



Passaic Public School District  
101 Passaic Avenue  
Passaic, NJ 07055  
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# **PURCHASING MANUAL**

**2017 – 2018**

Prepared By:

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Purchasing Agent

and

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Purchasing Manager

PASSAIC PUBLIC SCHOOLS

*Business Office  
101 Passaic Avenue  
Passaic, New Jersey 07055*

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Pablo Muñoz  
Superintendent of Schools

Erlinda R. Arellano, CPA, PSA  
School Business Administrator  
Board Secretary

TO: All District Employees

The purpose of this Purchasing Manual is to assist all Board of Education employees in the proper purchasing practices to be in full compliance with:

- New Jersey Public School Contract Laws Title 18A:18A, et. seq.;
- New Jersey Administrative Code N.J.A.C. 5:34 et. seq.;
- Board of Education Policy;
- Other federal, state law and code; and
- NJ QSAC.
- Local Finance Notices – NJ Division of Local Government Services

The Purchasing Manual is designed to achieve three (3) goals:

1. Follow the law and Board policy on purchasing;
2. Promote efficiency in the purchasing practices; and
3. Achieve savings of money through proper purchasing practices.

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 in all public school purchasing procedures.

This manual should be reviewed with department heads, teachers, secretaries, and others who are involved in the purchasing process. It is imperative that everyone adheres to all purchasing laws and guidelines.

If you have any questions concerning the following guidelines, please do not hesitate to call the Purchasing Office, Extension 5598.

Thank you,

**Erlinda R. Arellano, CPA, PSA**  
School Business Administrator  
Board Secretary  
Purchasing Agent

## **PURCHASE ORDER PROCEDURES**

### **Authority to Purchase**

State statutes, administrative code and board policy govern the purchase of goods and/or services by a board of education. New Jersey State Law (18A:18A-2(b)) assigns the 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.

The Passaic Board of Education by board resolution has authorized Mrs. Erlinda R. Arellano to be the Purchasing Agent for the school district.

### **Authorized Purchases**

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

### **Purchase Order**

A purchase order, pursuant to State Law (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 Board of Education 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 listed below may be assigned by the Superintendent of Schools for unauthorized purchases:

### **Penalties for Unauthorized Purchases**

Disciplinary actions will be enforced in accordance with discipline measures per Board policy and respective collective bargaining agreements, including, but not limited to, paying for the 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.

#### **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.

## **Corrective Action for Non-compliance (continued)**

At any time, during the Corrective Action Process, the Superintendent may invoke the penalties for non-compliance. Sanctions/penalties are part of the NJ QSAC Corrective Action Plan.

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

Miscellaneous:

### Preview of Materials

All staff members must receive permission from administrators, supervisors, or principals to pre-view 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.

### Reimbursements; Employee

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 that are personally purchased by the employee.

### Student Activity Accounts

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.

# PURCHASE ORDER RATIONALE FORM

2017 – 2018

## Educational or Operational Rationale

A Purchase Order Rationale Form shall be attached to the top of each requisition submitted (exceptions noted) to the Assistant Superintendents/Chief of Operations. This form asks for a written explanation as to the **educational or operational** need for the purchase.

Administrators who submit requisitions have to put in writing why the purchase is essential to the school district. Administrators who sign off on requisitions 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 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.

## Assistant Superintendent / Chief of Operations Review

The Assistant Superintendents/Chief of Operations will review each requisition to ensure what is being requested is essential to the school district. The Assistant Superintendent/Chief of Operations will review the educational or operational need for each purchase and if satisfied, then the requisition will be approved.

## ***Reminder!***

- The Purchase Order Rationale Form is to be submitted for all purchases with exceptions noted and shall be attached to the front of the requisition;
- 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:18-7)**

State law regulates emergency purchases. In order to approve an emergency purchase, 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.**

**NOTE: Do NOT staple the requisition for the field trip registration and transportation together upon submission of requisition to the business office.**

- **Pupil Transportation; Athletic Transportation**

Transportation of students to and from school is regulated by state law, administrative code and the student’s IEP. Transportation of athletes to and from 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 purchase order to have been prepared.

- **Tuition Contracts—Special Education Schools**

As with pupil transportation purchase orders, tuition to special education schools are 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 be prepared.

A copy of the Purchase Order Rationale Form is in the Appendix.

## **MEALS; REFRESHMENTS; CATERING**

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 for meals and refreshments may be used for the following:

### **Permitted Activities for Meals; Refreshments; Catering**

- ***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—State code.
- ***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 16-11-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 Rationale Form:

- 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**

- ***Athletic Activities***  
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.
- ***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.



**Purchase of Food Supplies – Supermarkets**

New Jersey state law and code excludes the purchase of food supplies from the bidding process if the food supplies are for the school cafeteria or home economics classes. Many schools and office have prepared purchase orders to:

Shop-Rite Paulison Avenue – Cuellar, LLC

Food supplies purchased from the supermarket shall be in compliance with state law and code and only for the approved list of situations. All purchase orders, including student activity account purchases, are subject to review by Department of Education (DOE) officials and auditors.

**Food Supplies**

New Jersey Administrative Code 6A:23A-16.5(b) clearly notes that food supplies includes those supplies that are “eaten or drunk”. Administrators are to ensure that purchases from the supermarkets have only items listed that follows the code. The Business Office will review the register receipts and highlight those items that do not follow the code.

## **PERMITTED AND NON-ESSENTIAL PURCHASES**

### **A. Permitted Purchases**

- Commencement; Convocation Activities

All reasonable costs for commencement; convocation activities are permitted.

- Field Trips / Extracurricular Activities

All field trips using public funds (purchase order) shall be part of the instructional program, have an educational value and shall be reasonable in cost. Field trips solely for student entertainment are prohibited when using public funds. A board resolution approving the field trip must be attached to the purchase order.

- Library Books; Magazines, Videos/DVD's/CD's

All library books; magazines and multi-media presentation materials shall be for educational or operational purposes.

- T-Shirts

The Assistant Superintendents will consider, on a case-by-case basis, requests for the purchase of T-Shirts. It is strongly encouraged that purchases of T-Shirts be made through the appropriate student activity account.

### **B. Non-Essential and Prohibited Purchases**

- |  |                                 |
|--|---------------------------------|
| a. Carnivals                             | b. Retirement Plaques           |
| c. Gifts for Employees                   | d. Bereavement flowers; baskets |
| e. Teacher appreciation gifts/activities | f. Student entertainment        |

The list is not all-inclusive and the Superintendent/Assistant Superintendents/Chief of Operations may deem items non-essential during the course of the school year.

### **C. Preparation of Requisitions - Responsibilities of Originator**

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. **Vendor's Name** -- All Board checks are made payable to the vendor name (top line) listed on the requisition. Please ensure the proper vendor name is printed.
2. **Vendor's Complete Address** -- The requisition 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.
3. **Current Budget Year Included** -- The current budget year must be included in the space provided.
4. **Description of Items, Services, Costs and Catalogue Numbers**--Items and/or services requested are to be described clearly with correct and up-to-date catalogue numbers and costs. Please use latest catalogues available.
5. **Shipping Costs** -- Shipping and handling costs are to be added to all requisitions. Please read the catalogue 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 **"Shipping and Handling Included."**

It is important that any book order over \$2,000.00 and a shipping handling charge over 5% should use the shipping service of Book-It (Debjo). Please utilize the following steps for preparing these orders:

- When preparing the requisition for the book order, do not include "Shipping & Handling".
- Contact Marisol Nicholson, or R. Aaron Bowman, in the Office of the School Business Administrator to make them aware of the need to use the service.
- The Office of the School Business Administrator will issue a purchase order for the freight charges.

6. **Delivery Address--Attention Of** -- The delivery address should include a name of a person or a specific department.

#### **7. Delivery, Types of**

The Passaic 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, setup, assemble items to determine good working order and remove all debris to the satisfaction of the Passaic Board of Education within five (5) working days. Please ensure that all purchase orders have the correct delivery designation.

8. **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 requisitions is \$25.00. Please try to plan and combine orders to exceed the \$25.00 limit. Please verify your figures for accuracy. Please note: The Board of Education is exempt from paying New Jersey Sales Tax.
9. **Budget Account Number** -- Please be sure the correct Budget Account Number is typed on the requisition.
10. **State Contract Orders** -- When ordering through State Contract vendors (minimum order \$100.00) please include:
  - a. State Contract Number & State Contract System Identifier (1NJCP);
  - b. Shipping and Handling Included; and
  - c. Appropriate documentation when required.
11. **Quotations** -- If quotations are obtained, please attach to the requisition a copy of each written quotation received. Please type the quotation date and the quotation number on the requisition in the space provided.
12. **Bids/RFP/CC/EUS** -- If bids are obtained, please type the following on the requisition:
  - a. Bid/Quote/RFP/CC/EUS Date; and
  - b. Bid/Quote/RFP/CC/EUS Number.
13. **Proprietary Purchases** – If the purchase fits the definition of a proprietary purchase, please attach a copy of the Board resolution awarding the contract to the requisition and type “Proprietary Purchase: Board Approved *Meeting Date*”.
14. **Purchase Order Rationale Form** – Attach to top of requisition.
15. **When preparing a requisition**, “See Attached List” must be used at a minimum. It is encouraged that items being ordered are typed on the body of the requisition.
16. **Cooperative & NJ State Contract Codes on Requisition** – Pursuant to N.J.A.C. 5:34-7.7(b), the cooperative pricing system identifier shall be included on all purchase orders relating to the approved cooperative purchasing system. The system identifier for purchases using the Division of Purchase & Property’s Cooperative Purchasing Program (NJ State Contract) shall be on all purchase orders in accordance with N.J.A.C. 5:34-7.29(a).  
  
**System Identifiers:**  
**26EDCPS:** Educational Data Services, Inc.  
**65MCESCCPS:** Middlesex Regional Educational Services Commission Cooperative  
**34HUNCCP:** Hunterdon County Educational Services Commission Cooperative  
**1NJCP:** The State of New Jersey’s Cooperative Purchasing System
17. **Certificate of Liability Insurance** – It is the responsibility of the requisition originator to obtain a Certificate of Liability Insurance from the vendor if work is to be performed on any District facility. The Certificate of Liability Insurance must be valid during the duration of the contract and shall name the Passaic Board of Education as the additional insured.

**D. Responsibilities of Administrator/Supervisor or Principal – Reviewing a Requisition**

Administrators, supervisors and principals must ensure the following is reviewed before the requisition is sent to the Assistant Superintendents/Chief of Operations:

1. **Funds Available**  
They must check to determine if *funds are available* in their budget to cover the purchase.
2. **Requisition Completion**  
They must check to determine that items previously noted (Responsibilities of the Originator) have been *properly completed*.
3. **Requisitions** are to be approved on line by the appropriate administrator.
4. **Purchase Order Rationale Form (Exceptions Noted)**  
The Purchase Order Rationale Form shall be signed and submitted with the requisition.  
(Placed on top of requisition).
5. **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 completing an approved requisition, please contact the Business Office.

**E. Responsibilities of the Assistant Superintendents and Chief of Operations**

Upon receipt of the requisition, the Assistant Superintendent(s) or Chief of Operations Office stamps the date and time on it. The Assistant Superintendent(s) or Chief of Operations reviews and determines the educational or operational value of each purchase order. The Assistant Superintendent or Chief of Operations reviews each Purchase Order Rationale Form and if satisfied signs and approves the requisition.

**F. Responsibilities of Business Office**

**NOTE: All requisitions must be logged and time stamped by a member of the Business Office upon arrival.**

The Purchasing Agent reviews each requisition. 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 requisition, be sure to check for funds availability.
2. **What is being ordered and the cost** - The Purchasing Agent reviews the technical aspects of the requisition to ensure compliance with State Law and Board Policy.

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

The Quotation Limit	<b>\$ 6,000.00</b>
The Bid Limit	<b>\$40,000.00</b>

3. **Document Check – State Law**

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 \$40,000.00 and over (cumulative).
- Business Registration Certificate (BRC) – Purchases \$6,000.00 and over.
- Chapter 271 – Political Contribution Disclosure Form (PCD)
  - \* Purchases over \$17,500.00 (cumulative).

\*Administrators recommending contracts for professional/educational services are to secure the Chapter 271 PCD from the vendor when the vendor submits his/her proposal. The PCD must be forwarded to the Business Office.

A copy of the PCD is in the Appendix.

4. **Review of Requisition**--The requisition is also reviewed for technical aspects such as:

- a. Account number missing or incorrect;
- b. Shipping charges added;
- c. State contract numbers incorrect/missing; and
- d. Other items as listed in Section A.

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

If the Purchasing Agent is satisfied, he/she approves the requisition, upon which the purchase order is generated.

**The purchase order process, as explained, may take 5 - 7 days to complete. Please plan accordingly.**

5. **Transfer of Funds**—While on-line requisitions cannot be processed with insufficient funds, transfers may be necessary in other circumstances. All requests for a transfer of funds are to be sent to:

**Mrs. Erlinda R. Arellano, Business Administrator**

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

Transfers of funds (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.

**G. 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. The process for check initiation for the vendor occurs once the Business Office has a:

- Signed Voucher
- All Packing Slips
- Invoice
- Receiving Copy Signed

**H. Employees Prohibited from Signing Contracts**

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

The power to sign and execute contracts after Board of Education approval lies with the Board President and the Board Secretary.

The Passaic Board of Education shall consider contracts signed by an employee non-binding with the employee accepting full responsibility for the costs of the contract.

**I. Contracts; Purchase Order Required**

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.

**J. Cancellation of Purchase Orders**

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

**K. Private Purchases -- Prohibited**

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

Employees of the Passaic 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 Passaic Board of Education.

**L. Negative Vendor Experience**

The Report of Unsatisfactory Performance is to be filled out regarding issues that may arise in the course of business with a vendor.

The Supervisor is to fill out the form listing the vendor's name, purchase order number & date, and the problem statement. The form will then be mailed to the vendor to be filled out and returned to the Purchasing Agent within ten (10) working days.

The forms will be used in evaluation of the vendor and forms that are returned uncompleted could result in the vendor being disqualified from future bids.

A copy of the Report of Unsatisfactory Performance is in the Appendix.

**M. Rejection of Bid/Proposal Submissions**

Pursuant to N.J.S.A. 18A:18A-4(c), the Passaic Board of Education may disqualify a bidder based upon properly documented "prior negative experience". The Purchasing Agent will prepare a letter to the bidder considered for disqualification stating the bidder's right to hold a hearing with the Board of Education to show good cause as to why their bid/proposal submission should not be disqualified. The Board of Education may ultimately vote on disqualification of the submission.

## **L. Rejection of Bid/Proposal Submissions - continued**

Pursuant to N.J.S.A. 18A:18A-22 a Board of Education may reject all bids for any of the following reasons:

- The lowest bid substantially exceeds the cost estimates for the goods or services;
- The lowest bid substantially exceeds the Board of Education's appropriation for the goods or services;
- The Board of Education decides to abandon the project for provision or performance of the goods or services;
- The Board of Education wants to substantially revise the specifications for the goods or services;
- The purposes or provision or both of N.J.S.A. 18A:18A-1 et seq. are being violated; and
- The Board of Education decides to use the State authorized contract pursuant to N.J.S.A. 18A:18A-10.

## **M. Change Orders**

### **A. Amounts to be Increased – Not to Exceed Twenty Percent (20%)**

#### **Change Order Process – Limit Twenty Percent (20%)**

Increases not exceeding twenty percent (20%) of the total contract amount of a purchase order for work performed or services rendered are to be made through the Change Order Process, *prior* to the need to increase the amount.

In no instance shall the adjustment of the purchase order exceed twenty percent (20%) of the original purchase order dollar amount.

- Request for Change Order Form – Prior to the Need  
Any administrator or supervisor requesting to increase a purchase order for work performed or services rendered shall complete a Request for Change Order Form, prior to the need to increase the amount.
- Scope of Original Contract  
All change order requests shall be within the scope of the activities of the original contract and not for the purpose of undertaking new or different work or service.
- Certification of Funds  
The School Business Administrator and/or her designee shall certify that funds exist to pay for the increase.
- Authorization Required—School Business Administrator or Designee  
In accordance with Board Policy, responsibility for approving change orders, up to twenty percent (20%) of the original purchase order amount for services rendered or work performed, shall be exercised by the School Business Administrator or Designee.
- Recording Increase/Decrease – Accounts Payable  
Upon approval of the change order by the School Business Administrator or Designee, the Accounts Payable manager shall record the increase/decrease in the District's budgetary software and certify that the increase/decrease has been recorded.
- Administrator Notification – Accounts Payable  
Upon completion & certification of recording the increase/decrease in the District's budgetary software, the Accounts Payable manager shall send the completed & approved change order electronically to the Administrator. It is the Administrator's responsibility to notify the vendor that the change order has been approved.



- Request Denied

If the request to increase the purchase order is denied, the administrator/ supervisor shall notify the vendor that all work or service is to cease after the original purchase order amount has been expended.

Points of Concern – Purchase Orders – Services; Work Performed

- Estimated Amount Exceeded – Unauthorized Order

The issuance of a purchase order for an exact or estimated amount to a vendor is a contract with that vendor to perform services up to that amount. Any costs incurred by the Board of Education beyond the original twenty percent amount of the purchase order without proper authorization will be considered an unauthorized order.

- Monitoring of Purchase Order – Bills, Invoices--Responsibility of Administrator

All administrators and supervisors who have purchase orders for services and work performed are to carefully monitor the bills and invoices to ensure they do not exceed the original twenty percent total amount on the purchase order.

Purchase Order Amount Changes (Work Performed; Services Provided)

- Reduction in Total Amount

The total contract amount of a purchase order for work performed or services rendered by may be reduced by the Accounts Payable Department when written authorization is received by the department administrator, school principal, or school business administrator.

**B. Amounts to be Increased – Exceeding Twenty Percent (20%)**

**New Purchase Order Process –Exceeding Twenty Percent (20%)**

The Department of Education does not permit increases in purchase order amounts to exceed twenty percent (20%). The administrator in situations where the original purchase order amount must be increased more than twenty percent (20%) shall do the following:

- Contact the School Business Administrator

The School Business administrator shall be contacted before services are rendered which would require the increase in the purchase order amount.

- Complete Request Form

The administrator shall complete the appropriate request form seeking the increase in the purchase order amount. The amount requested must satisfy the contract throughout the remainder of the school year.

- Board of Education Approval Needed

If the Board of Education approves the new purchase order amount, the following is to be done:

➤ Prepare New Purchase Order

Administrator is to prepare a new purchase order to the vendor to include an amount that will satisfy the contract throughout the term of the contract.

➤ Void Original Purchase Order

The School Business Administrator shall void the original purchase order recognizing that payments from the original purchase order cannot exceed the original amount or any revised amount.

- Denial by the Board

If the Board of Education denies the new purchase order amount, then all services by the vendor are to cease after the original purchase order amount has been expended.

Points of Concern – Purchase Orders – Services; Work Performed

- Estimated Amount Exceeded – Unauthorized Order

The issuance of a purchase order for an exact or estimated amount to a vendor is a contract with that vendor to perform services up to that amount. Any costs incurred by the Board of Education beyond the original twenty percent amount of the purchase order without proper authorization will be considered an unauthorized order.

- Monitoring of Purchase Order – Bills, Invoices--Responsibility of Administrator

All administrators and supervisors who have purchase orders for services and work performed are to carefully monitor the bills and invoices to ensure they do not exceed the original twenty percent total amount on the purchase order.

# Methods of Procurement Public School Districts 2017 - 2018

## Procurement Method

### **A. Bids (Purchases that exceed the bid threshold--\$40,000)**

This method is used for contracts for goods, materials, services and public work projects that exceed the bid threshold of \$40,000.

#### *Examples*

##### Building Services Department

Plumbing, Electrical, HVAC work  
Custodial Supplies  
Public Works Project

##### Food Services Department

Groceries and Canned Goods  
Pest Control Services  
Baked Goods—Rolls, Bread

##### District

Furniture  
AV Equipment  
Calculators

##### Technology

Computer Supplies/Equipment  
Printers / Computer  
Interactive Boards

##### Title I Testing

Test Scoring Services

##### Athletics

Footwear  
Athletic Supplies/Equipment  
Physical Ed Supplies/Equipment

##### Lowest Responsible Bidder

The common thread of all these bids is that the district has to award the bid to the lowest responsible bidder, which means the lowest price.

### **B. Quotations (Purchases that fall between \$6,000 and \$39,999)**

This method of procurement is used for contracts for goods, materials, services and public work projects that in the aggregate fall between \$6,000 and \$39,999.

#### *Examples*

Athletic Trainer Supplies  
Fax Machines Supplies  
Payroll Checks  
Two Way Radios

Athletic Wear  
Instrument Reeds  
Dry Cleaning Services  
Fitness Equipment

Again, as with bids, the contract is awarded based upon the lowest price.

### C. Request for Proposal—RFP

This method is preferred for contract for

#### Professional Services

Medical  
Auditor  
Attorney  
Engineer, Architect

#### Academic/Operational Services

(Contracts less than \$40,000)  
Instructional Services  
Educational Services  
Professional Development

The RFP method is designed to award the contract to the vendor based upon a list of criteria, which include:

- Management Criteria
  - Business organization; staffing
  - Experience; and
  - Knowledge of district
- Technical Criteria
  - Submission of narrative how firm will provide services; planned approach; measurable results
  - Understanding how services will be provided
- Cost Criteria
  - Fee proposal submission; cost analysis

The contract for an RFP contract does not; I repeat *does not* have to be given to the respondent who submits the lowest price. The district administrator provides an evaluation scoring of each respondent using the criteria as a basis of award.

### D. Competitive Contracting (Certain Contracts)

The district can only use this method for contacts that are outlined in State Law and Code. Some of the examples that are permitted are

Pre-school Wrap Around Program—  
Student Data Warehousing  
Student Information System  
Professional Development Services  
Educational Instructional Services

The award of contract is similar to the RFP award—prices and other factors considered.

### E. EUS—Extraordinary Unspecifiable Services

This method is the procurement method for the purchase of insurance and insurance consulting services. Similar to the RFP process

**F. Other Procurement Methods**

The district also uses the following methods of procurement:

- State Contract Purchasing
- Emergency Contracts
- Cooperative Purchasing Agreements
- Shared Services Agreements
- Sound Business Practices

**G. Federal Procurement Guidelines – 2 C.F.R. 200, et seq.**

Purchases using Federal funds are to follow the Public School Contracts Law of New Jersey with the following exceptions and explanations:

**Procurement Threshold – More than \$40,000.00**

The school district must prove competitions for all contracts exceeding \$40,000 when using federal funds. Methods of competition are as follows:

Public Works	Bid
Goods and Services	Bid
Professional Services	Request for Proposals (RFP)
Educational Services	Competitive Contracting
Instructional Services	Competitive Contracting
Professional Development	Competitive Contracting
Sole Source Non-Competitive (Proprietary)	Proposal, Board Resolution (Certification of Need)

There are no exceptions to bidding as listed in 18A:18A-5, therefore, the district must use a competitive process when procuring goods or services from other governmental units and public colleges.

State contracts/Co-Ops may **NOT** be used as the only price for this threshold. However, the vendors holding State contracts may participate in the competitive procurement process when advertised.

**Procurement Threshold – Between \$3,500.00 and \$39,999.99**

The school district will use the procurement methods as outlined in Sections A through E.

State contracts/Co-Ops may **NOT** be used as the only price for this threshold. However, the vendors holding State contracts may participate in the competitive procurement process when advertised.

**Procurement Threshold – Less than \$3,500.00 (Micro-Purchases)**

The school district must utilize the more stringent Federal quotation threshold of \$3,500.00 (as opposed to the NJ State amount of \$6,000.00) for procurement utilizing Federal funds. These purchases may be awarded without soliciting competitive quotations, but sound business practices must be utilized to obtain items at the fairest price.

State contracts/Co-Ops may be used for purchases in this threshold, as long as the State contract is the lowest price available.

## **BIDS AND PURCHASING**

### **A. Bid Limit -- \$40,000**

New Jersey State Law restricts the Passaic Board of Education on how much money can be spent by the district for the entire year on materials, supplies, and services.

This restriction is called the **bid threshold** or **bid limit**. The bid limit is \$40,000. This means that any specific item, class of items, and/or services of a similar nature, purchased by the school district totaling more than \$40,000 for the entire year must be competitively bid. This restriction is for the entire district and not by location or schools.

You cannot circumvent the law by splitting purchases to be under the \$40,000 bid limit.

If you find that your purchases may exceed the \$40,000 bid limit, please contact the Purchasing Office at once.

**The formal bidding process takes about 6-8 weeks to complete.**

### **B. Annual Bids**

The Board of Education requests that central office department administrators and supervisors and school principals start to plan and prepare for Annual Bids. The proposed time lines are as follows:

- January/February* • Administrators/Supervisors prepare technical specifications to be reviewed by Purchasing Agent.
- February/March* • Purchasing Agent prepares final bid specifications to be drafted in a manner to encourage free, open, and competitive bidding.
- March – May* • Annual bids are received, opened and tabulated by Purchasing Agent.
- April/May* • Bid resolutions are prepared by Purchasing Agent for Board approval.
- June* • Purchase orders are generated by Administrators/Supervisors for July/August delivery.

**Please note: The delivery of furniture usually takes place about 8-12 weeks after receipt of purchase order.**

### **C. Bidding: Time Frame**

As stated before, the formal bidding process usually takes about 6-8 weeks from start to finish. Please plan appropriately. An outline of the bidding process is located in the Appendix.

### **D. Exceptions to the Bid Limit**

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 bid. Some of them are:

1. Purchasing through State Contract;
2. Professional services as outlined by New Jersey law;
- \*3. Textbooks, kindergarten supplies, student produced publications, library and educational goods;
- \*4. 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.

Please contact the Purchasing Agent for further explanation.

### E. State Contract Purchasing

Pursuant to N.J.S.A. 18A:18A-10(a) a Board of Education may purchase goods and services through State Contract vendors. If the purchase exceeds the bid threshold, the Board of Education must adopt a resolution awarding the contract.

#### ❶ **Office Supplies and School Supplies**

The Purchasing Agent will distribute separate memos highlighting State Contract vendors who sell Office Supplies and School Supplies. Please review these memos with your staff.

If you plan to purchase Office Supplies and School Supplies from a State Contract vendor, please follow the instructions on the memo.

#### ❷ **Computers/Other Technological Devices**

If you plan to purchase computers and other technological devices, please adhere to the following process prior to completing purchase orders for computers.

- Contact the Director of Technology Information

Please contact the **Director of Technology Information at Ext. 5137**. He will be able to assist you with the technical aspects and the State Contract requirements of purchasing computers.

The Supervisor or his designee must sign all purchase orders for computers before they are sent to the Assistant Superintendent.

- Contact the Director of Facilities

Please contact the **Director of Facilities, at Ext. 8897**. The Director has to be apprised of all computer purchases to properly plan for electrical hookups. The Director must sign all purchase orders for new computers before they are sent to the Assistant Superintendent.

#### ❸ **Copiers-- Pre-Approval Needed**

If you plan to purchase a copier, please contact the purchasing office at Ext. 5598. All purchases of copiers must be pre-approved by the Purchasing Agent and the Superintendent of Schools.

#### Purchase Orders--State Contract

All purchase orders made through State Contract vendors shall include the following:

1. State Contract Number;
2. Notification of Award;
3. Approved Price List; and
4. Shipping and Handling Included.

### F. Professional Services

Professional services contracts that exceed \$6,000 for the school year, must be procured through a competitive process. The district uses the Request for Proposal (RFP) method of procurement. Examples of professional services are:

- Legal
- Auditing; Accounting
- Architectural; Engineering
- Dental
- Medical Evaluation
- Physician; Nursing

### G. Academic Services

Academic services contracts that exceed \$6,000 for the school year must be procured through a competitive process. The district uses the following methods of procurement:

\$6,000 - \$39,999	Request for Proposal (RFP)
\$40,000 or more	Competitive Contracting

Examples of Academic Services are: Instructional Improvement  
Educational Consultants  
Professional Development

### H. Emergency Contracts

Emergency Contracts are strictly regulated by N.J.S.A. 18A: 18A-7. A situation must exist affecting the health or safety of the occupants of school property that requires the immediate delivery of articles or the performance of a service to alleviate the emergency.

The Emergency Contract process is reviewed in the Appendix. Please note that the Superintendent of Schools must be notified **first** of all emergency purchase requests.

Only the Purchasing Agent may award an Emergency Contract.

### I. Cooperative Purchasing

The Passaic Board of Education has contracted with Educational Data Services of Saddle Brook, NJ, to bid on items in the following categories on an as needed basis.

- |                          |                             |
|--------------------------|-----------------------------|
| 1. Office Supplies       | 4. School Supplies          |
| 2. Copy Duplicator Paper | 5. Art Supplies             |
| 3. Science Supplies      | 6. Industrial Arts Supplies |

Remember that items purchased through a cooperative purchasing system are not always cheaper than what you can purchase yourself.

The Passaic Board of Education is also a member of the Middlesex Regional Educational Co-Operative (MRESC) purchasing system. Administrators and Supervisors are encouraged to use the MRESC system for various items such as furniture, athletic wear, and school supplies just to name a few.

Board Resolutions must be adopted prior to using a cooperative purchasing system.

### For use of National Co-Op:

As advised in Local Finance Notice 2012-10, use of National Cooperative Purchasing Systems requires Districts to perform the following:

- Obtain the vendor's:
  - New Jersey Business Registration Certificate
  - Statement of Corporate Ownership
  - Public Contract EEO Compliance (Employee Information Report form or proof of participation in a federally approved affirmative action program)
  - Notarized Non-Collusion Affidavit
  - Ch. 271 "Pay-to-Play" form



**For Use of National Co-Op - continued**

- The district must perform a cost savings calculation of the purchase and maintain the records. The cost savings calculation may contain the following:
  - Comparing current State contract pricing, available to other government entities, to that of the proposed national cooperative
  - Comparing pricing for comparable goods or services under the contracting unit’s current contracts or contracts available to it (i.e., New Jersey government based cooperative purchasing programs) to that of the proposed national cooperative.
  - Comparing recently procured comparable contracts entered by other public entities to that of the proposed national cooperative.
- The use of the National Cooperative Purchasing System must be advertised in same manner as a formal bid (10 days in an approved official newspaper (as defined in NJSA 35:1-1 et seq.).
- Must follow all New Jersey laws
- Must seek approval from the Division of Local Government Services prior to joining the National Coop.

**NOTE: National Cooperative Purchasing Systems may not be used for public works/construction contracts. They may be utilized for goods and services only.**

**J. Purchases, Contracts Exceeding the Bid Threshold**

Pursuant to State Law N.J.S.A. 18A:18A-5(a) all purchases and contracts exceeding the bid threshold of \$40,000, shall be awarded by board resolution at a public meeting of the Board of Education. This includes all items exempted from bidding and all State Contract purchases that exceed \$40,000. Only the purchase of textbooks and emergency contracts are exempt from this law.

Administrators and Supervisors must anticipate their needs as certain purchases once allowed just by purchase order now must be approved by the Board of Education first, then a purchase order can be signed and mailed.

**K. Student Activity Account Purchases**

Pursuant to State Law N.J.S.A. 18A:18A-5(a)(21), purchases made through Student Activity Accounts that exceed the bid threshold shall be awarded by the Board of Education at a public meeting.

Examples of items purchased through the Student Activity Accounts that may exceed the bid threshold are

- Class Gift
- Class Rings
- Field Trips
- Proms
- Yearbooks

A form has been developed to meet this requirement.

## **QUOTATIONS AND QUOTATION PROCEDURES**

### **A. Quotations**

The quotation limit (threshold) is \$6,000 (procurement utilizing Federal funds is \$3,500). This means that any specific item or group of items of a similar nature purchased by the school district, totaling more than \$6,000 and less than \$40,000 for the entire year, must be *competitively quoted or advertised for bid at the discretion of the Purchasing Agent*.

You cannot circumvent the law by splitting purchases to be under the quote threshold.

### **B. Quotation Process**

All quotations will go through the Office of the Purchasing Agent. When a quotation is deemed necessary, the Principal or Department Head is asked to contact the Purchasing Office. The Purchasing Agent 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.

### **C. Receipt of Two Quotations**

Pursuant to N.J.S.A 18A:18A-37(a) the school district shall receive at least two quotations if practicable. Evidence of the quotation process shall be kept on file. Copies of the quotations shall be attached to the purchase order.

## REQUISITION/PURCHASE ORDER PROCESS

### A. Processing the Requisition/Purchase Order--Design of Purchase Order

The purchase order is made of six sheets. Listed below are the names and the purpose of each sheet. (A requisition becomes a purchase order after all required administrators have approved the requisition in the CSI System).

<u>Copy</u>	<u>Disposition</u>
Vendor Copy	Sent to vendor to order items/provide services
Voucher Copy	Sent to vendor; returned to Business Office with signature & invoice(s)
Receiving Copy	Sent to school/office; returned to Business Office upon receipt of goods/services
Business Office Copy	Remains on file in Business Office

### B. Receipt of Goods and Services

The originator of the purchase order should follow the following process when receiving materials, goods, and services.

#### 1. Receipt of Goods- Items Ordered

It is important that all items received be immediately checked. Please note the following:

- a. Obtain receiving copy of purchase order and packing slip of items ordered.
- b. Open boxes and check off items received against receiving copy and packing slip(s). Performs two-way matching
- c. If all items are enclosed, sign and attach packing slip(s) to the receiving copy and forward to accounts payable business office for further processing.
- d. The administrator, supervisor should sign the receiving copy and send it with the packing slip(s) to

**Carmen Colon, Accounts Payable Manager, c/o Business Office**

#### Receipt of Services --- Responsibilities of Administrators; Supervisors

Administrators and supervisors are to ensure that all services have been rendered for accuracy. Upon services being rendered submit the following:

Sign the Receiving Copy to confirm receipt of services;

Sign any invoices that may have been submitted and attached supporting documents. (ex: sign in sheets, service report)

Send all items to Carmen Colon, Accounts Payable upon completion of service(s).

## **Accounts Payable Procedures ---- Notification Process**

There will be instances where the Business Office Accounts Payable will send a courtesy reminder to any school or office that has not returned the paperwork in a timely fashion. The following procedures have been approved.

### **Initial Notice**

The Accounts Payable Office will send a reminder notice to all schools and offices that have not submitted their paperwork upon receipt of invoice(s).

### **Second Notice --- Seven (7) Days**

The Accounts Payable Office will send a second reminder notice seven (7) days later if no paperwork is received from the school or office.

### **Third Notice ---- Seven (7) Days**

The Accounts Payable Office will send a Final Notice reminder seven (7) days later if no paperwork is received from the school or office.

### **Asst. Superintendents/Chief of Operations Office Contacted --- After Three (3) Days**

The Assistant School Business Administrator will contact the Superintendent of Schools after three (3) attempts if the paperwork is not received from the school or office.

*All receiving copies of purchase orders and packing slips are required to be returned to Business Office within seven (7) days of receipt of items.*

The Passaic Board of Education has an excellent reputation for paying bills in a timely fashion. We ask that all employees assist in maintaining this fine reputation.

## **2. Problems Encountered with Receipt of Goods**

### **✚ Problem: Back Orders**

Sometimes items ordered will not be received in the first shipment. This is known as a back order. The packing slip will have back order written on those particular items.

### **✚ Process to Follow: Back Orders**

If the order is incomplete because there is a back order, do not wait for the next shipment. Please do the following:

- Mark on your receiving copy of the purchase order those items you did not receive.
- Make and keep a copy of your receiving copy and the packing slip(s).
- Send the original receiving copy and packing slip to the Business Office.
- Upon receipt of the back order in the next shipment, check off your copies of the receiving copy and the packing slip and send both copies to account payable office.

✚ **Problems: Items Missing from Order**

Sometimes items are marked on the packing that they were delivered but are missing from your shipment.

✚ **Process to Follow: Items Missing**

- Call the company immediately and report to them what was missing.
- Mark on the receiving copy and packing slip what items were missing.
- Make and keep a copy of your receiving copy and the packing slip(s).
- Send the original receiving copy and packing slip to the Business Office.
- Upon receipt of the missing item in the next shipment, check off your copies of the receiving copy and the packing slip and send both copies to the accounts payable business office.

✚ **Problem: Items Damaged:**

- Call the company immediately and report to them what was damaged.
- Mark on the receiving copy and packing slip what items were damaged.
- Make and keep a copy of your receiving copy and the packing slip(s).
- Send the original receiving copy and packing slip to the Business Office.
- Upon receipt of the replacement item in the next shipment, check off your copies of the receiving copy and the packing slip and send both copies to the accounts payable business office.

✚ **Process to Follow: Wrong/Incorrect Item(s)**

- Call the company immediately and ask what is the process for returning item(s).
- Return the item(s) to the company at cost to the company if it's their **fault**.
- If the items ordered were **order incorrectly by us**, we are responsible for the return
- On the receiving copy and the packing slip, mark the item(s) returned and the date of the returned. Please ensure returned item(s) via (United States Postal Service or United Parcel Service; insured with return receipt.
- Send the receiving copy and the packing slip(s) to accounts payable.
- Upon receipt the company will submit a credit to account payable.

✚ **Problem: Discontinued Item**

Sometimes the items you requested have been discontinued.

✚ **Process to Follow: Discontinued Item**

- Annotate on the receiving copy "discontinued item(s)."
- Do not call the company for a replacement item, order is considered complete.
- A new requisition is required for new items in lieu of discontinued item.

**C. Training Sessions**

All school personnel involved in the purchasing process will attend an annual training session concerning the proper purchasing procedure.

## **ETHICS IN PURCHASING**

### **Financial Interest in any Contract; Direct or Indirect**

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 – Recommendation of Purchases**

School officials and employees who recommend purchases shall not extend any favoritism to any vendor. Each recommended purchase should be based upon 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 Passaic 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 Passaic 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 Passaic 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 Passaic 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 Passaic Board of Education.

### **Violations of the Policy**

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.

## **CRIMINAL CODE CITATIONS**

### **Title 2C -- Criminal Code**

#### **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.

## **APPENDIX**

- A. Formal Bid Process
- B. Emergency Purchases/Contracts
- C. Memorandum--Return of Purchase Order
- D. Purchase Order Rationale Form
- E. Political Contribution Disclosure Form (PCD)
- F. List of Agencies With Elected Officials Required for PCD
- G. Copy of Purchase Order
- H. Copy of Requisition
- I. Report of Unsatisfactory Performance
- J. Federal Contracts
  - 1. Debarment
  - 2. Federal Programs/Targeted Students
  - 3. Compliance with C.F.R. 200 et, seq.
  - 4. Use of State Contracts/Co-Ops
  - 5. Purchases of Equipment, Technology, and Books Using Federal Funds
  - 6. Federal Addendum Required for Purchases Over the Bid Threshold
- K. Methods of Procurement – Federal Funds
- L. Certification of Funds
- M. Unauthorized Purchase Letter
- N. Change Order Request Form



## **FORMAL BID PROCESS**

<u><b>Process</b></u>	<u><b>Time Line</b></u>
Initial request to bid made by Administrator/Supervisor. Certification that funds exists. See “ <i>Certification of Funds</i> ” form.	One Day
Review of specifications, fully outlining items, materials or services to be bid by Purchasing Agent.	One Week
Return of reviewed specifications to Administrator/Supervisor for final approval. Administrator/Supervisor signs off final approval.	One Week
Bid package prepared by Purchasing Agent.	One Week
Copies of bids run off by Print Shop.	One Day
Legal advertisement sent to newspaper.	Three Day Advance Notice
Bid Date/Time-- must be at least 10 days after Legal Ad appears in newspaper. Bids are opened and read publicly.	10-20 Days
Bid results are reviewed by: <ul style="list-style-type: none"> <li>a. Administrator/Supervisor</li> <li>b. Purchasing Agent</li> </ul>	One Week
Administrator/Supervisor prepares spreadsheet showing lowest bidders and recommends award of bid. Purchasing Agent reviews bids. Resolution is prepared.	One-Two Weeks
Bids are reviewed at Board Agenda, Committee of the Whole, and Regular Public Meetings.	One Week
Administrator/Supervisor prepares purchase orders.	One Week

**The formal bidding process takes about 6-8 weeks from start to finish.**

Please note: Bids for Public Works/Construction Projects take longer as a request for wage determination must be formally made to the State of New Jersey.

## **EMERGENCY CONTRACTS (18A:18A-7)**

### **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**

#### **1. Superintendent of Schools Notified**

The employee/supervisor/ administrator requesting a declaration of emergency notifies the Superintendent of Schools.

#### **2. Business Administrator/Purchasing Agent Notified**

The official in charge of the building or facility, wherein the emergency occurred shall notify the Business Administrator/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.

#### **3. Awarding of Contract by Business Administrator/Purchasing Agent**

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

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

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. A copy of the contract or agreement; and
- b. A copy of the written requisition.

#### **5. Approval by Board of Education**

The Board of Education, at its next regular Board of Education Public Meeting, shall review and approve said emergency purchase.

**PASSAIC BOARD OF EDUCATION**  
BUSINESS OFFICE

**MEMORANDUM**

To: \_\_\_\_\_  
From: **Erlinda R. Arellano**, Business Administrator/Board Secretary/Purchasing Agent  
Date: \_\_\_\_\_  
Re: **Return of Purchase Order(s)**

I am returning the attached purchase order(s) for the reason(s) checked below:

- \_\_\_\_\_ Account Number, Incorrect -- Please use Account Code # \_\_\_\_\_
- \_\_\_\_\_ Bid Date & Number, Quotation Date & Number--Not Included on Requisition
- \_\_\_\_\_ Board Resolution Needed--Attach to Requisition
- \_\_\_\_\_ Budget Year Missing
- \_\_\_\_\_ Conference Request Form--Not Attached; Not Approved
- \_\_\_\_\_ Description of Item(s), Service Needed on Requisition / Rationale Form
- \_\_\_\_\_ Ed Data Purchase: Please include on the requisition: **26EDCPS**
- \_\_\_\_\_ Field Trip – Approved Field Trip board resolution needed – attach to requisition
- \_\_\_\_\_ Field Trip – Date(s) missing / pick up & drop off times missing
- \_\_\_\_\_ Funds; Federal/State – Title of Grant Program – Type on Requisition
- \_\_\_\_\_ Minimum Order \$25.00     Minimum State Contract Order \$100.00
- \_\_\_\_\_ MRESC Purchase: Please include on the requisition: **65MCESCCPS**
- \_\_\_\_\_ On-Line “shopping cart” list not attached.
- \_\_\_\_\_ Proposal/Contract Missing -- Attach to Purchase Order
- \_\_\_\_\_ Purchase must be made through a State Contract Vendor
- \_\_\_\_\_ Purchase must be made through Ed Data
- \_\_\_\_\_ Quotation Needed--Please contact me X 5598 to discuss process
- \_\_\_\_\_ Rationale Form Missing; Unsigned
- \_\_\_\_\_ Shipping Charges: Not Added or Not Needed “Shipping and Handling Included”
- \_\_\_\_\_ State Contract Number Incorrect, Missing--State Contract Documentation Missing
- \_\_\_\_\_ Three (3) Copies of attachments missing
- \_\_\_\_\_ Unauthorized Order--Please contact X 5598 to discuss procedures
- \_\_\_\_\_ Vendor Check Needed?
- \_\_\_\_\_ As Per Attached Memo
- \_\_\_\_\_ Other \_\_\_\_\_

***Please make the adjustments needed and return the purchase order with this form to my office.***

**C**

PASSAIC BOARD OF EDUCATION  
OFFICE OF THE ASSISTANT SUPERINTENDENT  
Passaic, New Jersey 07055

**Purchase Order Rationale Form**

**A. Educational Rationale**

As a result of this purchase, please explain what will students learn or how students will benefit. Note any educational achievement or program that may be linked to this purchase.

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**B. Operational Rationale**

Provide a brief explanation how this purchase is of operational value to your school/office. Note any particular benefits to the district. Explain whether any goods/services are being utilized on a regular basis and whether they are useful on a long-term basis.

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**C. Light Meals; Refreshments—Student or Parent Activities** -- N.J.A.C. 6A:23A-5.8(e)

Provide a description and purpose of student or parent activity. Document the makeup of the group participating. Attach a list of employees or board members included in the group. (*Use back if necessary*).

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Name of School/Office \_\_\_\_\_  
Administrator/Supervisor \_\_\_\_\_

Signature: \_\_\_\_\_ Date \_\_\_\_\_

Name of Vendor \_\_\_\_\_

Amount \$ \_\_\_\_\_ Account # \_\_\_\_\_

-----

\_\_\_\_\_ **Approved**                      \_\_\_\_\_ **Not Approved**

Other: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ Date \_\_\_\_\_  
Assistant Superintendents/Chief of Operations

\_\_\_\_\_ Date \_\_\_\_\_  
Superintendent of Schools [On Appeal Only]

**Please attach the Rationale Form to the front of the Purchase Order (Requisition Form) – One Form Per Purchase Order (Requisition Form). – Original signature required (blue ink).**

**Passaic Board of Education  
Business Office**

101 Passaic Avenue  
Passaic, New Jersey 07055-0388

**Chapter 271  
Political Contribution Disclosure Form  
(Contracts that Exceed \$17,500.00)  
Ref. N.J.S.A. 52:34-25**

**Part I – Vendor Information**

Vendor Name:			
Address:			
City:	State:	Zip:	

The undersigned being authorized to certify, hereby certifies that the submission herein represents compliance with the provisions N.J.S.A. 19:44-20.26 and as represented by the Instructions accompanying this form.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

**Part II – Contribution Disclosure**

Disclosure requirement: Pursuant to N.J.S.A. 19:44A-20.26 this disclosure must include all reportable political contributions (more than \$300 per election cycle) over the 12 months prior to submission to the committees of the government entities listed on the form provided by the local unit.

Check here if disclosure is provided in electronic form.

<u>Contributor Name</u>	<u>Recipient Name</u>	<u>Date</u>	<u>Dollar Amount</u>
			\$

Check here if the information is continued on subsequent page(s).

**No Reportable Contributions** (Please check (✓) if applicable.)

I certify that \_\_\_\_\_ (Business Entity) made no reportable contributions to any elected official, political candidate or any political committee as defined in N.J.S.A. 19:44-20.26.

**List of Agencies with Elected Officials Required for Political Contribution Disclosure  
N.J.S.A. 52:34-25**

**County Name: Passaic**

State: Governor, and Legislative Leadership Committees

Legislative District #: 36

State Senator and two members of the General Assembly per district.

County:

Freeholders      County Clerk                      Sheriff  
Surrogate        Registrar of Deeds

Municipalities (Mayor and members of governing body, regardless of title):

Bloomington Borough	Pompton Lakes Borough
Clifton City	Prospect Park Borough
Haledon Borough	Ringwood Borough
Hawthorne Borough	Totowa Borough
Little Falls Township	Wanaque Borough
North Haledon Borough	Wayne Township
Passaic City	West Milford Township
Paterson City	Woodland Park Borough

Boards of Education (Members of the Board):

Bloomington Borough	Passaic Valley Regional
Clifton City	Paterson City
Haledon Borough	Pompton Lakes Borough
Hawthorne Borough	Prospect Park Borough
Lakeland Regional	Ringwood Borough
Little Falls Township	Totowa Borough
North Haledon Borough	Wanaque Borough
Passaic City	Wayne Township
Passaic County Educational Services Commission	West Milford Township
Passaic County Manchester Regional	Woodland Park Borough
Passaic County Technical Institute	

Fire Districts (Board of Fire commissioners):

None

**F**

INPUT A NEW PO

PO NUMBER: \_\_\_\_\_  
 SCHEDULE NUMBER: \_\_\_\_\_  
 STATE CONTRACT NO. \_\_\_\_\_  
 OR

PURCHASE ORDER  
**PASSAIC BOARD OF EDUCATION**  
 BUSINESS OFFICE  
 101 PASSAIC AVENUE • P.O. BOX 366  
 PASSAIC, NEW JERSEY 07055-0366  
 PHONE: (878) 470-3240 • FAX: (878) 470-7084

APPEAR ON ALL PACKAGES,  
 DELIVERY PAPERS,  
 INVOICES, ETC.

**600355**

Page 1 of 1

Copy 1

DATE PURCHASE ORDER POSTED

DATE OF MODIFICATION

Req# R60319

-Ship to  
 PASSAIC HIGH SCHOOL  
 170 PAULISON AVENUE  
 PASSAIC NJ 07055  
 Attn: J.Shaw/AV Media Center

-To  
 STEWART BUSINESS SYSTEMS 0640  
 105 CONNECTICUT DRIVE  
 BURLINGTON TWP, NJ 08016

Account Code	Amount
15-190-100-610-12-0000	612.00

Fax: (856) 277-6088

Date: 07/02/15 Dept: REQPH52

NO ORDER IS VALID UNLESS SIGNED BY THE ASSISTANT  
 SECRETARY/PURCHASING AGENT OR BUSINESS ADMINISTRATOR  
*[Signature]*  
 ASSISTANT SECRETARY/PURCHASING AGENT SECRETARY/BUSINESS ADMINISTRATOR

Qty	Unit	Description	Unit Price	Amount
		SCHOOL YEAR 2015-2016		
		(1) XEROX D 125 PRODUCTION UNIT		
		SUPPLIES - XEROX D125		
4.		STAPLES - PRODUCT CODE 8R12925 - 4 BOXES OF 5,000 PER CARTON	153.000	612.00
		TONER - PRODUCT CODE = 006R01561 included - NO CHARGE		
		NEW JERSEY STATE CONTRACT WA51145		

SAMPLE

Total for Lines | \$612.00

**To All Vendors:**

Please review all the terms and conditions listed on the back of this purchase order.

BUDGET ACCOUNT NUMBER

VENDOR COPY

G

# Requisition Copy (This is Not a Purchase Order)

**R57987**

Page 1 of 1

Copy 1

Ship to  
 ASST SUPERINTENDENT GOLDBERG  
 101 PASSAIC AVE  
 PASSAIC NJ 07055

Account Code	Amount
11-000-221-600-21-0000	1,293.98

To  
 LEXMARK INTERNATIONAL 4395  
 740 WEST NEW CIRCLE ROAD  
 LEXINGTON,, KY 40550

Fax ( ) -

Date: 06/03/15 Dept: REQASCU

Qty	Unit	Description	Unit Price	Amount
		SCHOOL YEAR 2014-2015 STATE CONTRACT #A74922		
1.		BLACK EXTRA HIGH YIELD RETURN PROGRAM CARTRIDGE - X792X1KG	216.890	216.89
1.		YELLOW EXTRA HIGH YIELD RETURN PROGRAM CARTRIDGE- X792X1YG	359.030	359.03
1.		MAGENTA EXTRA HIGH YIELD RETURN PROGRAM CARTRIDGE - X792X1MG	359.030	359.03
1.		CYAN EXTRA HIGH YIELD RETURN PROGRAM CARTRIDGE - X792X1CG	359.030	359.03
		SHIPPING & HANDLING INCLUDED		

*SAMPLE*

Total for Lines \$1,293.98

RF: 1 Hd S- NNC 91





Pablo Muñoz  
Superintendent of Schools

Erlinda R. Arellano CPA, PSA  
School Business Administrator/Board Secretary

**REPORT OF UNSATISFACTORY PERFORMANCE**

Date: \_\_\_\_\_

Vendor's Name \_\_\_\_\_

Purchase Order No.: \_\_\_\_\_ Date of P.O.: \_\_\_\_\_

Statement of Problem:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Report Prepared by: \_\_\_\_\_ Phone: \_\_\_\_\_

Authorized Signature/Title \_\_\_\_\_

Using Agency \_\_\_\_\_

**VENDOR:** Complete and return original form to Erlinda R. Arellano, Business Administrator/Board Secretary, Purchasing Agent.

**TO VENDOR:** Please respond *in writing* within ten working days. Failure to respond may be grounds for disqualification from future bidding.

Vendor's Answer to Complaint:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Authorized Vendor's Signature Title Date

**Note:** This copy will be used for performance evaluation.

## **FEDERAL CONTRACTS**

### 1. Debarment for Federal Contracts

#### **Debarment and Suspension (E.O. 12549 and E.O. 12689)**

No contract may be made to parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Non-procurement Programs in accordance with E.O. 12549 and E.O. 12689-Debarment and Suspension. This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than E.O. 12549. Contractor shall complete the attached Certification as required by the Department of Education regulations implementing Executive Order 12549, Debarment and Suspension 34 CFR Part 85, for all lower tier transactions meeting the threshold and tier requirements stated therein.

### 2. Federal Programs/Targeted Students

Purchase orders using Federal Funds shall include on the document:

- a. Name of Federal Program
- b. Targeted Group of Student

### 3. Compliance with 2 C.F.R. 200 et. seq.

All purchases using Federal Funds shall be in compliance with the Code of Federal Regulations 2 CFR 200 et. seq.

### 4. Use of State Contracts/Co-Ops

State contracts/Co-Ops 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.

### 5. Purchases of Fixed Assets with a Useful Life Span of Over One Year

Purchases of equipment, technology, and other assets with a useful life of one year or more, utilizing funds from a Federal grant must have the grant name, cost of item, date/year of purchase, location stamped on them.

## *FEDERAL CONTRACTS (continued)*

### 6. Federal Addendum Required for Purchases over the Bid Threshold

Attached to each bid, competitive contract, request for proposal, or other method of procurement must be the Federal Addenda boilerplate. The Federal Addenda boilerplate is to contain language that is in compliance with Appendix II to Part 200 of 2 C.F.R. At a minimum the Federal Addenda shall include:

- Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms and provide for sanctions and penalties as appropriate;
- Terminations for causes and for convenience;
- Equal Employment Opportunity language;
- Davis-Bacon Act language;
- Copeland Anti-Kickback Act language;
- Contract Work Hours and Safety Standard 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.

The Federal Addenda will contain three (3) attachments that must be signed by the vendor prior to bid/proposal submission. The three attachments are:

- Attachment A: Goals and Timetables for Minorities and Women (for construction projects only).
- Attachment B: Certification Regarding Lobbying
- Attachment C: Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion – Lower Tier Covered Transactions.

**Methods of Procurement – Using Federal Funds**

<b>Description of Goods/Services</b>	<b>Amount*</b>	<b>Procurement Method</b>
Goods and Services	Less than \$3,500	Sound Business Practice
Goods and Services	\$3,500-\$39,999	Quotation or Bid
Goods and Services	\$40,000 or more	Bid
Professional Services	Less than \$3,500	Simple Proposal
Professional Services	\$3,500-\$39,999	Request for Proposals (RFP)*
Professional Services	\$40,000 or more	Competitive Contracting
Educational Consultant Services	Less than \$3,500	Simple Proposal
Educational Consultant Services	\$3,500 - \$39,999	Request for Proposals (RFP)*
Educational Consultant Services	\$40,000 or more	Competitive Contracting
Instructional Improvement Services	Less than \$3,500	Simple Proposal
Instructional Improvement Services	\$3,500 - \$39,999	Request for Proposals (RFP)*
Instructional Improvement Services	\$40,000 or more	Competitive Contracting
Professional Development Services	Less than \$3,500	Simple Proposal
Professional Development Services	\$3,500 - \$39,999	Request for Proposals (RFP)*
Professional Development Services	\$40,000 or more	Competitive Contracting
Sole Source (Proprietary) <sup>(a)</sup>	Less than \$3,500	Simple Proposal
Sole Source (Proprietary) <sup>(a)</sup>	\$3,500 - \$39,999	Proprietary Quotation
Sole Source (Proprietary) <sup>(a)</sup>	\$40,000 or more	Proprietary Bid
Services Provided by Government Units/Schools	Less than \$3,500	Simple Proposal
Services Provided by Government Units/Schools	\$3,500 - \$39,999	Request for Proposals (RFP)*
Services Provided by Government Units/Schools	\$40,000 or more	Competitive Contracting

\* The amount is in the aggregate as determined by the Purchasing Agent.

(a) Sole Source (Proprietary) goods/services are only recognized when using Federal Funds. Special documentation and certification is needed for this particular method.





Pablo Muñoz  
Superintendent of Schools

Erlinda R. Arellano CPA, PSA  
School Business Administrator/Board Secretary

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Re: Unauthorized Purchase -- Goods and Services  
I am sorry to inform you that

\_\_\_\_\_  
Name of Company  
\_\_\_\_\_  
Invoice Number

provided unauthorized goods and/or services to the Passaic Public School District.

The Passaic Public School District pursuant to State Law and Board Policy authorizes all purchases through an approved signed purchase order. There is no purchase order for the following purchase(s):

Date	Amount	Goods/Service
_____ _____	_____ _____	_____ _____

The district has taken corrective action on our part.

I ask that \_\_\_\_\_ in the future provide no goods or services unless a signed approved purchase order is first received by your company.

If any employee of the Passaic Public School District contacts you to provide any goods or service for the district, do not do so unless you receive from the Board of Education a signed purchase order with a purchase order number authorizing you to provide the goods or perform the service.

Please acknowledge in writing to my office that you fully understand these purchasing procedures.

As for the above listed purchase, it will be reviewed by district officials. A determination will be made whether to pay the invoice or not.

Yours truly,

Ms. Erlinda R. Arellano CPA, PSA  
School Business Administrator, Board Secretary

EA/

c: Mr. Yaacov Brisman, Board Attorney  
Mr. R. Aaron Bowman, Purchasing Manager

**M**

20% Limit

PASSAIC BOARD OF EDUCATION  
BUSINESS OFFICE  
Passaic, NJ 07055

20% Limit

**REQUEST TO INCREASE or DECREASE PURCHASE ORDER AMOUNT**

I hereby request an increase / decrease to the total amount of the contract through the change order process for

Name of Vendor \_\_\_\_\_ PO# \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

who was awarded a contract on \_\_\_\_\_ to provide the following additional materials, goods, supplies \_\_\_\_\_

Original Award of Contract \$ \_\_\_\_\_

Increase / Decrease Requested \$ \_\_\_\_\_

Revised Total \$ \_\_\_\_\_

Reason for Request to Increase /Decrease \_\_\_\_\_

Name of Administrator \_\_\_\_\_

\_\_\_\_\_  
Administrator Signature

\_\_\_\_\_  
Date

*A copy of the purchase order shall be attached to this form!*

This form shall be submitted to: **School Business Administrator/Designee**

**Certification of Funds – School Business Administrator/Designee**

I hereby certify that funds exist to support this increase in Account # \_\_\_\_\_.

\_\_\_\_\_  
School Business Administrator/Designee

\_\_\_\_\_  
Date

**School Business Administrator/Designee**

In accordance with N.J.A.C. 6A:23A-6.10(a), I have reviewed the request to increase the purchase order amount and I note the following action:

- Approved – Increase / Decrease is warranted. Current purchase order will be revised.
- Approved -- Increase is warranted. Prepare a new purchase order to reflect the increased difference.
- Approved – Increase is warranted. Cancel original purchase order and prepare new purchase order reflecting original and revised amount.
- Denied – Return all goods and materials
- Denied – Cease all future services

\_\_\_\_\_  
School Business Administrator/Designee

\_\_\_\_\_  
Date

**Accounts Payable**

I have entered the above increase/decrease of purchase order into the District's budgetary software.

\_\_\_\_\_  
Accounts Payable Signature

\_\_\_\_\_  
Date