determined on a case-by-case basis.

#### **Corrective Action for Non-compliance**

If the Purchasing Agent has determined that an unauthorized purchase has been made, a memo will be sent to the responsible administrator advising the administrator of the unauthorized purchase. The Superintendent of Schools shall receive a copy of the memo.

The responsible administrator shall prepare a memo explaining the reasons why proper purchasing procedures were not followed. The memo will be attached to the purchase order and a copy of the memo will be sent to the Superintendent of Schools.

At any time, during the Corrective Action Process, the Superintendent may invoke the penalties for non-compliance.

A repeat offense of an unauthorized purchase by the same administrator within a school year will mandate that administrator attend a special in-service workshop on proper purchasing procedures and any sanction that may be invoked by the Superintendent.

## **Methods of Procurement**

## **Methods of Procurement**

The School Business Administrator/Board Secretary shall determine the proper procurement method to be used when applicable.

### **Methods of Procurement for Public Schools**

- Advertise for Bids
- Solicit for Quotations
- Request for Proposals (RFP)
- Competitive Contracting Proposals
- Extraordinary Unspecifiable Services (EUS) and Insurance
- State Contract Purchases
- Emergency Contracts
- Proprietary Purchases
- Concessions
- Cooperative Purchasing Agreements—State and National Co-ops
- Shared Services Agreements
- Sound Business Practices

## Public Bidding

### **Advertising for Bidding—the Standard!**

The State of New Jersey has clearly outlined in N.J.S.A. 18A:18A-4 (a) the following:

*“Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this chapter or specifically by any other law.”*

It is noted that the State of New Jersey has highlighted that every contract that exceeds the bid threshold shall be awarded to the lowest responsible bidder after public advertising for bids and bidding unless there is another legal procurement method to use.

### **Exceptions to the Bidding**

New Jersey State Law allows for some exceptions to the bid and quotation limits. There are approximately 20 exceptions where a Board of Education does not have to go for a bid. Some of them are:

- Purchasing through State Contract;
- Cooperative Purchasing Programs
- Professional services as outlined by New Jersey law;
- Textbooks, kindergarten supplies, student-produced publications, library and educational goods;
- Legal notices, food supplies, milk, utilities, insurance, election expenses, travel and conferences.

These purchases may be subject to the quotation process pursuant to N.J.S.A. 18A:18A-37(a), if practicable.

The bidding process may take from six to eight weeks. Administrators are to contact the School Business Administrator/Board Secretary to prepare bid specifications.

## Activities for Bidding

### **Certification of Funds/Cost Estimate**

The School Business Administrator/Board Secretary should certify or receive a certification in writing that funds exist for the bid project thus providing integrity for the bid. In the same certification, there must be provided an estimated cost of the bid. The estimate is required by law—N.J.S.A. 18A:18A-5 (c) (2). This estimate will be a guide on whether the Board of Education wants to reject all bids because the bid prices “substantially exceed the cost estimate of the project.” (N.J.S.A.18A:18A-22(a))

### **Prepare Technical Specifications**

The technical specifications should be prepared by a district administrator seeking the goods or services (ex. Facilities Director, Athletic Director, Food Services Director, etc.) and sent to the School Business Administrator/Board Secretary for review. At this time the administrator should also submit the Certification of Funds and cost estimate.

### **Review of Technical Specifications**

The technical specifications should be reviewed by the School Business Administrator/Board Secretary to ensure that the specifications can be awarded to the lowest responsible bidder and that the specifications are drafted in a manner to encourage “free and open competitive bidding.” (N.J.S.A.18A:18A-15)

### **Prepare Bid Package**

Once satisfied with the technical specifications the School Business Administrator/Board Secretary should prepare the appropriate bid boilerplate package to compliment the project:

- Goods and Services Bid
- Public Works Bid

### **Prepare the Bid Advertisement/Set the Bid Date and Time**

The School Business Administrator/Board Secretary by virtue of the authority bestowed by the State of New Jersey prepares the bid advertisement and sets the bid date and time. The ten (10) day rule takes effect with the advertisement. (N.J.S.A.18A:18A-2(a); 18A:18A-21 et seq.)

### **Set the Pre-Bid Meeting (If necessary)**

The School Business Administrator/Board Secretary may include, if necessary, in the bid package and the bid advertisement, the date and time for a pre-bid meeting. The purpose of the pre-bid meeting is to further explain the technical and boilerplate specifications. Mandatory pre-bid meetings are prohibited.

**Set the Addenda Deadline**

The School Business Administrator/Board Secretary in preparing bid time lines must always be aware that the bid specifications may have to be substantially changed. These substantial changes are done in writing and sent to all bidders, through the addenda process, before seven (7) days of the bid opening, Saturdays, Sundays, and holidays excluded. N.J.S.A. 18A:18A-21 (c) (1) (2)

**Make Copies of the Bid/Mail**

The bids should be mailed to vendors from a pre-determined bid list and to any bidder that makes a request for a bid. The bid list should be part of the bid file for future reference. Some districts put bid advertisements on their web page. (Bid packages may be e-mailed to vendors and it is suggested to send the bids in PDF format.

**Attend the Pre-bid Meeting/Take Minutes (If necessary)**

The School Business Administrator/Board Secretary should attend and chair all pre-bid meetings. Attendance should be taken in writing and if there are any questions and/or changes of a substantial nature they should be addressed in writing in form of an addendum.

**Mail/Fax Addenda (If necessary)**

All addenda should be mailed/faxed in accordance with N.J.S.A.18A:18A-21 (c) (1) (2).

**Receipt of Bids (Segregation of Duties)**

The School Business Administrator/Board Secretary should set up a procedure to properly receive bids and to keep them safely secured until the bid opening. Every attempt should be taken for a person other than the School Business Administrator/Board Secretary to physically receive the bids when possible.

**Bid Opening**

The bid opening should be conducted in full compliance with N.J.S.A. 18A:18A-21 (b) and with the full understanding that the School Business Administrator/Board Secretary opens all bids publicly and announces the prices and contents.

**Analyze Bids and Prepare Spreadsheets**

The School Business Administrator/Board Secretary analyzes all bids received and if necessary, prepares the appropriate spreadsheets to properly evaluate all bids. Guidance from appropriate administrators is permissible.

**Review Bids with Board Attorney (If necessary)**

The School Business Administrator/Board Secretary should review the bids with the Board Attorney if there are questions about possible compliance issues with state/federal law/code. The School Business Administrator/Board Secretary should not unilaterally decide whether a bid is to be recommended for rejection or disqualification.

### **Prepare Board Resolution Awarding/Rejecting Contract**

The School Business Administrator/Board Secretary should prepare the resolution awarding the contract to the lowest responsible bidder and include all bid results in the resolution. A proper record of the prices and terms shall be made in the minutes of the board. Resolutions rejecting any bids should be prepared in concert with the Board Attorney. Once again, all prices are to be in the board resolution awarding a contract.

### **Board of Education Awards Contract**

The Board of Education at a public meeting has the authority to award the contract to the lowest responsible bidder. (18A:18A-4(a))

### **Notify All Bidders of Results**

The School Business Administrator/Board Secretary, as a good business practice, should notify all bidders of the bid results. A copy of the board resolution sent to each bidder would be a good method of notification with a caveat that no work is to begin or no goods to be sent unless the winning bidder has the appropriate signed purchase order.

### **Prepare/Mail Purchase Orders**

The School Business Administrator/Board Secretary should prepare and mail all purchase orders relevant to the bid project with the full understanding that no work is to begin or no good to be sent unless the winning bidder(s) has the signed purchase order. (N.J.S.A.18A:18A-2(v))

### **Prepare/Mail Contracts (If necessary)**

The Board Attorney should prepare formal written contracts for the School Business Administrator/Board Secretary to mail to winning bidders. It is highly recommended that formal written contracts be prepared for all contracts for services and public works that are approved by board of education resolution.

### **Bid File Folder—Minimum Contents**

The School Business Administrator/Board Secretary should ensure that the bid file folder has at the minimum, copies of the following items that are needed for auditor review:

- Attendance Sheet—Bid Opening
- Attendance Sheet—Pre Bid Meeting
- Bid Package—2 Copies
- Bids Received Check-off Sheet
- Certification of Funds Memo
- Legal Bid Advertisement
- Minutes—Pre Bid Meeting
- Original Bids Received from Vendors
- Resolution Awarding Bid—5 copies
- Vendors List of Names and Addresses



## Solicitation of Quotations

## Solicitation of Quotations

The School Business Administrator/Board Secretary shall determine whether the district shall advertise for bids or solicit quotations for goods and services. This method of procurement is used for contracts for goods, materials, services and public work projects that in the aggregate are less than the bid threshold, but 15% more than the bid threshold.

All quotations shall be in writing and will be coordinated by the Office of the School Business Administrator/Board Secretary. When a quotation is deemed necessary, the Administrator/Supervisor or Principal is asked to contact the Business Office. The School Business Administrator/Board Secretary will review these quotation specifications to determine whether they are set up to provide open and competitive quotations.

*Please note: The formal quotation process could take about 2-4 weeks from start to finish. There will be no telephone quotations except in a case of extreme urgency.*

### **Certification of Funds/Cost Estimate**

The School Business Administrator/Board Secretary should certify or receive a certification in writing that funds exist for the project thus providing integrity for the proposal process.

### **Prepare Technical Specifications**

The technical specifications should be prepared by a district administrator seeking the goods or services (ex. Facilities Director, Athletic Director, Food Services Director, etc.) and sent to the School Business Administrator/Board Secretary for review.

### **Review of Technical Specifications**

The technical specifications should be reviewed by the School Business Administrator/Board Secretary to ensure the specifications are drafted in a manner to encourage a free and open competitive process.

### **Prepare Quotation Package**

Once satisfied with the technical specifications the School Business Administrator/Board Secretary should prepare the appropriate quotation boilerplate package to compliment the project:

- Goods and Services Quote
- Public Works Quote

### **Prepare the Bid Advertisement/Set the Submission Date and Time**

The School Business Administrator/Board Secretary sets the submission of proposals date and time, which may be from three to seven days upon receipt of proposals by the vendor.

### **Make Copies of the Quotation Proposal**

The proposal should be mailed to vendors via electronic mail whenever possible.

### **Receipt of Responses (Segregation of Duties)**

The School Business Administrator/Board Secretary should set up a procedure to properly receive responses. Every attempt should be taken for a person other than the School Business Administrator/Board Secretary to physically receive the responses whenever possible.

**Submission Date and Time Bid Opening**

Responses for quotation proposals do not have to be publicly opened unless advertised so. The School Business Administrator/Board Secretary should receive all responses by the submission date and time and begin the evaluation process.

**Analyze Responses and Prepare Spreadsheets**

The School Business Administrator/Board Secretary analyzes all responses received and if necessary, prepares the appropriate spreadsheets to properly evaluate all responses. Guidance from appropriate administrators is permissible.

**Review Responses with Board Attorney (If necessary)**

The School Business Administrator/Board Secretary should review the responses with the Board Attorney if there are questions about possible compliance issues with state/federal law/code. The School Business Administrator/Board Secretary should not unilaterally decide whether a response is to be recommended for rejection or disqualification.

**Award of Contract—Price and Other Factors**

The board of education is obligated to solicit at least two (2) competitive quotations and award the contract pursuant to N.J.S.A. 18A:18A-37 (a), to the vendor whose response is most advantageous, price and other factors included.

**Telephone Quotation Solicitations**

The district shall only solicit quotations by telephone in urgent matters and when approved by the School Business Administrator/Board Secretary.

**Request for Proposal  
RFP**

## Request for Proposal

### RFP

The request for proposal (RFP) is a legally recognized procurement method that permits contracting agencies to award a contract to a vendor or respondent based upon the proposal that is most advantageous to the contracting agency, price and other factors considered, and not solely based upon the lowest price.

Services procured through an RFP (Simple RFP compared to Competitive Contracting RFP)  
The RFP method is the most preferred method for awarding contracts for the following services:

Professional Services	Academic/Operational Services (Contracts less than \$40,000)
Auditing; Accounting	Instructional Services
Legal	Educational Services
Engineering, Architectural	Professional Development Services
Medical	
Special Education Related Services (as so designated by the board attorney)	

#### Award of Contract—RFP Evaluative Criteria

The RFP method is designed to award the contract to the vendor or respondent based upon a model evaluation criteria (TMC) which may be found in N.J.A.C. 5:34-4.2 and also as recommended by the NJ State Comptroller's Office with the publication:

#### ***Best Practices in Awarding Service Contracts (2010)***

The award for an RFP contract does not have to be given to the respondent who submits the lowest price. The evaluative process is designed to award the contract to the respondent whose response is most advantageous, price and other factors considered and who will provide the highest quality service at a fair and competitive price.

#### Final Note: Advertising an RFP—Not Required!

There is no legal requirement to advertise a request for proposal that is not part of the Competitive Contracting process. Districts are encouraged to “publicize” each RFP by putting it on the district’s website in PDF format. RFPs shall be publicized when the district uses Federal Funds. When using the RFP process as part of the Competitive Contracting procurement process the district has to advertise pursuant to N.J.S.A. 18A:18A-4.5 (a).

## **Request for Proposal RFP Process**

### **Technical Specifications/Evaluation Criteria Prepared**

The district administrator prepares technical specifications and evaluation criteria for review by School Business Administrator/Board Secretary.

### **Review of Technical Specifications/Evaluation Criteria**

School Business Administrator/Board Secretary reviews technical specifications and evaluation criteria.

### **Request for Proposal Format—Technical Specifications**

The RFP format shall be used when preparing technical specifications for the solicitation of proposals.

### **Purpose of Proposal**

This is where the service required is identified.

### **Scope of Service**

Administrators are asked to fully describe all services they want the vendor to provide to the district. Please be very detailed. Think of everything that is needed for the service. Anything left out may cost the district extra money for the omitted services.

### **Qualifications**

List all minimum qualifications the vendor should meet. Licenses; background checks; experience with public school districts; type and number of personnel needed; facilities and equipment needed; and other matters of importance for the particular contract.

### **Contract Period**

Unless otherwise noted the term of the contract will be from

**July 1, 20 \_\_\_\_ through June 30, 20 \_\_\_\_**

A professional services contract may not exceed 12 months.

### **Presentation Package**

In this section, all respondents are asked to respond to the RFP by preparing a presentation package. Respondents will have to provide in writing

- Fully describe the services they are to provide;
- Provide all evidence of qualifications; and
- Submit a fee proposal; schedule

**Fee Schedule – Payment**

Here you are to advise the consultant on what type of payment process will be used. Do you plan to pay one lump sum after the entire project is completed? Will you pay the vendor per case; evaluation per time frame; or other means of determining payment? It is important that this is explained thoroughly so that you may be able to compare apples to apples.

**Award of Contract**

This is not a bid and therefore the Board of Education does not have to award the contract to the respondent who submits the lowest price.

All RFPs will have the following language:

**Award of Contract**

It is the intention of the Board of Education to award the contract to the respondent based upon relative experience, qualifications and the respondent who will provide the highest quality service at fair and competitive prices.

**Coordination of Activities**

List the person who will coordinate the activities for this contract.

**List of Vendors**

Administrators are to provide with each RFP proposal a list of vendors to whom the proposal will be sent. A minimum of at least three (3) vendors for each proposal should be provided.

**Cost Estimate**

The School Business Administrator/Board Secretary and appropriated district administrator shall prepare a contract cost estimate pursuant to N.J.S.A. 18A:18A-5 (c) (2). The SBA shall certify that funds exist for the project.

**RFP Package Prepared by School Business Administrator/Board Secretary**

The SBA prepares the complete RFP set of specifications ready for distribution.

**Set the Submission Date and Time**

The School Business Administrator/Board Secretary sets the submission of proposals date and time, which may be from ten to twenty days upon receipt of proposals by the vendor.

**RFP Packages Mailed to Potential Respondents**

The School Business Administrator/Board Secretary on the same day of sending the legal advertisement to the newspaper may mail (e-mail) the RFP complete package to potential respondents.

**RFP Specifications Published on Website—Optional**

The School Business Administrator/Board Secretary may place the RFP specification on the district's website.

**Opening of Sealed Proposals**

The School Business Administrator/Board Secretary may publicly open and unseal all proposals received, however, there is no legal requirement to do so.

**Review of Proposals: Appointment of Evaluation Committee**

The SBA may appoint an evaluation committee (if necessary), to assist in the evaluation of all proposals

**Conflict of Interest Statement**

Everyone involved in the evaluation process must file with the SBA a Conflict of Interest Certification. The SBA and the Evaluation Committee may also conduct interviews with respondents.

**Analyze Responses**

The School Business Administrator/Board Secretary analyzes all responses received and if necessary, prepares the appropriate spreadsheets to properly evaluate all responses. Guidance from appropriate administrators and the evaluation committee is permissible.

**Review Responses with Board Attorney (If necessary)**

The School Business Administrator/Board Secretary should review the responses with the Board Attorney if there are questions about possible compliance issues with state/federal law/code. The School Business Administrator/Board Secretary should not unilaterally decide whether a response is to be recommended for rejection or disqualification.

**Award of Contract—Price and Other Factors**

The board of education may award the contract pursuant to N.J.S.A. 18A:18A-37 (a), to the vendor whose response is most advantageous, price and other factors included.



## **Competitive Contracting**

## Competitive Contracting

### **Competitive Contracting** (Certain Contracts Exceeding Bid Threshold)

This procurement method is used for purchases of certain goods and services exceeding the bid threshold.

The district can only use this procurement method for contacts that are outlined in N.J.S.A. 18A:18A-4.1. **Some** of the examples that are permitted are:

1. Proprietary Computer Software for Board Use
  - a. Student Information Systems
  - b. Business Office; Human Recourses
  - c. Student Transportation
2. Professional Development Services
3. Educational Consultant Services
4. Instructional Improvement Services

The award of the contract is similar to the RFP award—an evaluative criteria which includes, price and other factors considered.

## **Competitive Contracting Process**

### **Authorization to Use Competitive Contracting Process**

The School Business Administrator/Board Secretary prepares a board resolution seeking permission from the board to use the Competitive Contracting process.

If State Approval – Division of Local Government Services was needed, the School Business Administrator/Board Secretary writes to the Division for approval.

### **Technical Specifications/Evaluation Criteria Prepared**

The district administrator prepares technical specifications and evaluation criteria for review by School Business Administrator/Board Secretary.

### **Review of Technical Specifications/Evaluation Criteria**

School Business Administrator/Board Secretary reviews technical specifications and evaluation criteria

### **Request for Proposal Format—Technical Specifications**

When using the Competitive Contracting process the RFP format shall be used.

### **Purpose of Proposal**

This is where the service required is identified.

### **Scope of Service**

Administrators are asked to fully describe all services they want the vendor to provide to the district. Please be very detailed. Think of everything that is needed for the service. Anything left out may cost the district extra money for the omitted services.

### **Qualifications**

List all minimum qualifications the vendor should meet. Licenses; background checks; experience with public school districts; type and number of personnel needed; facilities and equipment needed; and other matters of importance for the particular contract.

### **Contract Period**

Unless otherwise noted the term of the contract will be from

**July 1, 20\_\_\_\_ through June 30, 20\_\_\_\_\_**

Professional services contract may not exceed 12 months.

**Presentation Package**

In this section, all respondents are asked to respond to the RFP by preparing a presentation package. Respondents will have to provide in writing

- Fully describe the services they are to provide;
- Provide all evidence of qualifications; and
- Submit a fee proposal; schedule

**Fee Schedule – Payment**

Here you are to advise the consultant on what type of payment process will be used. Do you plan to pay one lump sum after the entire project is completed? Will you pay the vendor per case; evaluation per time frame; or other means of determining payment? It is important that this is explained thoroughly so that you may be able to compare apples to apples.

**Award of Contract**

This is not a bid and therefore the Board of Education does not have to award the contract to the respondent who submits the lowest price.

All RFPs will have the following award of contract language:

**Award of Contract**

It is the intention of the Board of Education to award the contract to the respondent based upon relative experience, qualifications and the respondent who will provide the highest quality service at fair and competitive prices.

**Coordination of Activities**

List the person who will coordinate the activities for this contract.

**List of Vendors**

Administrators are to provide with each RFP proposal a list of vendors to whom the proposal will be sent. A minimum of at least three (3) vendors for each proposal should be provided.

**Cost Estimate**

The School Business Administrator/Board Secretary and appropriated district administrator shall prepare a contract cost estimate pursuant to N.J.S.A. 18A:18A-5 (c) (2). The SBA shall certify that funds exist for the project.

**Competitive Contracting Package Prepared by School Business Administrator/Board Secretary**

The SBA prepares the complete Competitive Contracting/RFP set of specifications ready for distribution.

**Legal Ad – Sent to Official Newspaper**

The School Business Administrator/Board Secretary sends the legal advertisement to the official newspaper the day after Board approval.

**CC/RFP Packages Mailed to Potential Respondents**

The School Business Administrator/Board Secretary on the same day of sending the legal advertisement to the newspaper may mail (e-mail) the CC/RFP complete package to potential respondents.

**CC/RFP Specifications Published on Website—Optional**

The School Business Administrator/Board Secretary may place the CC/RFP specification on the district's website.

**Legal Ad Published--Twenty (20) Days**

Proposals may not be opened until 20 days after the legal ad is published.

**Pre-Submission Meeting (7 business days after publication of advertisement)**

This meeting is held between district officials and potential respondents to discuss the project and competitive contracting process.

**Addenda Preparation—Goal One Day after Meeting**

As a result of the pre-submission meeting, the specifications may need to be amended. Within one day of the meeting, the SBA should prepare and send by certified fax all addenda to potential respondents.

**Notice of Addenda**

A notice of addenda must be published in an official newspaper shall be published in an official newspaper seven (7) days prior to the proposal opening.

**Addenda Received/Notice Published**

The SBA should maintain a copy of the publication of the official addenda to the CC/RFP.

**Opening of Sealed Proposals in Public**

The School Business Administrator/Board Secretary shall publically open and unseal all proposals received at the advertised date and time. The SBA shall read publically, the names of the respondents and the prices of their respective proposals.

If an addendum was issued, seven (7) days must have elapsed from the receipt of addenda, (Saturdays, Sundays and holidays excluded) prior to the opening of the proposals.

**Review of Proposals: Appointment of Evaluation Committee**

The SBA may appoint an evaluation committee (if necessary), to assist in the evaluation of all proposals.

**Conflict of Interest Statement**

Everyone involved in the evaluation process must file with the SBA a Conflict of Interest Certification. The SBA and the Evaluation Committee may also conduct interviews with respondents.

**Preparation of Report and Recommendation of Award--SBA**

In accordance with N.J.S.A. 18A:18A-4.5 (d), the SBA shall prepare a report for the board. The report provides information as outlined in the law. The SBA shall provide a recommendation of the vendor to be recommended for the award.

**Board Committee Review (if necessary)**

The appropriate Board of Education Committee may review the report and ask to review all proposals with the SBA. The Committee or the full board may interview leading respondents.

**Negotiations Not Permitted**

Under no circumstances shall the provisions of the RFP be subject to negotiation. (N.J.S.A. 18A:18A-4.5 (b))

**Award of Contract—Report to the Board**

The School Business Administrator/Board Secretary shall recommend to the board the selection of the vendor(s) through his/her official report to the board. The report shall become part of the public record and reflect the action of the board.

The award of the contract shall be made by resolution of the board of education. The board may reject all proposals pursuant to N.J.S.A. 18A:18A-22.

**Public Notice—Award of Contract**

The SBA shall prepare a Public Notice legal ad notifying the public of the award of the contract. The public notice is to be sent to the official newspaper and published within 20 days of the award.

**Extraordinary Unspecifiable Services  
EUS**

## Extraordinary Unspecifiable Services – EUS

The EUS procurement process is the preferred method to use when procuring insurance or insurance consulting (Broker of Record) services.

### **Extraordinary Unspecifiable Services (EUS) Procurement Process**

When using the EUS procurement process please note the following:

1. Solicitation of Quotations--EUS

N.J.A.C. 5:34-2.3 (a) clearly states that if the estimated cost exceeds 15% of the bid threshold, quotations as to the cost or prices must be solicited by the contracting agent.

The code notes that the contract shall be awarded in accordance with N.J.S.A. 18A:18A-37 (a).

2. Award of Contract—EUS--N.J.S.A. 18A:18A-37 (a)

A review of the law will note the following:

- a. The School Business Administrator/Board Secretary shall solicit at least two (2) competitive quotations if practicable.
- b. The award shall be made to the vendor whose response is most advantageous, price and other factors considered.

3. Simple Quotation/Request for Proposal?

The simple quotation process is acceptable, however, the district shall use the Request for Proposal (RFP) method.

4. RFP: The Request for Proposal Method

The RFP method, when prepared using the guidance of the NJ State Comptroller—*Best Practices for Awarding Service Contracts*, permits the school district to award the contract, based upon a model evaluation criteria of

- a. Technical criteria;
- b. Management criteria; and
- c. Cost criteria

It appears, that by using the above model evaluation criteria found in N.J.A.C. 5:34-4.2 (a), the price and other factors test outlined in N.J.S.A. 18A:18-37 (a) would be satisfied.



## EUS Procurement Process—More Activities

### **1. Certification Required—Prior to Award of Contract**

The designated administrative official (School Business Administrative) shall file with the Board of Education prior to the award of the contract, the following document:

Standard Certification Declaration for an Extraordinary Unspecifiable Service

This document may be found on the NJ Division of Local Government Services website or at the end of Local Finance Notice AU 2002-02. Reference—N.J.A.C. 5:34-2.3 (b)

### **2. Board Resolution Required**

a. Contracts less than the bid threshold

A board resolution is not required by law, however, in the sensitive case of insurance services, it is strongly recommended that a resolution be prepared and adopted by the board of education.

b. Contracts exceeding the bid threshold

A board resolution is required.

### **3. Public Notice Required**

A notice of award of contract procured through the EUS process must be published in an official newspaper no later than 20 days after the passage of the board resolution. The notice of award shall be prepared in accordance with the guidelines as established in Local Finance Notice 2010-3 (Page 2—Letter A)

### **NJ Office of the State Comptroller Guidance**

The district will refer to the guidance issued by the Office of the State Comptroller at a NJASBO Professional Development workshop. The OSC publication on procurement compliance may be found on the NJASBO website—on pages 40-45

**New Jersey State Contract Purchases  
NJ START**

## New Jersey State Contract Purchases

### NJ START

Pursuant to N.J.S.A. 18A:18A-10(a) and N.J.A.C. 5:34-7.29 (c), the School Business Administrator/Board Secretary, without advertising for bids, may purchase goods and services from State Contract vendors who participate with the New Jersey Cooperative Purchasing Program, NJ START.

The State Contract vendors agree to sell goods and services to the Board of Education in accordance and subject to all conditions applicable to the individual state contract.

The School Business Administrator/Board Secretary will review the NJ START website and comply with all rules and regulations of the New Jersey Division of Purchase and Property as it pertains to state contract purchasing.

#### **Board Resolution**

In accordance with N.J.A.C. 5:34-7.29 (c) contracts awarded under a State Cooperative Purchasing contract that are in excess of the contracting units bid threshold shall be made by resolution of the governing body.

#### **System Identifier Number**

The system identifier of **1 NJCP** shall represent the State of New Jersey Cooperative Purchasing Program administered by the Division of Purchase and Property within the Department of the Treasury. This identifier shall be used by all contracting units purchasing under the Division of Purchase and Property's Cooperative Purchasing Program.

Contract amounts awarded to state contract vendor shall not be included in the district's aggregate total.

#### **Major State Contract Purchases**

The School Business Administrator/Board Secretary shall determine when the district purchases goods and services from State Contract vendors. The district will make every opportunity to purchase the following from State Contract vendors whenever possible.

- ① *Office Supplies and School Supplies*
- ② *Computers/Other Technological Devices*
- ③ *Copiers-- Pre-Approval Needed*

#### **Requisitions--State Contract**

All requisitions made through State Contract vendors shall include the following:

- State Contract Number;
- NJ State Contract Cooperative Code: 1NJCP
- Notification of Award;
- Approved Price List; and
- Shipping and Handling Included

#### **State Contracts Using Federal Funds**

State contracts may not be used for purchases over \$3,500.00 in value. However, these vendors may participate in a competitive procurement process that is carried out by the Board of Education.

## Emergency Contracts

## Emergency Contracts

Pursuant to N.J.S.A. 18A:18A-7, the School Business Administrator/Board Secretary may award an emergency contract to a vendor or contract as follows:

### **A. Background**

An actual emergency must exist. An “emergency” is not to be created as a result of inadequate planning, delay, failure to take into account construction season or administrative convenience.

### **B. Definition of Emergency**

An emergency is a situation affecting the health or safety of occupants of school property that requires the immediate delivery of the articles or performance of a service to alleviate the emergency.

### **C. Process in Declaring an Emergency**

- Superintendent of Schools Notified  
The Superintendent of Schools is notified by the employee/supervisor/ administrator requesting a declaration of emergency.
  
- School Business Administrator/Board Secretary/Purchasing Agent Notified  
The official in charge of the building or facility, wherein the emergency occurred shall notify the School Business Administrator/Board Secretary/Purchasing Agent of the following:
  - a. Nature of the emergency;
  - b. Time of the occurrence; and
  - c. The need for the performance of a contract.

Such notification shall be prepared in writing and filed with the Purchasing Agent as soon as possible.

### **Awarding of Contract by School Business Administrator/Board Secretary/Purchasing Agent**

If the School Business Administrator/Board Secretary/Purchasing Agent is satisfied the emergency exists, the School Business Administrator/Board Secretary/Purchasing Agent by State Law is authorized to award the contract.

### **Filing of Documents with State and County by School Business Administrator/Board Secretary/School Business Administrator/Board Secretary**

In accordance with N.J.A.C. 5:34-6.1, the following documents must be filed with the County Superintendent within three (3) days after awarding the contract or agreement:

- A copy of the contract or agreement;
- Nature of the emergency.

### **Acknowledgment by Board of Education**

The Board of Education, at its next regular Board of Education Public Meeting, should review and acknowledge said emergency purchase. This can be done in the form of a board resolution.

The Board resolution is recommended to be one for only an acknowledgment of emergency purchase. State law requires the board to “provide for the payment of the contract price.”

## **Proprietary Purchases**

## Proprietary Purchases

The School Business Administrator/Board Secretary may purchase goods and services of a proprietary nature for the district.

### **Definition of Proprietary—N.J.S.A. 18A:18A-2 (cc)**

*Proprietary means goods or services of a specialized nature that may be made or marketed by a person or persons having the exclusive right to make or sell them when the need for such goods or services has been certified in writing by the board of education to be necessary for the conduct of its affairs. Sole source vendors are not recognized in New Jersey. (Local Finance Notice 2010-3 p.9)*

### **Computer Software—Proprietary—Educational/Academic—Supplements Textbooks**

Educational/academic proprietary computer software may be excluded from the competitive procurement process if the software meets the test of the definition of “Library and educational goods and services”—N.J.S.A. 18A:18A-2 (r).

Library and educational goods and services are an exception to bidding pursuant to N.J.S.A.18A:18A-5(a) (5). To determine whether the proprietary computer software is an exception one has to refer to the definition of library and educational goods and services and review the following language:

“...specialized computer software used as a supplement or in lieu of textbooks or reference material.” (N.J.S.A. 18A:18A-2(r))

### **Procurement Process**

- Certification in Writing Required:

In accordance with N.J.S.A. 18A:18A-2 (cc) and N.J.A.C. 5:34-9.1 (b), the School Business Administrator/Board Secretary must certify in writing to the Superintendent of Schools why the software is of a “specialized nature and necessary for the conduct of the affairs of the school district. Plainly speaking the SBA has to provide

The compelling reason(s) and the value to the public and the school district why the particular computer software **above all others** will benefit the district.

The SBA will also certify that the computer software will be used as a supplement to textbooks or reference material to meet the test as noted in the library and educational goods and services definition.

## **Procurement Process**

- **Proprietary Letter and Proposal from Vendor:**

The School Business Administrator/Board Secretary must obtain from the vendor, a letter certifying that the computer software is proprietary and that no other person or business makes the software and/or sells the software. Attached to the letter will be a written proposal from the vendor fully outlining the purchase and the associated costs.

- **Resolution**

The School Business Administrator/Board Secretary will prepare the board resolution fully outlining the proprietary purchase and include the certification language in the resolution.

- **Document Submission:**

The School Business Administrator/Board Secretary shall obtain the required documents prior to the award of contract. They include:

- Affirmative Action Evidence—Employee Information
- Chapter 271 Political Contribution Disclosure Form
- NJ Business Registration Certificate and Iran Form
- Iran Financial Disclosure

- **Requisition/Purchase Order:**

The requesting administrator will prepare the requisition/purchase order for this purchase and submit it to the School Business Administrator/Board Secretary prior to the board meeting date.

**Computer Software**—Proprietary, Educational/Academic – (Non-Supplemental) - Bid or Quotation Required:

Educational/academic computer software that does not supplement textbooks or reference material shall be procured through a bid or quote process depending on the total cost. The requesting administrator shall provide the following:

- Certification in Writing;
- Letter from the vendor—proprietary computer software;
- Bid specifications fully outlining the purchase; and

The School Business Administrator/Board Secretary shall either advertise for bids or solicit quotations, again depending on the estimated costs.



**Computer Software—Board of Education Use**

The purchase or licensing of proprietary computer software designed for Board of Education purpose shall be purchased through the competitive contracting process or advertisements for bid (purchase exceeds the bid threshold).

Examples of Board of Education purpose:

- Financial Software
- Student Information Systems
- Human Resources Software
- Student Transportation Software

The School Business Administrator/Board Secretary shall also provide a certification letter to the Superintendent.

**Goods and Services—Proprietary**

For the purchase of all other proprietary goods and services, the School Business Administrator/Board Secretary shall secure prices through the bid or quotation process.

The SBA shall also prepare a letter of certification and obtain a letter from the vendor.

**Computer Software—Proprietary—Maintenance and Support**

Purchases for the maintenance and support of proprietary computer software are considered to be an exception to the bidding process. (N.J.S.A. 18A:18A-5(a-19)). The School Business Administrator/Board Secretary shall provide the following:

- Certification of Need;
- Proprietary letter from vendor;
- Written cost proposal from vendor;
- Document submission assistance.

## Concessions

## Concessions

The School Business Administrator/Board Secretary may purchase goods and services through the concession procurement process as follows:

### **Concession** N.J.S.A. 18A:18A:2(aa)

Means the granting of a license or **right to act on behalf of the Board of Education** or to provide a service requiring the approval of endorsement of the Board of Education and which may or may not involve payment of exchange, or provision of services by or to the board of education provided that the term concession shall not include vending machines.

### **Services** N.J.S.A. 18A:18A-2 (dd)

Service or services may also include an arrangement in which a vendor compensates the board of education for the vendor's right to operate a concession.

### **Examples of Concessions** N.J.A.C. 5:34-9.4 (b)

#### ➤ **Selling Advertisements**

Publishing a map, newsletter, directory, or calendar containing the meeting schedules and other information about the "school district" services or activities where the contractor sells advertising as full or partial payment for providing the service.

Example—selling advertisement on a school vehicle

#### ➤ **Welcome to Sign**

Installation of "welcome to" signs on public property where a local organization pays a fee to the sign manufacturer, who may or may not make a payment to the contracting unit, and includes the name of the local organization on the sign.

#### ➤ **Use of Public Space**

The use of public space or facilities

Example, scoreboards, bus shelters, facility advertising for advertising in exchange for fees or services, or discounts on services.

#### ➤ **Vending Machines (other than food and drink)**

The installation of vending machines in public facilities. (Not newspaper machines) 9(c)

#### ➤ **Donations, Sale of Equipment**

The donation, sale, installation, or maintenance of equipment of facilities for use of the contracting unit.

#### ➤ **Copying Machines--Public Use**

#### ➤ **Selling of goods on Public Property**

#### ➤ **Other services, rights or use may meet the definition of concession**

Example—school uniform vendor named on the website

**Exceptions to Concessions 9(c)**

Public events                      Tourism related items  
Seasons recreational programs.      Holiday celebrations  
Concert series.

A concession shall not be deemed to include contributions of goods, services or financial support for sponsorship of public events.

**Vending Machines**

Vending machines providing food or drink **are not** considered concessions.

Vending machines providing food or drink are an exception to the bid threshold. Quoted if under the bid threshold. N.J.S.A. 18A:18A-5 (23)

Vending machines containing other items are subject to bidding/quoting.

## **Concession Process**

In accordance with N.J.A.C. 5:34 - 9.4 (d)

The governing body shall

### **Obtain Legal Opinion**

The legal counsel (board attorney) shall provide an opinion of the legality of procuring a concession

### **Pass a Resolution**

Pass a resolution authorizing the procurement of a concession

The resolution shall include:

- Description of the public need for the concession;
- The concession to be awarded (type);
- The considerations (benefits and risks) the governing body took into account in reaching the decision to award a concession;
- An estimate value of the concession;
- An estimate of any revenue or services to be received by the governing body;
- Basis of award of the concession is based upon the most advantageous price and other factors;
- An estimate of costs to be received by the governing body;
- Any services, facilities or endorsement to be provided by the governing body;
- The method to be used to procure the concession.

### **Awards of Contract N.J.A.C. 5:34-9.4 (g) Methods of Procurement**

- Quotations--total value of concessions less than the bid threshold
- Public Bid
- Competitive Contracting

**Cooperative Purchasing  
State and Local**

## Cooperative Purchasing

The School Business Administrator/Board Secretary may procure goods and services through various state and local cooperative purchasing systems, without advertising for bids.

A cooperative purchasing or joint purchasing system means a purchasing system in which the lead agency serves as the purchasing agent for the membership of the system with all of the duties and responsibilities attendant thereto. The lead agency advertises for bids and awards a single contract to a vendor providing for the payment to the contractor for its own needs and the needs of the participating registered members of the system.

The lead agency is the contracting unit which is responsible for the management of the cooperative purchasing system. Recognized contracting units for purposes of public and nonpublic school districts are, but are not limited to:

- Boards of Education
- Educational Services Commissions
- Regional Services Commissions
- County Special Services Districts
- Other recognized entities; e.g. NJSBA TEC Program

To apply for membership with an authorized cooperative purchasing entity, the board of education shall pass a resolution and execute a formal agreement with the lead agency. The board of education is bound by the terms of the agreement and N.J.A.C. 5:34-7.1 et seq. Ref. N.J.A.C. 5:34-1.2-Definitions; N.J.A.C. 5:34-7.4 (a); N.J.A.C. 5:34-7.6 (a).

### **Award of Contracts—Cooperative Purchasing Contracting Unit (Lead Agency)**

The cooperative purchasing contracting unit (lead agency), procures goods and services for its use and for use by its membership. The lead agency awards the contracts through board resolutions.

### **Award of Contracts—Boards of Education**

It is highly recommended when using a contractor or vendor procured by a lead agency, boards of education also award the contract by board resolution when the contract exceeds the bid threshold.

**Procurement Documents—Cooperative Purchasing Contracting Units (Lead Agency)**

The lead agency, in procuring goods and services, requires from vendors and contractors certain procurement documents such as, but not limited to:

- Affirmative Action Certificate
- Business Registration Certificate
- Chapter 271 Political Contribution Form
- Iran; Financial Disclosure Activities
- Non-collusion Affidavit
- Statement of Ownership (Stockholder’s
- Insurance Certificate

**Procurement Documents—Boards of Education**

The School Business Administrator/Board Secretary will maintain on file, the aforementioned documents and other documents that may be needed from vendors and contractors.

**Procurement Documents—Contractors—Public Works Contracts**

The School Business Administrator/Board Secretary will maintain on file the following documents when using a cooperative purchasing vendor for public works contracts.

- Notice of Classification—public work exceeding \$20,000
- Total Amount of Uncompleted Contracts—public work exceeding \$20,000
- Contractor Registration Certificate—Public Work Exceeding \$2,000
- Affirmative Action Form AA-201—Send to Contractor
- Prevailing Wages Notification—Send to Contractor
- Insurance Certificate

**Cooperative Purchasing System Identifiers—Include on Purchase Orders**

School districts are required by administrative code to identify the cooperative group and include the identification number on the purchase order. Examples of system identifier numbers that may be used by the board.

1NJCP	New Jersey State Contract vendors
26EDCPS	Educational Data Services, Inc., vendors
65MCESCCPS	Educational Services Commission of New Jersey vendors
34HUNCCP	Hunterdon County Educational Services vendors
E8801-ACESCPS	ACES Program



**Cooperative Purchasing**

**National Co-ops**

## Cooperative Purchasing National Co-ops

The School Business Administrator/Board Secretary may procure goods and services through various national cooperative purchasing groups, without advertising for bids and only when the contract in the aggregate exceeds the bid threshold.

### **State of New Jersey Guidance—Procuring Goods and Services—National Cooperatives**

On May 14, 2012, the New Jersey Division of Local Government Services issued Local Finance Notice LFN 2012-10, which provides guidance to contracting agents on how to procure goods and services with National Cooperative vendors.

The School Business Administrator/Board Secretary shall comply with the following guidance as outlined in the Local Finance Notice:

#### **Cost Savings Determination**

The School Business Administrator/Board Secretary shall do a cost-saving determination by reviewing the prices of the goods and services offered by the National Co-op vendor. The (cost-savings) documentation, which would be reviewed as part of an **audit**, and which is subject to disclosure under the Open Public Records Act, should be kept on file as part of the award package.

#### **Maintain Vendor Documents**

The School Business Administrator/Board Secretary shall maintain on file all vendor documents as required by the State of New Jersey including but not limited to:

- New Jersey Business Registration Certificate
- Statement of Corporate Ownership
- Affirmative Action Evidence
- Chapter 271 Political Contribution Disclosure Form
- Iran; Disclosure of Investment Activities Form
- Other documents per the board of education.

#### **Legal Advertisement Requirements--Public Notice of Intent**

The School Business Administrator/Board Secretary shall have a notice of intent to use a national cooperative vendor published in a legal newspaper at least ten days prior to the award of contract.

#### **Public Works Contracts Prohibited**

The School Business Administrator/Board Secretary will ensure that contracts for public works will not be awarded to National Cooperative vendors.

## Shared Services Agreements

## **Shared Services Agreements**

The School Business Administrator/Board Secretary shall identify those goods and services that may be procured through a shared services agreement with the local municipality. All shared services agreement shall comply with Uniform Shared Services and Consolidation Act." N.J.S.A. 40A:65-1 et seq.

### **Examples of Shared Services**

- Garbage Pickup
- Loaning of Equipment
- Police/SRO Contract
- Purchase of Diesel Fuel
- Recreation—Use of School Facilities
- Snow Plowing

### **Procedures for a Shared Services Agreement**

Written proposals from the City and the Board should be reviewed administratively and presented to the appropriate government bodies for consideration.

Once both government bodies adopt the resolutions in accordance with N.J.S.A. 18A:18A-1 and the contracts are signed (purchase orders prepared if needed), then the services can begin.

## Professional Services

## Professional Services

The School Business Administrator/Board Secretary in consultation with the Board Attorney has determined the following services to be considered “professional services” as defined below.

### **Definition--Professional Services—N.J.S.A. 18A:18A-2 (h)**

Professional services means services rendered or performed by a person authorized by law to practice a recognized profession and whose practice is regulated by law and the performance of which services requires knowledge of an advanced type in a field of learning acquired by a prolonged formal course of specialized instruction and study as distinguished from general academic instruction or apprenticeship and training. Professional services may also mean services rendered in the provision or performance of goods or services that are original and creative in character in a recognized field of artistic endeavor.

### **Examples of Professional Services**

Some “safe” examples of professional services are:

Legal	Medical
Auditing	Accounting
Architectural	Engineering
Special Education Related Services	

The School Business Administrator/Board Secretary further recognizes the following:

### **Contract Term—Professional Services (12 months)** N.J.S.A. 18A:18A-3(b), N.J.S.A. 18A:18A-42

Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection a. of N.J.S.A. 18A:18A-5 may be awarded for a period not exceeding 12 consecutive months. N.J.S.A. 18A:18A-3 (b)

All contracts for the provision or performance of goods or services shall be awarded for a period not to exceed 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection a. of N.J.S.18A:18A-5 shall be awarded for a period not to exceed 12 consecutive months.

### **Renewal of Contracts for Professional Services—Prohibited—** N.J.S.A. 18A:18A-42

Any contract for services other than professional services, the statutory length of which contract is for three years or less, may include provisions for no more than one two-year, or two one-year, extensions.

**Exception to Bidding—Professional Services—N.J.S.A. 18A:18A-5(a) (1)**

Professional services are an exception to bidding, however, administrative codes note there shall be some sort of selection process documented.

**Procurement Method; Deliberative Process, Comparable Process, RFP or Competitive Contracting**

The School Business Administrator/Board Secretary will either use a deliberative or comparable process to ensure the district receives the highest quality services at a fair and competitive price or through a shared service arrangement. This may include, but is not limited to, issuance of such contracts through a request for proposals (RFP) based on cost and other specified factors or other comparable process—N.J.A.C. 6A:23A-5.2 (a) (5)

**Procurement Method Suggested—Professional Services Contracts**

The school districts shall procure all professional services contracts as follows:

RFP Process—State or Local Funding

RFP Process—Less than the bid threshold when using Federal funds

Competitive Contracting Process—More than the bid threshold when using Federal funds

**Public Notice and Reason for Award of Contract Required—N.J.S.A. 18A:18A-5 (a) (1)**

The School Business Administrator/Board Secretary further recognized the board of education, shall in each instance state supporting reasons for its action in the resolution awarding each contract and shall forthwith cause to be printed once, in an official newspaper, a brief notice stating the nature, duration, service and amount of the contract, and that the resolution and contract are on file and available for public inspection in the office of the board of education

Said Public Notice of Award shall be published within 20 calendar days after the passage of the resolution awarding the contract.

**Federal Funds  
Procurement Process**



## **Federal Funds**

### **Procurement Process**

The board of education receives monies from the federal government. It is noted that when procuring goods and services federal funds, the district is to comply with Federal Procurement regulations (2 CFR 200.317 et seq.) and the New Jersey Public School Contracts Law. (N.J.S.A. 18A:18A-1 et seq.)

#### **Examples of Federal Funding—Every Student Succeeds Act (ESSA)**

- Title I, Part A – Improving Basic Educational Programs Operated by LEA’s
- Title II, Part A – Supporting Effective Instruction (Educators)
- Title III, Part A – English Language Acquisition, Language Enhancement, and Academic Achievement
- Title IV, Part A – Student Support and Academic Enrichment Grants (Programs)
- ESSER I. II Funds; ESSER ARP Funds

#### **Other Examples of Federal Funding**

- I.D.E.A. Individuals with Disabilities Education Act-- Part B Handicapped
- Perkins Vocational and Technical Education Improvement Act
- National School Lunch Program
- National School Breakfast Program
- E-rate Purchases

#### **New Jersey Department of Education Guidance on Federal Spending**

All grant administrators and the School Business Administrator/Board Secretary will comply with federal regulations and the Public School Contracts Law and will adhere to the guidance as provided by the New Jersey Department of Education in the publication entitled *Navigating the Uniform Grant Guidance*.

#### **New Jersey Department of Agriculture; Food and Nutrition**

The district will comply with the federal regulations on purchasing of food services goods and services. To assist school districts, the USDA and the NJDOA have issued seven (7) documents for SBA’s to read, learn and utilize. They are as follows:

- Form #325—Code of Conduct and Procurement Procedure Checklist
- Form #326—Sample Procurement Procedures for School Authorities
- Form #327—Sample Code of Conduct for Food Procurement
- Form #331—Informal Procurement Log
- Form #358—Federal Funds Procurement Method Selection Chart
- Form #383—Sample Procurement Procedures
- USDA Memo—Buy American

### More Restrictive Clause

When there are differences between federal procurement regulations and the Public School Contracts Law, the district will follow that which is more restrictive as outlined in Local Finance Notice 2010-3

*“Federal regulations require districts to follow the NJ Public School Contracts Law **except where the federal standards detailed in EDGAR 80.36 are in conflict or more restrictive.**” Page 10*

### Methods of Procurement—When Using Federal Funds

All procurement transactions must be conducted in a manner providing full and open competition. (2 CFR 200.319). Examples of procurement methods to be used:

- **Micro-purchases—Purchases less than \$3,500.00**

The School Business Administrator/Board Secretary shall use sound business practices for purchases in the aggregate that do not exceed \$3,500.00. Reference--2 CFR 200.320 (a) and 2 CFR 200.67

- **Small Purchase Procedures—\$3,500 through \$39,999**

The School Business Administrator/Board Secretary shall use the competitive quotation process as outlined in N.J.S.A. 18A:18A-37 (a) or the Request for Proposal process, when applicable, in procuring goods and services in the aggregate of more than \$3,500.00 and less than \$39,999. Reference--2 CFR 200.320 (b) and 2 CFR 200.88

- **Sealed Bids—\$40,000 or more**

The School Business Administrator/Board Secretary shall use the competitive bid process to procure those contracts which in the aggregate exceed the \$40,000 bid threshold. The contract shall be awarded to the vendor who submits the lowest responsible bid for a firm fixed contract price—lump sum or unit cost. Reference--2 CFR 200.320 (c),

- **Competitive Proposals—\$40,000 or more**

The School Business Administrator/Board Secretary shall use the Request for Proposal (RFP) or competitive contracting process when procuring certain contracts which in the aggregate exceed the \$40,000 bid threshold, which are to be awarded by an evaluative process, rather than a firm fixed contract price. Reference--2 CFR 200.320 (d) and N.J.S.A. 18A:18A-4.1 et seq.

- **Non-competitive Proposals (Sole Source)**

Although the Federal government recognizes contracts may be awarded to sole source vendors through non-competitive proposals, the School Business Administrator/Board Secretary shall use the competitive proprietary bid process or the competitive contracting process for sole or single source contracts. Reference 2 CFR 200.320 (f) and N.J.S.A. 18A:18A-15

### **The amounts listed are the current thresholds and are subject to change. Federal Contracts Requirements Addenda —Procurement and Contract Documents**

The federal government, pursuant to 2 CFR Appendix II to Part 200, requires all contracts made by the non-Federal entity (school district) contain certain provisions.

## 2 CFR Appendix II to Part 200

The School Business Administrator/Board Secretary will ensure all contract and procurement documents contain language as noted in the Appendix II to Part 200 to include at the minimum the following:

- Administrative, contractual or legal remedies in instances where contractors violate or breach contract terms and provide for sanctions and penalties as appropriate;
- Termination for causes and for convenience;
- Equal Employment Opportunity language;
- Davis-Bacon Act language;
- Copeland Anti-Kickback Act language;
- Contract Work Hours and Safety Standards Act language;
- Rights to Inventions Made Under Contract or Agreement language;
- Clean Air Act language;
- Debarment and Suspension language with reference to SAM; and
- Byrd Anti-Lobbying Amendment language.

### Debarment and Suspension of Vendors

The School Business Administrator/Board Secretary will ensure that no contracts are issued to any vendors that are on the federal debarment or suspension list and will comply with the following:

Confirmation of Vendor on SAM.gov/Exclusions-- Excluded Parties List System (EPLS)  
Prior to contracting with a vendor, the Purchasing Agent shall use the System for Award Management (SAM) (SAM.gov/Exclusions) to search for the vendor by name, tax identification number, or another characteristic to verify the vendor has not been suspended or debarred from performing federally funded work. This is part of the Federal Excluded Parties List System (EPLS) which is an electronic directory of individuals and organizations that are not permitted to receive federal contracts or assistance from the United States government.

It is recommended that evidence of verification (printout from SAM.gov/Exclusions) be maintained in procurement files for each contract awarded.

### **Federal Programs—Include Requisitions/Purchase Orders**

When using Federal Funds, the following shall be included on the purchase order document

- Name of Federal Program
- Quotation, bid number, if applicable
- Name of Cooperative Purchasing Entity; if applicable
- Board approval date; if applicable
- Location(s) of equipment
- Federal funding account numbers easily identified if split funding
- Approved CIP Code; if required (Classification of Instructional Programs)

Standards of Conduct; Conflict of Interests--2 CFR 200.318 (c) (1)

**The School Business Administrator/Board Secretary will** establish and apply a Standard of Conduct; Conflicts of Interests for all procurement of goods and services when using federal funds.

**Standards of Conduct; Conflicts of Interests**

The Board of Education Board of Education pursuant to **Federal Regulation 2 CFR 200.318 (c) (1)**, hereby establishes the following *Standard of Conduct; Conflict of Interests* in the selection, award and administration of contracts using federal funds.

**Conflict of Interest**

No employee, officer, or agent of the Board of Education may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. Reference 2 CFR 200.318 (c) (1)

**Financial Interest; Involvement in Contracts**

No person officially connected or employed with, the Board of Education shall be an agent for, or be in any way pecuniarily or beneficially interested in, or receive any compensation or reward of any kind for, the sale of any textbooks, school apparatus or supplies of any kind, for use in the school district with which he is connected or by which he is employed or within the state or part thereof over which his jurisdiction extends, upon penalty of removal from office or of revocation of his certificate to teach or to administer, direct or supervise the teaching, instruction or educational guidance of pupils in the public schools, but the prohibition of this section shall not prevent any person from receiving royalties upon the sale of any textbook of which he is the author. Reference N.J.S.A. 18A:6-8

No school official shall act in his official capacity in any matter where he, a member of his immediate family, or a business organization in which he has an interest, has a direct or indirect financial involvement that might reasonably be expected to impair his objectivity or independence of judgment.

No school official shall act in his official capacity in any matter where he or a member of his immediate family has a personal involvement that is or creates some benefit to the school official or member of his immediate family. N.J.S.A. 18A:12-24 (c)

**Solicitation/Receipt/Acceptance of Gifts and Gratuities from Contractors**

The officers, employees, and agents of the Board of Education may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.

School board members, school officials and employees, or members of their immediate family are prohibited from soliciting, receiving or agreeing to receive any compensation, reward, employment, gift, meal, honorarium, travel, reimbursement, favor, loan, service, or other thing of value from any person, firm, corporation, partnership, or business that is a recipient of a purchase order from the district, or a potential bidder, or an applicant for any contract with the district, based upon an understanding that what is solicited or offered was for the purpose of influencing the board member or school employee in the discharge of their official duties.

N.J.S.A. 18A:12-24 (e)

**Contractor/Vendor Responsibility – Doing Business with the Board of Education**

Any vendor doing business or proposing to do business with the Board of Education Board of Education, shall neither pay, offer to pay, either directly or indirectly, any fee, commission, or compensation, nor offer any gift, gratuity, or other thing of value of any kind to any official or employee of the Board or any member of the official's or employee's immediate family. No vendor shall cause to influence or attempt to cause to influence, any official or employee of the Board, in any manner which might tend to impair the objectivity or independence of judgment of said official or employee.

**Disciplinary Actions for Violations of Standards**

Officers, employees and agents of the Board of Education Board of Education who violate the standards of conduct, shall be subject to administrative disciplinary actions which may lead to suspension of employment; removal of office and revocation of his certificate to teach or administer in the State of New Jersey.

## Renewal of Contracts

## Renewal of Contracts

The School Business Administrator/Board Secretary may recommend to the board of education for consideration, contracts for services to be extended or renewed. All recommendations shall be in compliance with N.J.S.A. 18A:18A-42 the paragraph after the letter “o.”

### **N.J.S.A. 18A:18A-42**

Any contract for services, other than professional services, the statutory length of which contract is for three years or less, may include provisions for no more than **one two-year**, or **two one-year**, extensions, subject to the following limitations:

- a.** the contract shall be awarded by resolution of the board of education upon a finding by the board of education that the services are being performed in an effective and efficient manner;
- b.** no such contract shall be extended so that it runs for more than a total of five consecutive years;
- c.** any price change included as part of an extension shall be based upon the price of the original contract as cumulatively adjusted pursuant to any previous adjustment or extension and shall not exceed the change in the Index Rate for the 12 months preceding the most recent quarterly calculation available at the time the contract is renewed; and
- d.** the terms and conditions of the contract remain substantially the same.

Contracts are set at a maximum length of three (3) years by statute. These contracts may include provisions that will allow the Board of Education to extend the contract for one (1) or two (2) years, but will be subject to the following limitations:

- The contract renewal shall be awarded by Board resolution;
- No contract shall be extended so that it runs for more than five (5) consecutive years;
- Any change in price shall not exceed the change in the Index Rate for the 12 months preceding the most recent quarterly calculation at the time the contract is renewed; and
- The terms and conditions of the contract substantially remain the same.

All multiyear leases and contracts subject to one or two-year extensions, excluding contracts related to insurance and class I renewable energy, shall contain a clause stating that the contract will be subject to the availability of sufficient funds.

## Contract Renewal Procedures

### **School Business Administrator/Board Secretary Review**

The School Business Administrator/Board Secretary shall identify those contracted services, pursuant to N.J.S.A. 18A:18A-42, that are eligible for extension or renewal.

### **Contacting Appropriate District Administrator**

The School Business Administrator/Board Secretary shall contact the appropriate district administrator and inform the administrator of contracts eligible for extensions or renewals.

The SBA will request input from the administrator on whether a contracted service vendor/contractor should have their contract considered for renewal by the board of education.

### **Evaluation and Recommendation Form**

The district administrator (e.g. Director of Facilities) who is recommending a contract to be considered for renewal, shall complete the Chart of Contract Renewals and a Vendor/Contractor Evaluation and Recommendation Form for each contracted service vendor/contractor.

The forms are to be submitted to the School Business Administrator/Board Secretary.

### **Letter to Contracted Service Vendor/Contractor**

The School Business Administrator/Board Secretary shall prepare and send a letter to each vendor recommending a renewal of the contract. The letter informs the vendor of the school district's interest in a possible renewal and asks the vendor to respond if there is an interest to renew with the district.

### **Board Resolution for Renewal of Contract**

The resolution for consideration of a contract renewal shall be prepared in the format normally used by the district. It is recommended the following highlighted information be used in all resolutions:

### **Documents from Vendor/Contractor**

Prior to the award of the contract and/or issuing of a purchase order, the School Business Administrator/Board Secretary shall possess the following documents from each vendor being recommended for renewal of the contract:

- Affirmative Action Certificate
- Business Registration Certificate
- Iran Disclosure Form—required by law
- Insurance Certificate Updated—when applicable
- Contractor's Registration Certificate—when applicable

The district should also confirm with the contractor of Prevailing Wages information, again when applicable.

### **After the Board Meeting**

The School Business Administrator/Board Secretary shall prepare and send a letter to the vendor informing him of the renewal of the contract. A purchase order shall accompany the letter. The appropriate administrator and board attorney shall be copied on the letter.



**Annual Report--Board of Education**

**District Contracts**

## **Annual Report--Board of Education**

### **District Contracts**

The School Business Administrator/Board Secretary will ensure compliance with N.J.S.A. 18A:18A-42.2, which requires the board of education to receive a report of contracts that the Board has awarded, intends to award or has renewed contracts with vendors during the past 12 months, ending June 30. This would include contract awards pursuant to New Jersey's procurement laws; i.e. bids for goods and services, transportation, as well as awards pursuant to board resolution for professional and extraordinary unspecifiable services.

The School Business Administrator/Board Secretary shall prepare the report and include in the board meetings the acknowledgment of the report in the board minutes. The School Business Administrator/Board Secretary will review the minutes of the board of education for the school year ending June 30 for all contracts that were awarded or renewed with vendors.

The report will provide at a minimum the following:

- Name of Vendor
- Award Date
- Description of Contract
- Contract Amount

**Public Notice**  
**Award of Contracts**

## Publication of Contract Award Notices

In accordance with the Public School Contracts Law, school districts have to place a “notice of award” in an **official** newspaper for the award of certain contracts. They are:

<b>Contract Award</b>	<b>Citation</b>
Professional Services Contracts*	N.J.S.A. 18A:18A-5 (a) (1)
Competitive Contracting Contract Awards	N.J.S.A. 18A:18A-4.5 (g)
EUS Contract Awards*	N.J.S.A. 18A:18A-5 (a) (2)

\*The district shall publish a notice of award for contracts that exceed the bid threshold.  
*Reference—Local Finance Notice 2010-3 Letter A.*

### **Deadline for Publication—Twenty (20) Days**

The district shall publish a notice of award no later than twenty (20) days after the passage of the resolution awarding the contract.

*Reference—N.J.A.C. 5:34-9.5 (d).*

### **Inclusion of Services—Meeting the Definition of Professional Services**

Purchasing agents are to review the definition of professional services to ensure the services listed in the public notice are indeed professional services.

### **Advertisement Requirements**

- Name of Vendor
- Nature of the contract
- Duration of the contract (term of the contract)
- Description of services
- Amount of the contract (a)
- A statement that the contract is on file and available for public inspection

### **Amount of Contract—Total Amount of Contract; No Hourly Rate**

The contract amount placed in the public notice shall be for the total amount of the contract. Hourly rate amounts are not acceptable. Whatever the total amount of the contract is on the purchase order has to match the total amount in the board resolution and in the public notice advertisement. *Reference LFN 2010-3 Letter A.*

**Sample Public Notice**

**PUBLIC NOTICE  
PLAINFIELD BOARD OF EDUCATION  
PLAINFIELD, NEW JERSEY**

**Award of Contracts**

<b>Name</b>	<b>Description Services</b>	<b>Est. Amt.</b>	<b>Term</b>
Immedicenter Clifton, NJ	Medical Inspector	\$60,000	July 1, 2022- June 30, 2023
Greenhouse Therapy Passaic, NJ	OT/PT Services	\$100,000	July 1, 2022- June 30, 2023
Brown & Brown Metro Florham Park, NJ	Broker of Record Health Benefits	\$101,000	July 1, 2022- June 30, 2023

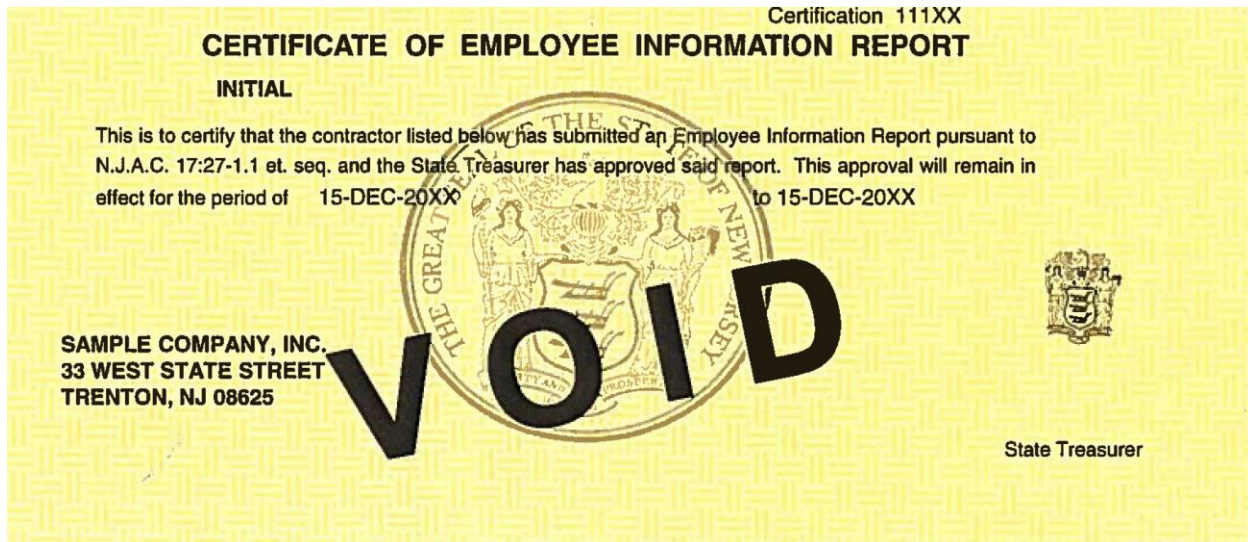
The resolutions and contracts are on file in the Business Office and are available for public inspection.

## Procurement Documents

Affirmative Action Evidence  
Certificate of Employee Information Report

**Goods, Services and Professional Services**

Prior to the execution of the contract, all vendors are to submit to the Board of Education Affirmative Action evidence. The most common evidence is the Certificate of Employee Information Report or also known as the Affirmative Action Certificate.



**Recommendation—Obtain Affirmative Action Evidence**

It is recommended that every effort be taken to receive Affirmative Action evidence from all vendors no matter what the amount of the contract. It has been my experience that Affirmative Action audits will include a review of all contracts exceeding the bid threshold, therefore it is recommended that all contracts awarded that exceed the bid threshold have AA evidence on file.

**Recommendation—Certificate Must Be Current—Expiration Date**

The Affirmative Action Certificate has an expiration date. It is the responsibility of the Board of Education to maintain on file a current Affirmative Action Certificate for all vendors.

**Recommendation—Monitor Affirmative Action Certificates**

The School Business Administrator/Board Secretary should set up a monitoring system of Affirmative Action Certificates to ensure they are current and have not expired. This can be done as follows:

- **Alphabetical Listing of AA Certificates**  
SBA's should maintain a file of current AA Certificates in alphabetical order. A large binder would be ideal!
- **List of AA Certificates in Order of Expiration**  
SBA's should maintain a file (Excel List) of all AA Certificates in order of expiration date with the most current expiration dates listed first. The SBA could easily identify those vendors whose AA Certificates are about to expire and send them a letter of notification.



New Jersey  
Business Registration Certificate

**New Jersey Business Registration Certificate Requirements**

**BRC Required—15% of Bid Threshold**

Pursuant to N.J.S.A. 52:32-44, a contractor (business organization) that seeks to enter into a contract with a board of education in an amount that exceeds fifteen (15%) percent of the bid threshold, shall submit to the board a valid and current New Jersey Business Registration Certificate. A business organization does not include a government agency or a nonprofit entity.

**Requirement Deadline of BRC Submission—Prior to Award of Contract**

A **contractor** shall provide the board of education with the business registration certificate of the contractor and that of any named subcontractor **prior to the time** a contract, purchase order, or other contracting document is awarded or authorized.

**Submission with Bid, Proposal, Quotation—Board May Request; Not Require**

A board of education may request; not require that a contractor submit their business registration certificate with a bid, proposal or quotation request. Boards of education are not permitted to reject bids, proposals or quotations submitted by contractors for failure of the contractor to submit the business registration certificate with the bid, proposal or quotation.

**Responsibilities of the Boards of Education**

1. Obtain the NJ Business Registration Certificate prior to the contract award.
2. Retain copies of the NJ Business Registration Certificate with the
  - Contract
  - Bid or proposal
3. Maintain a file of NJ BRCs in **alphabetical order**—N.J.S.A. 52:32-44 (c)
4. Due Diligence Process  
NJ BRCs have no expiration date, however, it is incumbent upon the board of education to perform a due diligence check. It is therefore recommended that prior to signing a purchase order, the Purchasing Agent visit the **On-Line Business Registration Certificate Service of the NJ Division of Revenue and check the current status of each NJ BRC submitted.**

**Final Note: Geographical Borders of New Jersey**

The NJ BRC is required from a contractor, where the goods that are received, services that are delivered, and construction is constructed, are within the geographic borders of the State of New Jersey. Out of state contractors providing goods to be **delivered to New Jersey schools or providing services to and in New Jersey schools** shall submit the NJ BRC.


However!

If students or officials of NJ schools visit out-of-state contractors and use the contractor's goods and services out of state, then the NJ BRC is not required.


For example

- Conference lodging held in out-of-state hotels.
- Football or band camps held in out-of-state venues.
- Field trip admissions in out of state venues.

# Sample Business Registration Certificates

STATE OF NEW JERSEY BUSINESS REGISTRATION CERTIFICATE FOR STATE AGENCY AND CASINO SERVICE CONTRACTORS		DEPARTMENT OF TREASURY DIVISION OF REVENUE PO BOX 252 TRENTON, NJ 08646-0252
TAXPAYER NAME: TAX REGISTRATION TEST ACCOUNT	TRADE NAME: CLIENT REGISTRATION	
TAXPAYER IDENTIFICATION#: 970-097-382/500	SEQUENCE NUMBER: 0107330	
ADDRESS: 847 ROEBLING AVE TRENTON NJ 08611	ISSUANCE DATE: 07/14/04	
EFFECTIVE DATE: 01/01/01		
FORM-BRC(08-01)	Act. Director	

This Certificate is NOT assignable or transferable. It must be conspicuously displayed at above address.

STATE OF NEW JERSEY BUSINESS REGISTRATION CERTIFICATE	
	
Taxpayer Name:	TAX REG TEST ACCOUNT
Trade Name:	
Address:	847 ROEBLING AVE TRENTON, NJ 08611
Certificate Number:	1093907
Date of Issuance:	October 14, 2004
For Office Use Only:	
	20041014112823533

CHAPTER 271  
POLITICAL CONTRIBUTION DISCLOSURE FORM

Pay to Play

**Receipt of Chapter 271 Political Contribution Form**

The School Business Administrator/Board Secretary shall comply with N.J.S.A. 52:34-25

a. Not later than **10 days** prior to entering into any contract having an anticipated value in excess of **\$17,500**, except for a contract that is required by law to be publicly advertised for bids, a State agency, county, municipality, independent authority, board of education, or fire district shall require any business entity bidding thereon or negotiating therefore, to submit along with its bid or price quote, a list of political contributions as set forth in this subsection that are reportable by the recipient pursuant to the provisions of P.L.1973, c.83 (C.19:44A-1 et seq.) and that were made by the business entity during the preceding **12 month period**, along with the date and amount of each contribution and the name of the recipient of each contribution.

**Reviewing Chapter 271 Political Contribution Form--Award of Contract**

The School Business Administrator/Board Secretary shall comply with N.J.A.C. 6A:23A-6.3

N.J.A.C. 6A:23A-6.3 Contributions to district board of education members and contract awards  
No district board of education shall vote upon or award any contract in the amount of \$ 17,500 or greater to any business entity that has made a contribution reportable by the recipient under P.L. 1973, c. 83 (N.J.S.A. 19:44A-1 et seq.), to a member of the district board of education during the preceding one-year period.

Copies of the Chapter 271 Political Contribution Form shall be maintained with the purchase order or with the written formal contract.

DISCLOSURE  
INVESTMENT ACTIVITIES IN IRAN

**The School Business Administrator/Board Secretary shall comply with N.J.S.A. 18A:18A-49.4, and C.52:32-55 et al, as it pertains to submission and receipt of the Disclosure of Investment Activities in Iran Form.**

Pursuant to N.J.S.A. 52:32-57, et seq. (P.L. 2012, c.25 and P.L. 2021, c.4) any person or entity that submits a bid or proposal or otherwise proposes to enter into or renew a contract must certify that neither the person nor entity, nor any of its parents, subsidiaries, or affiliates, is identified on the New Jersey Department of the Treasury's Chapter 25 List as a person or entity engaged in investment activities in Iran. The Chapter 25 list is found on the Division's website at <https://www.state.nj.us/treasury/purchase/pdf/Chapter25List.pdf>. Vendors/Bidders must review this list prior to completing the below certification. If the Director of the Division of Purchase and Property finds a person or entity to be in violation of the law, s/he shall take action as may be appropriate and provided by law, rule or contract, including but not limited to, imposing sanctions, seeking compliance, recovering damages, declaring the party in default and seeking debarment or suspension of the party.

If the Board determines that a person or entity has submitted a false certification concerning its engagement in investment activities in Iran under section 4 of P.L.2012, c.25 (C.52:32-58), the board shall report to the New Jersey Attorney General the name of that person or entity, and the Attorney General shall determine whether to bring a civil action against the person to collect the penalty prescribed in paragraph (1) of subsection a. of section 5 of P.L.2012, c.25 (C.52:32-59).

In addition, bidders must provide a detailed, accurate and precise description of the activities of the bidding person/entity, or one of its parents, subsidiaries or affiliates, engaging in the investment activities in Iran outlined above by completing the boxes on the lower portion of the enclosed form.

The Board has provided within the specifications, a Disclosure of Investments Activities certification form for all persons or entities, that plan to submit a bid, respond to a proposal, or renew a contract with the board, to complete, sign and submit with the proposal.

**The Disclosure of Investment Activities in Iran Form is to be completed, certified and submitted prior to the award of the contract.**

**Procurement Documents—Contractors—Public Works Contracts**

It is highly recommended the following documents be on file with the board of education when using a cooperative purchasing vendor for public works contracts.

- Notice of Classification—public work exceeding \$20,000
- Total Amount of Uncompleted Contracts—public work exceeding \$20,000
- Contractor Registration Certificate—Public Work Exceeding \$2,000
- Affirmative Action Form AA-201—Send to Contractor
- Prevailing Wages Notification—Send to Contractor
- Insurance Certificate

**Purchases**

**Educational or Operational Value**

## **PURCHASE ORDER RATIONALE**

### **Educational or Operational Rationale**

The Board of Education firmly believes that all purchases should have an educational or operational value to the school district. At the discretion of the Superintendent of Schools and/or the School Business Administrator/Board Secretary, a Purchase Order Rationale Form may be required to explain the need for the purchase.

If this is the case, a Purchase Order Rationale form shall be attached to the top of each requisition/purchase order submitted (exceptions noted) to the Business Office. This form asks for a written explanation as to the educational or operational need for the purchase.

Administrators who submit purchase orders have to put in writing why the purchase is essential to the school district. Administrators who sign off on purchase orders will now have to provide explanations on the following:

- How students will learn or benefit from the purchase?
- What educational achievement or program may be linked to the purchase?
- How is the purchase of operational value to your school/office?
- Are the goods/services purchased useful for the long term rather than for immediate need?
- Have inventories been checked to determine whether there is a real need for the purchase?

Administrators will now have to justify the need for the purchase and if so required, explain the need at a Board of Education meeting.

The Purchase Order Rationale Form is to be submitted for all purchases with exceptions noted and shall be attached to the front of the purchase order (requisition form);

A detailed explanation of the educational or operational need is required for each form. The form is to be signed by the administrator or supervisor with an original signature (blue ink).

### Exceptions for Purchase Order Rationale Form

Purchase orders for the following items do not require a Purchase Order Rationale form:

#### **Emergency Purchases (N.J.S.A. 18A:18A-7)**

Emergency purchases are regulated by state law. In order to approve an emergency purchase, a rationale must be first provided thus negating the need for a purchase order rationale form.

#### **Field Trip Transportation**

Requisitions for field trip transportation do not need a rationale form. A copy of the Approved “Field Trips” Resolution must be attached to each field trip transportation purchase order.

#### **Pupil Transportation; Athletic Transportation**

Transportation of students to and from school is regulated by state law, administrative code and the student’s IEP and does not require a rationale form. Transportation of athletes to and from athletic events does not require a rationale form.

#### **Travel Reimbursement for Employees**

Travel reimbursement costs are regulated by state law, state administrative code and board policy. All conditions and approvals for this reimbursement have been met in order for the requisition to have been prepared.

#### **Tuition Contracts—Special Education Schools**

As with pupil transportation requisitions, tuition to special education schools is regulated by federal and state law and no further justification is needed.

#### **Tuition Reimbursement for Employees**

This employee contractual benefit needs no further explanation. All conditions and approvals for tuition reimbursement have been met in order for the purchase order to have been prepared.

**Board of Education Actions  
(Public School Purchasing)**



## **Board of Education Actions**

### **(Public School Purchasing)**

#### **Board of Education Actions--Purchasing**

The School Business Administrator/Board Secretary, in consultation with the Board Attorney, shall ensure the Board of Education is in compliance with all law, code and board policy when taking actions on items of public school purchasing. The Board of Education may adopt a resolution by a majority vote of those present and voting, except as otherwise noted by law.

#### **Authorization to Purchase—Sample Annual Resolution**

The Board of Education, pursuant to N.J.S.A. 18A:18A-3 (a), designates \_\_\_\_\_, School Business Administrator/Board Secretary, as the Qualified Purchasing Agent for the Board of Education and authorizes her/him to award contracts, in full accordance with the law, for purchases that do not exceed in the aggregate in a contract year the total sum of \$44,000.00 (bid threshold) without public advertising for bids. Furthermore, \_\_\_\_\_ is authorized to solicit competitive quotations pursuant to N.J.S.A. 18A:18A-37 (a) and to award contracts pursuant to N.J.S.A. 18A:18A-37 (c). In the absence or unavailability of the Purchasing Agent, the board hereby authorizes NAME OF PERSON, TITLE, to award contracts pursuant to N.J.S.A. 18A:18A-3 (a).

#### **Award of Contract – Lowest Responsible Bidder**

The Board of Education awards contracts to the lowest responsible bidder.  
N.J.S.A. 18A:18A-4 (a).

#### **Contracts Exceeding Bid Threshold**

Any contract that exceeds the bid threshold shall be awarded by board resolution even if they are exempt from bidding. N.J.S.A. 18A:18A-5

Exceptions:

- Purchase of textbooks, N.J.S.A. 18A:18A-4 (d)
- Emergency contracts awarded by the Purchasing Agent, N.J.S.A. 18A:18A-7
- Contracts exceeding the bid threshold awarded to State Contract vendors, after initial approval of the board of education. N.J.S.A. 18A:18A-10 (a) and N.J.A.C. 5:34-7.29 (c).

#### **Student Transportation Contracts**

##### *Lowest Responsible Bidder*

All student transportation contracts that exceed the bid threshold shall be awarded to the lowest responsible bidder. N.J.S.A. 18A:39-3 (a)

##### *Quoted Contracts*

Contracts for unanticipated transportation procured through the quotation process, shall be awarded by board resolution. N.J.A.C. 6A:27-9.12 (c).

#### **Competitive Contracting Process**

Contracts procured through the Competitive Contracting process are to be awarded by board resolution. N.J.S.A. 18A:18A-4.5 (d), (e)

#### **Professional Services Contract**

Any professional service contract that exceeds the bid threshold must be awarded by board resolution. Professional services contracts may not exceed 12 months.  
N.J.S.A. 18A:18A-5 (a).

### **EUS Contracts for Insurance**

Although not required by law, it is strongly recommend, that all contracts less than the bid threshold, for Insurance or Insurance Broker of Record Services procured through the EUS process, be awarded by board resolution. All contracts more than the bid threshold shall be awarded by board resolution.

N.J.S.A. 18A:18A-5

### **Equal Prices**

If two or more vendors submit the same equal lowest price, then the Board must give a reason why they chose one vendor and not the other.

N.J.S.A. 18A:18A-37(d)

### **Renewal of Contracts -- Services Only**

Contracts for services other than professional services may be renewed by board resolution, as provided by law.

(N.J.S.A. 18A:18A-42)

### **Authorizations**

Board resolutions are required for the following:

- Initiate the Competitive Contracting process—N.J.S.A. 18A:18a-4.3 (a)
- Procurement of a Concession—N.J.A.C. 5:34-9.4 (a) (2)
- Authorizing Student Transportation bids—N.J.A.C. 6A:27-9.2 (c)

### **National Cooperative Contracts**

It is recommended that the board adopt the following resolutions pertaining to procuring goods and services from vendors who were awarded contracts through a national cooperative.

- Adopt a resolution for membership in the National Cooperative; and
- Adopt a resolution awarding the contract to the National Cooperative vendor.

### **State and Local Cooperative Contracts**

It is recommended that the board adopt the following resolutions pertaining to procuring goods and services from vendors who were awarded contracts through a state or local cooperative purchasing system.

- Adopt a resolution for membership in the cooperative; and
- Adopt a resolution awarding the contract to the Cooperative vendor.

### **Rejection of Individual Bids**

A board of education may reject individual bids (upon attorney guidance) for being non-responsive. N.J.S.A. 18A:18A-2 (y)

### **Rejection of All Bids**

A board of education may reject all bids (Competitive Contracting proposals) for any of the following reasons:

- a. The lowest bid substantially exceeds the cost estimates for the goods or services;

- b. The lowest bid substantially exceeds the board of education's appropriation for the goods or services;
- c. The board of education decides to abandon the project for provision or performance of the goods or services;
- d. The board of education wants to substantially revise the specifications for the goods or services;
- e. The purposes or provisions or both of N.J.S.18A:18A-1 et seq. are being violated; and
- f. The board of education decides to use the State authorized contract pursuant to N.J.S.A 18A:18A-10; N.J.S.A. 18A:18A-22

**Awarding Contracts—Less than Ten (10%) of State Contract**

A board of education may award a contract upon solicitation of three quotations for contracts issued by the State of New Jersey, to the vendor who submits the lowest quotation which is at least 10 % below the state contract price. Two-thirds (2/3) affirmative votes of authorized membership needed. N.J.S.A. 18A:18A-5 (e).

**Vehicles for Board Use**

Contracts for the purchase, lease or lease-purchase for any vehicle for board use shall be awarded by board resolution. A majority affirmative vote of the full membership of the board is required.

N.J.A.C. 6A:23A-6.12

**Approval of Change Orders—N.J.A.C. 5:30-11.1 et seq.**

The board of education shall approve all change orders pursuant to N.J.A.C 5:30-11.1 et seq.

**Approval of Negotiated Vendor Contracts**

A board of education may award negotiate and award a contract when on two occasions, no bids were received, or bids were determined not to be reasonable in price. Two-thirds (2/3) affirmative votes of authorized membership are needed.

N.J.S.A. 18A:18A-5 (c)

The School Business Administrator/Board Secretary shall confer with the Board Attorney on all voting matters.

## **Purchase of Textbooks**

## **Approval & Purchase of Textbooks**

### **Approval of Textbooks**

In accordance with state law (N.J.S.A. 18A:34-1), all textbooks must be approved by the Board of Education prior to their use in the educational program. Purchasing textbooks that have not been approved by the Board of Education is a violation of state law.

### **Definition of a Textbook-N.J.S.A. 18A:58-37.2 (c)—Principal Source of Study**

Textbook means books, workbooks or manuals, whether bound or in loose-leaf form, or electronic textbooks, including but not limited to, computer software, computer-assisted instruction, interactive videodisk, and other computer courseware and magnetic media, intended as a principal source of study material for a given class or group of students, a copy of which is available for the individual use of each pupil in such class or group. Computer software shall be prepared for educational programs which are subject- oriented and for student instruction.

### **Textbook Approval – Board of Education Resolution**

The procedure for obtaining Board approval is:

- a) Complete the District Textbook Evaluation and Approval form.
- b) Submit textbook and form to the Office of Curriculum and Staff Development, who will prepare the Board resolution.

### **Purchase of Textbooks and Curriculum Department Review**

New Jersey educational administrative code N.J.A.C. 6A:23A-9.3(c) (12) requires the purchase of textbooks to meet one of the following conditions:

1. The purchase is in accordance with a textbook replacement plan;
2. Textbooks have been identified as stolen or destroyed; or
3. A change in curriculum or new edition requires a new textbook.

It is important that all purchase orders for textbooks withstand any state or district audit review. The following documentation shall be attached to each purchase order for textbooks:

The School Business Administrator/Board Secretary will ensure that all textbooks purchased will comply with N.J.A.C. 6A:23A-9.3(c) (12)

### **Budget Accounts**

Only textbooks and teacher editions of the textbooks may be purchased from the “640” object code. All other books and reading material must be purchased from the “600” or “610” series accounts.

## **Sales and Use Taxes**

## **Taxes and School Districts**

New Jersey local school districts are political subdivisions of the State of New Jersey. Their purchases, except purchases of energy, are exempt from New Jersey sales and use taxes, pursuant to Section 9(a)(1) of the New Jersey Sales and Use Tax Act. NJ Division of Taxation—TB-49

### **ST-5 Exempt Organization Certificates**

An exempt organization certificate or number is not required for the local school district, public school or board of education to make tax-exempt purchases. ST-5 Exempt Organization Certificates are never issued to New Jersey government entities, including public schools. Their official letterhead or official purchase order, signed by a school official, is sufficient proof to the vendor that they are exempt from paying sales taxes. Payment must be made by a school check, including a student activity fund check, or a school voucher.

The Board of Education shall not pay nor reimburse New Jersey Sales and Use Taxes in accordance with the law and guidance received from the New Jersey Division of Taxation.

### **Contractors and New Jersey Sales Taxes**

As a New Jersey governmental entity, the Board of Education is exempt from the requirements under New Jersey state sales and use tax (N.J.S.A. 54:32B-1 et seq.), and does not pay any sales or use taxes. Contractors should note that they are expected to comply with the provisions of said statute and the rules and regulations promulgated thereto to qualify them for examinations and reference to any and all labor, services, materials and supplies furnished to the Board of Education. Contractors may not use the Board's tax-exempt status to purchase supplies, materials, services or equipment.

A contractor may qualify for a New Jersey Sales Tax Exemption on the purchase of materials, supplies and services when these purchases are used exclusively to fulfill the terms and conditions of the contract with the Board of Education. All contractors are referred to New Jersey Division of Taxation—Tax Bulletin S&U-3 for guidance. Again, contractors are not permitted to use the Board's tax identification number to purchase supplies, materials, services or equipment.

## Acceptance of Gifts



## **Acceptance of Gifts**

Acceptance of gifts or scholarships from any individuals or groups in the community requires the approval of the Superintendent of Schools and/or Board of Education subject to Board Policy. Please note the following:

No gift or scholarship will be accepted, which in the opinion of the Superintendent is inappropriate for use by the schools.

The use and disposition of such gifts or scholarships will be handled in accordance with Board policy.

Gifts that require installation and/or maintenance costs will be accepted only upon approval by the Superintendent and the school Principal.

All gifts require final approval by the Board of Education

### **Gifts and Purchasing**

Payment from bequest, legacy or gift; conditions. N.J.S.A. 18A:18A-15.1

Goods or services, the payment for which utilizes only funds received by a board of education from a bequest, legacy or gift, shall be subject to the provisions of N.J.S.18A:18A-1 et seq., except that if such bequest, legacy or gift contains written instructions as to the specifications, manufacturer or vendor, or source of supply of the goods or services to be provided or performed, such instructions shall be honored.

**Payment from Bequest, Legacy or Gift**  
Guidance from the New Jersey Division of Local Government Services  
N.J.S.A. 40A:11-13.1 and N.J.S.A. 18A:18A-15.1

The requirement for the solicitation of quotations or the receipt of bids is based on whether the total contract amount for the purchase of the good(s) or service(s) is under or over the bid threshold, regardless of the dollar amount of the contracting unit's share.

**Payment from bequest, legacy or gift; conditions. N.J.S.A. 18A:18A-15.1**

Goods or services, the payment for which utilizes only funds received by a board of education from a bequest, legacy or gift, shall be subject to the provisions of N.J.S.18A:18A-1 et seq., except that if such bequest, legacy or gift contains written instructions as to the specifications, manufacturer or vendor, or source of supply of the goods or services to be provided or performed, such instructions shall be honored.

**Situation 1**

Donor makes a monetary donation directly to the board of education for a certain type of goods or services with specific written instructions as to the specifications, manufacturer or vendor, or the source of supply of the goods or service and the donation covers the total contract amount.

- No quotations or bids required.

**Situation 2**

Donor makes a monetary donation directly to the board of education for a certain type of goods or services but does not provide specific written instructions as to the specifications, manufacturer or vendor, or the source of supply of the goods or service and the donation covers the total contract amount

- If the total contract amount is less than the bid threshold, solicitation of two competitive quotations is required, if in excess of the bid threshold, the receipt of bids is required.

**Situation 3**

Donor makes a monetary donation directly to the board of education for a certain type of goods or services with specific written instructions as to the specifications, manufacturer or vendor, or the source of supply of the goods or service and the donation does not cover the total contract amount.

If the donation does not cover the total contract amount, thus requiring the board of education to provide public funds to complete the transaction, the following shall occur:

- If the donor's donation, plus the board's share can purchase the goods or services and the total amount of the contract is less than the bid threshold, solicitation of two competitive quotations is required.
- If the donor's donation, plus the board's share can purchase the goods or services and the total amount of the contract is in excess of the bid threshold, the receipt of bids is required.

**Situation 4**

Donor makes a monetary donation directly to a specific vendor of its choice for the purchase of certain types of goods or services and the donation covers the total contact amount.

- No quotations or bids required.

**Situation 5**

Donor makes a monetary donation directly to a specific vendor of its choice for the purchase of certain types of goods or services and the donation does not cover the total contact amount.

If the donation does not cover the total contract amount, thus requiring the board of education to provide public funds to complete the transaction, the following shall occur:

- If the donor's donation, plus the board's share can purchase the goods or services and the total amount of the contract is less than the bid threshold, solicitation of two competitive quotations is required.
- If the donor's donation, plus the board's share can purchase the goods or services and the total amount of the contract is in excess of the bid threshold, the receipt of bids is required.

**Guidance**

Board of education approval by resolution is required for all situations listed. The School Business Administrator/Board Secretary shall also adhere to other procurement law and code prior to recommending contracts for award.

## Contract Notification

### Office of the State Comptroller

The School Business Administrator/Board Secretary shall notify the Office of the State Comptroller for expenditures or contracts that exceed a certain dollar amount:

#### NOTIFICATION FOR CONTRACTS VALUED AT \$2.5 MILLION OR MORE

##### **Post-Award** Notification for Contracts valued at more than \$2.5 million but less than \$12.5 million

Contracting units must provide post-award notification for any contract for an amount exceeding \$2.5 million. Notification must be given within 20 days of the award. Please complete the form at the link below and email the form and applicable documents to **contracts@osc.nj.gov**

- Post-Award Notice for Contracts Valued At More Than \$2.5 million but Less Than \$12.5 million

#### NOTIFICATION FOR CONTRACTS VALUED AT \$12.5 MILLION OR MORE

##### **Pre-Award** Notification

In accordance with N.J.S.A 52:15C-10, contracting units must notify OSC as early as practicable, but no later than 30 days before advertisement, of any negotiation or solicitation of a contract that may exceed \$12.5 million. Please complete the form at the link below and email the form and applicable documents to **contracts@osc.nj.gov**

- Pre-Advertisement Notice for Contracts \$12.5 million or more

##### **Post-Award** Notification

Within 20 days after the award of a contract of \$12.5 million or more, please complete the form at the link below and email the form and applicable documents to **contracts@osc.nj.gov**

- Post-Award Notice for Contracts \$12.5million or more

## **Disposal/Sale of Personal Property**

### **Disposal/Sale of Personal Property**

School districts may dispose of personal property in accordance with State Law and their particular board policy. Depending on board policy personal property may also include instructional property, but in no case shall it include real property. **Real estate property** shall be disposed of by sale or otherwise, in accordance with the law.

#### **N.J.S.A. 18A:18A-45: Manner and method of sale.**

Any board of education may, by **resolution** and by sealed bid or public auction, authorize the sale of its personal property not needed for school purposes.

- a. If the **estimated fair value of the property** to be sold exceeds 15 percent of the bid threshold in any one sale and it is neither livestock nor perishable goods, it shall be sold at public sale to the highest bidder.
- b. Notice of the date, time and place of the public sale, together with a description of the items to be sold and the conditions of sale, shall be published once in an official newspaper. Such sale shall be held not less than seven nor more than 14 days after the publication of the notice thereof.
- c. Personal property may be sold to the United States, the State of New Jersey, another board of education, any body politic, any foreign nation which has diplomatic relations with the United States, or any governmental unit in these United States by private sale without advertising for bids.
- d. If no bids are received the property may then be sold at private sale without further publication or notice thereof, but in no event at less than the estimated fair value; or the board of education may if it so elect, reoffer the property at public sale. As used herein, "estimated fair value" means the market value of the property between a willing seller and a willing buyer less the cost to the board of education to continue storage or maintenance of any personal property not needed for school purposes to be sold pursuant to this section.
- e. A board of education may reject all bids if it determines such rejection to be in the public interest. In any case in which the board of education has rejected all bids, it may re-advertise such personal property for a subsequent public sale. If it elects to reject all bids at a second public sale, pursuant to this section, it may then sell such personal property without further publication or notice thereof at private sale, provided that in no event shall the negotiated price at private sale be less than the highest price of any bid rejected at the preceding two public sales and provided further that in no event shall the terms or conditions of sale be changed or amended.
- f. If the estimated fair value of the property to be sold does not exceed the applicable bid threshold established pursuant to subsection a. of this section in any one sale or is either livestock or perishable goods, it may be sold at private sale without advertising for bids.
- g. Notwithstanding the provisions of this section, by resolution of the board of education, a purchasing agent may include the sale of personal property no longer needed for school purposes as part of specifications to offset the price of a new purchase.

**Sale of Real Property (Real Estate)**

The sale of real property is explained in the following law and code.

- N.J.S.A. 18A:20-6: Public sale; advertisement; exception
- N.J.S.A. 18A:20-7: Sale at fixed minimum prices; rejection of bids
- N.J.A.C. 6A:26-7.4 Approval for the disposal of land, including rights or interest

It is highly recommended the board attorney is consulted on all sales of real property.

## Vendors



## **Vendors Doing Business with the District**

### **New Vendors**

The School Business Administrator/Board Secretary or designee must enter new vendor information in the Business Office financial system prior to using the services or goods of that new vendor. The School Business Administrator/Board Secretary also has to receive from vendors certain legal documents prior to issuing a purchase order. Depending on the amount of the purchase order in the aggregate the following documents must be in the possession of the School Business Administrator/Board Secretary:

- Affirmative Action Evidence—Certificate of Employee Information Report
- Business Registration Certificate from the State of New Jersey
- Chapter 271 Political Contribution Disclosure form
- Iran Financial Disclosure Form
- IRS W-9 Form
- Other documents required by Federal Procurement Code

### **Vendor Performance--Unsatisfactory**

It is hoped that vendors used by the school district provide goods and services in accordance with the terms and conditions of the contract. If any school official does not receive goods or services in a satisfactory manner, it is important that the Purchasing Agent be informed.

### **Vendor/Contractor Evaluation & Recommendation**

The Public School Contracts Law permits the school district to renew the contract of a vendor or contractor who provides services to the district. School officials administering the contract for those vendors shall, pursuant to N.J.S.A. 18A:18A-42, complete Vendor/Contractor Evaluation and Recommendation form to determine if the vendor has provided services to the district in an “effective and efficient manner.

### **Vendor Relations**

All district employees are to practice exemplary ethical behavior in the purchasing process. Employees are to avoid any action that may be considered a conflict with their position with the district and those dealings with vendors who provide goods and services to the district. All district employees should adhere to the following terms and conditions of the board’s policy on Ethics and Conduct in Purchasing; Vendor Relations.

### **Vendor Responsibility – Doing Business with the Board of Education**

Any vendor doing business or proposing to do business with the Board of Education, shall neither pay, offer to pay, either directly or indirectly, any fee, commission, or compensation, nor offer any gift, gratuity, or other thing of value of any kind to any official or employee of the Board of Education or to any member of the official’s or employee’s immediate family.

No vendor shall cause to influence or attempt to cause to influence, any official or employee of the Board of Education, in any manner which might tend to impair the objectivity or independence of judgment of said official or employee.

### **Vendor Certification**

Vendors will be asked to certify that no official or employee of the Board of Education or immediate family members are directly or indirectly interested in this request or have any interest in any portions of profits thereof. The vendor participating in this request must be an independent vendor and not an official or employee of the Board of Education.

**Vendor Debarment, Suspension or Disqualification– (N.J.A.C. 17:19-1.1 et seq.)**

The Board of Education will not enter into a contract for work with any person, company or firm that is on the State Department of Labor and Workforce Development; Prevailing Wage Debarment List, or the State of New Jersey Consolidated Debarment Report ([www.state.nj.us/treasury/debarred](http://www.state.nj.us/treasury/debarred)) or the Federal System for Award—SAM.gov.

**Meals and Refreshments  
Non-Essential Purchases**

## MEALS and REFRESHMENTS

The State of New Jersey Department of Education has provided guidance to school districts through Administrative Code **N.J.A.C. 6A:23A-5.8** on Board expenditures for meals and refreshments.

The expenditure of public funds (purchase order) for meals and refreshments may be used for the following:

<b>Permitted Activities for Meals; Refreshments; Catering</b>
---

- **Student Activities**  
Reasonable costs for light meals and refreshments directly related to activities that benefit students and are part of the **instructional program** are permissible. These activities must be part of the instructional program and not solely for student entertainment.
- **Parent Activities**  
Reasonable costs\* for light meals and refreshments for parent activities are permissible. It is expected that expenditures for this purpose will be minimal and infrequent.
- **Dignitaries**  
Reasonable costs\* for light meals and refreshments for dignitaries as defined in State code, are permissible.
- **Board Member Meetings -- N.J.A.C. 6A:23A-7.12(f)**  
Light meals and refreshments\* are permitted for all board members and for employees who are required to attend a board of education meeting.

\*Please note that costs for light meals and refreshments are limited as follows:

Breakfast	\$ 7.00 per person
Lunch	\$ 10.00 per person
Dinner	\$ 15.00 per person

(NJ OMB Circular 20-04-OMB Section XI—Letter J)

### **Documentation Required—Light Meals and Refreshments**

Documentation must be provided to support expenditures for light meals and refreshments. The following information is to be provided on the Purchase Order:

- Description of the activity;
- Purpose/justification of the activity; goal; objectives;
- Make-up of the group receiving the meals; and
- Names of employees and board members included in the group.

## Prohibited Activities for Meals and Refreshments

- **Athletic Activities—Feeding Guests**

Light meals and refreshments served to **guests** at any athletic event, game or contest are not permitted.

- **Staff and Employees of the School District**

Light meals and refreshments are not permitted for employees and staff of a school district unless the staff member or employee is essential to **a student activity** where light meals or refreshments are being served. N.J.A.C. 6A:23A-7.12 (d); 6A:23A-5.8 (b) (4)

- **Honoring Employees**

Receptions, dinners or other social functions held for or honoring any employee or group of employees are not permitted when public funds are being used.

Please note: the use of public funds (purchase order) for the purchase of employee recognition awards is permitted. For example—Retirement Plaques!

## **Miscellaneous Purchasing Provisions**

### **Cancellation of Purchase Orders--Guidance**

All requests to cancel purchase orders must be made in writing to the Purchasing Agent. Reasons explaining the need to cancel the purchase order must be outlined. The Purchasing Agent maintains the sole right to cancel purchase orders.

### **Credit Cards Prohibited**

Pursuant to the New Jersey Department of Education Audit Program page I-5.9, a school district is not permitted to use a credit card for the purchase of goods and services. All purchases are to go through the purchase order process in compliance with the Public School Contracts Law.

### **Contracts; Purchase Order Required--Guidance**

The award of contract to a vendor approved by the Board of Education at a public meeting does not automatically authorize any employee to use the services of, or purchase materials from, the vendor.

All contract purchases require the issuance of a purchase order authorizing the purchase of services and/or goods and materials from the vendor. N.J.S.A. 18A:18A-2 (v).

### **Employees Prohibited from Signing Contracts--Prohibition**

Board of Education employees are prohibited from signing any contract offered by a vendor.

The power to sign and execute vendor contracts after Board of Education approval lies with the Board President and the School Business Administrator/Board Secretary.

### **Employee Reimbursements**

The Board only recognizes an employee reimbursement purchase order when it pertains to pre-approved travel, meals, and conferences. The Board will not reimburse employees for items and goods personally purchased by the employee. Wherever possible, purchase orders will be used for conferences and related expenses. When a vendor will not accept a purchase order, we investigate the option of hand-carrying a check. If that is not acceptable, then the employee may pay for the conference and be reimbursed only with the approval in advance.

### **Increasing a Purchase Order Amount**

There may be times when a purchase order amount has to be increased to meet the needs of the district. The School Business Administrator/Board Secretary, in accordance with N.J.A.C. 6A:23A-6.10, will identify and investigate the reason(s) for any increase to a purchase order. An appropriate form to request an increase has been prepared and is available from the Business Office. All requests to increase the amount of a purchase order must be approved by the School Business Administrator.

### **Personal Liability**

Contracts signed by an employee shall be considered non-binding by the Board of Education with the employee accepting full responsibility for the costs of the contract.

### **Preview of Materials**

All staff members must receive permission from administrators, supervisors, or principals to preview materials. After completing the preview process a determination will be made to keep or return the materials if there is a desire to purchase the previewed item, then a purchase order must be prepared and approved by all levels of the authorization process before the preview time expires.

**Private Purchases -- Prohibited**

Goods and services procured by the Board of Education are exclusively for the use of the board and if applicable, other public and non-public schools. These goods and services are purchased through the signed purchase order process.

Employees of the Board of Education are prohibited from purchasing privately goods and/or services of the bid prices and quotation prices offered by the vendors to the board of education.

**Purchase Order Cut Off Dates**

Administrators are to be alerted to the fact that purchase orders for the present school year will not be accepted after **March 1**. A list of the current Bill List Cutoff Dates is mailed directly to budget managers and secretaries. Please contact the Purchasing Department with any questions.

## **Requisition & Purchase Order Process**

### **Roles and Responsibilities**



## Requisition & Purchase Order Process

### A. Responsibilities When Preparing a Requisition

The person who prepares the requisition has certain responsibilities before the order is sent to the administrator, supervisor, or principal for approval. He/she is to ensure the following:

1. **Requisition Preparation** -- All requisitions are entered into the district requisition system.
2. **Vendor's Name**--All Board checks are made payable to the vendor name (top line) listed on the purchase order/requisition. Please ensure the proper vendor name is printed on the requisition.
3. **Vendor's Complete Address** -- The purchase order must include the vendor's complete address and phone number. Post Office Box addresses by themselves are not acceptable unless they are of major well-known companies.
4. **Current Budget Year Included** -- The current budget year must be included in the body of the Purchase Order/Requisition.
5. **Description of Items, Services, Costs and Catalogue Numbers** -- Items and/or services requested are to be described clearly with correct and up-to-date catalog numbers/ISBN and costs. Brand name, model numbers, colors, sizes and other descriptive items are required.
6. **Shipping Costs**--Shipping and handling costs are to be added to all purchase orders. Please read the catalog or contact the vendor to determine the actual shipping and handling costs.

If you are unable to ascertain the actual charges, type:

**“10% Estimated Shipping and Handling”**

If there are no shipping and handling charges, type on requisition/purchase order:

**“Shipping and Handling Included”**

7. **Delivery Address--Attention of** -- The delivery address should include a name of a person or a specific department.
8. **Delivery, Types of** --- The Board of Education recognizes two (2) types of delivery.
  - a. INSIDE DELIVERY  
Items are to be delivered to a Board of Education location and taken off the truck by transportation carrier personnel and brought to a designated area inside the school or office building.
  - b. SPOTTED DELIVERY  
Items are to be delivered to a Board of Education location and taken off the truck by transportation carrier personnel and brought to a designated area inside the school or office building. Transportation carrier personnel or specialized individuals are responsible to then uncrate, set up, and assemble items to determine good working order and remove all debris to the satisfaction of the Board of Education within five

(5) working days. Please ensure that all purchase orders have the correct delivery designation.

9. **Total Cost** -- Please include the words "Total Cost" on the purchase order with the actual amount of the order. *Minimum Order* -- the minimum order amount for all purchase orders is \$50.00. Please try to plan and combine orders to exceed the \$50.00 limit.
10. **Budget Account Number** -- Please be sure the correct Budget Account Number is typed on the requisition.
11. **State Contract Orders** -- When ordering through State Contract vendors (minimum order \$100.00), please note the following:
  - a. State Contract Number must be included on the requisition;
  - b. **1NJCP** must be included on all State Contract requisitions and purchase orders;
  - c. Shipping and Handling Included; and
  - d. Appropriate documentation when required.

Special guidance will be issued as it pertains to State Contract purchases.  
A reminder, the minimum order amount for a State Contract purchase is \$100.00

12. **Quotations** -- If quotations are obtained, please attach to the purchase order a copy of each written quotation received. Please type the quotation date and the quotation number.
13. **Bids** -- If bids are obtained, please include the following on the requisition:
  - a. Bid Date; and
  - b. Bid Number.

## **B. Responsibilities of Administrator/Supervisor or Principal**

The person authorized to approve requisitions must ensure the following is reviewed before the requisition is sent to the Assistant Superintendent/Superintendent:

1. **Funds Available**  
They must check to determine if *funds are available* in their budget to cover the amount of the purchase order.
2. **Requisition Completion**  
They must check to determine that items 1-13 previously noted (Responsibilities of the Originator) have been *properly completed*.
3. **Operational or Educational Need for Purchase**  
Administrators who approve requisitions should be able to explain why the purchase is essential to the school district. They should be able to support the purchase as an educational or operational need for the district. Of most importance they should be able to answer the following:
  - a. How students will learn or benefit from the purchase?
  - b. What educational achievement or program may be linked to the purchase?
  - c. How is the purchase of operational value to your school/office?

4. **Requisitions** are to be approved online by the appropriate administrator.
5. **Approval of Principal**  
Central office administrators and supervisors have been notified that whenever they order equipment for the instructional staff of the various schools, the purchase order must be made in consultation with the school principal. The principal must co-sign the purchase order for equipment purchases. It is the responsibility of the central office administrator/supervisor to obtain the signature of the principal.
6. **Originator Copy**  
The originator copy of the purchase order remains in the office of the administrator/supervisor/principal. When preparing a requisition, please retain a copy for your files.
7. **Receiving Copy**  
Once the purchase order has been posted and mailed to the vendor, the Business Office will send the Receiving Copy of the purchase order back to the school or office. If you do not receive the Receiving Copy within two (2) weeks of signing the purchase order, please contact the Business Office.

**C. Responsibilities of the Assistant Superintendent/Superintendent of Schools**

The Superintendent or the Assistant Superintendent reviews and determines the educational or operational value of each purchase order. If satisfied, the requisition is approved and forwarded to the Purchasing Agent.

**D. Responsibilities of Business Office**

The Purchasing Agent reviews each purchase order. Special attention is given to the following:

1. **Available Funds**—The Requisition system will not permit a requisition to be finalized if there are insufficient funds in the account. If preparing PO, be sure to check for funds availability.
2. **What is being ordered and the cost**--The Purchasing Agent reviews the technical aspects of the purchase order to ensure compliance with Federal and State Law and Board Policy.

The Business Office checks the cost of each item and determines if it can be purchased from another source at a saving. The Business Office also reviews whether the purchase exceeds:

The Quotation Limit	<b>\$ 6,600.00</b>
The Bid Limit	<b>\$44,000.00</b>

A determination will be made by the Purchasing Agent whether the district has to solicit quotations or advertise for bid.

3. **Document Check**  
Pursuant to various State Laws, the Purchasing Agent must ensure the following documents are on file in the Business Office before the purchase order is signed and processed:

- Affirmative Action Evidence – Contracts \$44,000.00 and over (cumulative)
- Business Registration Certificate (BRC) – Purchases \$6,600.00 and over
- Chapter 271 – Political Contribution Disclosure Form (PCD)  
Purchases over \$17,500.00 (cumulative)
- Iran Financial Disclosure Form
- IRS W-9 Form
- Other Federal Procurement Documents.

4. **Technical Review of Purchase Order** -- The purchase order is also reviewed for technical aspects such as:
- a. Account number missing or incorrect;
  - b. Shipping charges added;
  - c. Signatures missing;
  - d. State contract numbers incorrect/missing;
  - e. Vendor address incomplete; and
  - f. Other items as listed in Section A.

Incomplete or improper purchase orders/requisitions will be returned with a memo explaining deficiencies. See copy of memo in Appendix.

If the Purchasing Agent is satisfied, he signs the purchase order and/or approves the requisition. The Business Office will then:

- Issue a purchase order number;
- Enter the purchase order in the computer; and
- Mail the purchase order to the vendor.

**Purchase Order Process--Deliberative Process—Five to Ten Days**

The purchase order process, as explained, may take 5 – 10 days to complete. Public school purchasing takes time, as it is a deliberative process, designed to be in compliance with law and also to limit fraudulent activities. Please plan accordingly.

5. **Transfer of Funds**--The Business Office processes purchase orders only if there are appropriate funds to cover the purchase. Purchase orders lacking sufficient funds are sent back to the originator for a request to transfer funds. All requests for the transfer of funds are to be submitted in the district’s financial software and are subject to the approval of district’s Accountant and **School Business Administrator/Board Secretary (minimum)**.

All transfers of funds have to be approved by the Board of Education at a public meeting.

In certain cases, some transfer of funds requests must be sent to the State Department of Education for review. Substantive transfers of money (more than 10% of the budget line item) must be approved by the State. Purchase orders that require a transfer of funds will be mailed to the vendors the day after the State Department of Education approves the transfers.

### **E. Responsibility of the Vendor**

The Business Office sends to the vendor the purchase order and the voucher. The vendor is to sign the voucher and return it to the Business Office with an invoice. If you receive a signed voucher, return it to the Business Office. A check is prepared for the vendor once the Business Office has a

- Signed Voucher
- All Packing Slips
- Invoice
- Receiving Copy (Pink) Signed

The award of contract to a vendor approved by the Board of Education at a public meeting does not automatically authorize any employee to use the services of, or purchase materials from, the vendor.

All contract purchases require the issuance of a purchase order authorizing the purchase of services and/or goods and materials from the vendor.