



PURCHASING MANUAL

2016 - 2017

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HILLSBOROUGH TOWNSHIP BOARD OF EDUCATION

Business Office
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Hillsborough, New Jersey 08844

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HILLSBOROUGH TOWNSHIP PUBLIC SCHOOLS

*Business Office
379 South Branch Road
Hillsborough, New Jersey 08844*

Aiman Mahmoud

*School Business Administrator
Board Secretary
Purchasing Agent*

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 adhere 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 2680 or 2395.

Thank you,
Aiman Mahmoud,
Business Administrator/ Board Secretary
Purchasing Agent

PURCHASE ORDER PROCEDURES

Authority to Purchase

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 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 Hillsborough Township Board of Education by board resolution has authorized Mr. Aiman Mahmoud 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

First Offense	Letter in Personnel File	Pay for Purchase
Second Offense	Suspension	Pay for Purchase
Third Offense	Loss of Increment	Pay for Purchase
Fourth Offense	Loss of Employment Tenure Charges	Pay for 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.

Corrective Action for Non-compliance (continued)

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.

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 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.

Reimbursements; Employee

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

Vendor Agreements/Contracts

All district & HSA contracts are to be sent and reviewed by the Purchasing Department before any review and signatures by administrators can be executed.

Expediting Purchase Orders

Proper planning must be in place before any order is made. The purchasing department has a specific process that all orders must follow. When a department has an order that needs to be rushed it disrupts the flow process. Purchasing will no longer be able to expedite any Purchase Order without a letter stating the reason for expediting. Requisitions will be reviewed and processed twice a week.

Intentionally left blank

Responsibilities of Originator of Purchase Order/Requisition - Preparing a Purchase Order/Requisition

The person who prepares the purchase order/requisition has certain responsibilities before and after the order is sent to the administrator, supervisor, or principal for approval. It is highly recommended that the preparer follows up with their order during the ordering process so no order will be lost. He/She is to ensure the following:

Purchase Orders/Requisitions - All purchase orders/requisitions are to be generated through Systems 3000.

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. If you require a new vendor, please contact Sue Chrebet : schrebet@https.us or extension 2395. Note: We cannot conduct business with vendors that require net 30 day payment. In addition, they must possess a valid NJ Business Registration Certificate if we spend over \$6,000.

3. 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 most recent quote from the company.

4. Shipping Costs--Shipping and handling costs are to be added to all purchase orders. Please read the quote or contact the vendor to determine the actual shipping and handling costs. If there is no shipping and handling charges, type on purchase order: **“Shipping and Handling Included”**

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

Delivery, Types of

The Hillsborough Township 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.

Total Cost--. Please verify your figures for accuracy. Please note: The Board of Education is exempt from paying New Jersey Sales Tax. District Tax ID # 22-6001984.

Budget Account Number--Please be sure the correct Budget Account Number is reflected on the purchase order/requisition.

State Contract & Cooperative Orders--When ordering through State Contract & Cooperative vendors please include on the PO:

- a. State Contract Number or Cooperative vendor and bid number;
- b. Shipping and Handling Included; and
- c. Appropriate documentation when required.

Quotations--If quotations are obtained, please attach to the purchase order a copy of each written quotation received. Please include the quotation date and the quotation number in the body of the description.

Bids--If EDS bids are used, please type in the description area of the purchase order:

- a. Bid Date; and
- b. Bid Number.

Provide 3 Copies of attachments when you type "See attached list" on your purchase order.

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	\$ 5.00 per person
Lunch	\$ 7.00 per person
Dinner	\$10.00 per person

(NJ OMB Circular 11-05-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:

Village Supermarket - **Shop-Rite** Route 206 Nelson’s Corner, Hillsborough, New Jersey 08844

Food supplies purchased from the supermarkets 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 include those supplies that are “eaten or drunk.” Administrators are to ensure that purchases from the supermarkets have only items listed that follow 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

1. 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.

2. Non-Essential and Prohibited Purchases

- Carnivals
- Retirement Plaques
- Gifts for Employees
- Bereavement flowers; baskets
- Teacher appreciation gifts/activities
- Student entertainment

The list is not all inclusive and items may be deemed non-essential by the Assistant Superintendent during the course of the school year.

Responsibilities of Administrator/Supervisor or Principal – Reviewing a Purchase Order

Administrators/supervisors and principals must ensure the following is reviewed before the purchase order is sent to the Purchasing Agent:

1. **Funds Available**
They must check to determine if *funds are available* in their budget to cover the purchase order amount.
2. **Purchase Order Completion**
They must check to determine that items 1-16 previously noted (Responsibilities of the Originator) have been *properly completed*.
3. **Requisitions** are to be approved on line by the appropriate administrator.
4. **Receiving Copy**
Once the purchase order has been processed and mailed to the vendor, the Business Office will send the Receiving Copy of the purchase order back to the school or office.

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 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	\$6,000.00
The Bid Limit	\$ 40,000.00

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 Purchase Order--The purchase order is also reviewed for technical aspects such as:

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

Incomplete or improper purchase orders/requisitions will be returned with a memo explaining deficiencies.

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

- Print the purchase order and distribute to the proper departments
- Mail the purchase order to the vendor.

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

5. **Transfer of Funds**--The Business Office processes purchase orders only if there are appropriate funds to cover the purchase. All letters requesting a transfer of funds are to be sent to:

Mr. Aiman Mahmoud, Business Administrator

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

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 (Blue) Signed

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.

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

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.

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.

Private Purchases -- Prohibited

Goods and services procured by the Hillsborough Board of Education are exclusively for the use of the Hillsborough 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 Hillsborough 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 Hillsborough Board of Education.

**Methods of Procurement
Public School Districts
2016 - 2017**

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
Printers / Computer
Public Works Project
Interactive Boards
Pest Control Services

Technology

Computer Supplies/Equipment

Food Services Department

Groceries and Canned Goods
Baking Goods—Rolls, Bread

Athletics

Footwear

District

Athletic Supplies/Equipment
Furniture
Physical Ed Supplies/Equipment
AV Equipment
Calculators

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 between \$6,000 and \$39,999.

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
(Contracts less than \$40,000)
Attorney
Auditor
Engineer, Architect

Academic/Operational Services

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 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 over \$40,000)

This method is used for certain contracts over \$40,000.00.

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:

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.

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 – Uniform Grant Guidance 2 CFR Part 200

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 \$100,000

The school district must prove competitions for all contracts exceeding \$100,000 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.

Procurement Threshold – Less than \$100,000

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

BIDS AND PURCHASING

A. Bid Limit -- \$40,000

The Hillsborough Board of Education is restricted by New Jersey State Law 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.

B. 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.

C. 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.

D. 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.

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.

E. 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

F. 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

G. 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.

H. Cooperative Purchasing

The Hillsborough 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 |

I. 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 before a purchase order can be signed and mailed.

J. 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

QUOTATIONS AND QUOTATION PROCEDURES

A. Quotations

The quotation limit (threshold) is now \$6,000. 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 except for the Food Services Department and the Building Services Department. Quotation proposals prepared by Food Services and Building Services shall first be received and approved by 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.

C. Receipt of Two Quotations

Pursuant to N.J.S.A 18A:18A-37(a) the school district shall receive two quotations if practicable. Evidence of the quotation process shall be kept on file. A copy of the quotation 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 Systems 3000).

<u>Copy</u>	<u>Disposition</u>
Vendor Copy- white	Sent to vendor to order items/provide services
Voucher Copy- goldenrod	Sent to vendor for signature
File Copy - green	Remains on file in Purchasing/Business Office
Accounts Payable Copy - pink	Sent to Accounts Payable for payment
Receiving Copy- blue	Sent to school/office; returned to Purchasing upon receipt of goods/services
Receiving Copy - yellow	Sent to school/office; to be kept for their records

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 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 on the receiving copy and the packing slip.
- c. If all items are enclosed, then sign and attach packing slip to the receiving copy of the purchase order.
- d. The school principal/office supervisor should sign the receiving copy and send it with the packing slip to:

Ryan Ellis, Purchasing Assistant – Board Office

All documentation should be sent to the Business Office within seven (7) days of the receipt of goods.

B. *Receipt of Goods and Services (continued)*

Accounts Payable Procedures—Notification Process

There will be instances where the Business Office Accounts Payable department 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 by my office:

- **Thirty (30) Day Notice—Original**

The Accounts Payable Office will send a reminder notice to all schools and offices that have not submitted their paperwork after 30 days of receipt of the invoice.

All receiving copies of purchase orders and packing slips should be signed and sent to the Business Office within seven (7) days of receipt of items.

The Hillsborough Board of Education has an excellent reputation for paying its 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, please do the following:

- Mark on your receiving copy of the purchase order those items you did not Receive, sign and send to the Business Office.

B. *Receipt of Goods and Services (Continued)*

 **Problem: Items Missing from Order**

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

Process to Follow: Items Missing

- Call the company and tell them what was missing and inquire when you can expect items.
- Notify Accounts Payable.
- Send the original receiving copy and packing slip to the Business Office when received.

 **Problem: Items Damaged; Wrong Item**

Sometimes you will receive items that are damaged or the wrong item.

Process to Follow: Items Damaged; Wrong Item

- Call the company and ask them what the procedure is for returning damaged or wrong items.
- Return the item(s) to the company.
- On the receiving copy and the packing slip, mark what items were returned and the reasons for being returned. Send the receiving copy and packing slip to the Business Office.

 **Problem: Discontinued Item**

Sometimes the items you requested have been discontinued.

Process to Follow: Discontinued Item

- Mark on the receiving copy (blue) of the purchase order “discontinued.”
- Do not call the company for a replacement item. You must complete a new purchase order.

C. Purchase Order Cut Off Date

Administrators and Supervisors are to be alerted to the fact that purchase orders for the present school year will not be accepted after a particular date.

D. 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 Hillsborough 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 Hillsborough 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 Hillsborough 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 Hillsborough 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 Hillsborough 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 or 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. Federal Contracts
 - 1. Debarment
 - 2. Federal Programs/Targeted Students
 - 3. Compliance with Uniform Grant Guidance 2 CFR Part 200

FORMAL BID PROCESS

<u>Process</u>	<u>Time Line</u>
Initial request to bid made by Administrator/Supervisor. Certification that funds exist.	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: a. Administrator/Supervisor b. Purchasing Agent	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
Purchase orders are prepared by Administrator/Supervisor.	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 Superintendent of Schools is notified by the employee/supervisor/ administrator requesting a declaration of emergency.

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.

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 Students

3. Compliance with Uniform Grant Guidance

All purchases using Federal Funds shall be in compliance with Federal Regulations Uniform Grant Guidance 2 CFR part 200.