



Department of Purchasing

2018-19

PURCHASING MANUAL

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State District Superintendent



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Department of Purchasing

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INTRODUCTION

The purpose of this manual is to assist Paterson Public School employees in the proper purchasing practices and to be in compliance with:

- New Jersey Public School Contracts Law (N.J.S.A. 18a: 18a)
- New Jersey Administrative Code N.J.A.C. 5:34 Et. Seq.
- Board of Education Policy

This manual will assist the staff in achieving three (3) goals:

- Follow the law and District policy on purchasing.
- Promote efficiency and savings through proper purchasing.
- Achieve savings of money through proper purchasing practices.

POLICY RELEASE

The Paterson Public School District will comply with the New Jersey School Contract Law, NJSA 18A: 18A. The District shall not knowingly extend favoritism to any vendor. Orders shall be placed on the basis of quality, price and timely service. The District shall not solicit funds or materials from vendors. Employees shall not seek to procure goods and services for their own use using District's discounts or tax exempt status. No purchases will be made knowingly from a District employee or from a member of the immediate household of an employee.

The Department of Purchasing believes in the dignity of their office, the real worth of the service rendered by their governmental agency and strives to maintain high standards of ethics, conduct and service.

Public purchasing employees are required to maintain complete independence and impartiality in dealings with vendors, both in fact and in appearance, in order to preserve the integrity of the competitive process and to ensure there is a public confidence that contracts are awarded equitably, economically and in full compliance with Public Purchasing Law (title 18-A).

In order to avoid the possibility of any misunderstanding regarding compliance with the law and regarding any appearance of impropriety relative to the competitive process for awarding contracts, it is respectfully requested that purchasing staff do not accept anything of value offered from vendors.



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ETHICS AND CONDUCT

Ethics and Conduct

All District employees should practice exemplary ethical behavior. Everyone should maintain complete independence and impartiality in dealings with vendors, both in fact and in appearance, in order to preserve the integrity of the competitive process and to ensure there is a public confidence that contracts are awarded equitably, economically and in full compliance with the law.

In order to avoid the possibility of any misunderstanding regarding compliance with the law and regarding any appearance of impropriety relative to the competitive process for awarding contracts, it is respectfully requested that District personnel do not accept anything of value offered from vendors.

A. Solicitation or Acceptance of Gifts

No employee of the Paterson Public School District shall solicit or accept anything of value to the recipient, including a gift, loan, reward, promise of future employment, favor, or service, based upon any understanding that official action or judgment of the public employee would be influenced thereby.

B. Family Members

No employee of the Paterson Public School District shall purchase, either directly or indirectly, goods and/or services for his own agency from any business entity of which he or his spouse or relative has a material interest.

C. Unauthorized Compensation

No employee of the Paterson Public School District shall, at any time, accept any compensation, payment or thing of value when such employee knows, or with the exercise of reasonable care, should know that it was given to influence a vote or other action in which the employee was expected to participate in his/her official capacity.



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FOLLOWING THE LAW

Commitments made without an approved purchase order, via the telephone or in person, lack the required approvals and certification of availability of funds. Therefore, a transaction without an approved purchase order excludes the District of any payment responsibility. Furthermore, changes to an issued purchase order without written approval shall void the purchase order and shall subject District employee to the same penalties for unauthorized purchases.

Any Paterson Public Schools employee who orders and receives goods and/or services without going through the proper purchase order process may be held responsible for payment of the order.

Authorized Purchases

All requests for purchases of materials, supplies, and services must be made through a signed and approved purchase order.

A purchase order pursuant to State Law N.J.S.A.18A:18A-2(v) is a document issued by the Purchasing Agent authorizing the work or service to be done, and/or the materials, and supplies to be delivered to our school district.

Penalties for Unauthorized Purchases

Any Paterson Public Schools 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 District Policy.

Penalties listed below shall be assigned by the Superintendent of Schools 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



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PURCHASING

- **Planning**

Planning is the key to achieving these goals in purchasing. You will note various time frames for different types of purchases listed in this manual. Please allow sufficient time to begin the process and receive your material when it is needed. Please be sure to correctly ascertain your needs by checking present stock prior to placing any orders.

- **Timeframe**

In many cases the beginning of the timeframe for purchasing is long before the school year starts. Your preliminary work will help to eliminate most of the frustrations that can be encountered in the purchasing process. Please review this manual with all staff members that will be involved in purchasing.

If you have any questions or concerns, please contact the Department of Purchasing.

- **Policy**

The Paterson Public School District is bound to comply with the New Jersey Public School Contract Law, N.J.S.A. 18A: 18A. The District shall not knowingly extend favoritism to any vendor. Orders shall be placed on the basis of quality, price and timely service. The District shall not solicit funds or materials from vendors. Employees shall not seek to procure goods and services for their own use using the Districts' discounts or tax exempt status. No purchases will be made knowingly from a district employee, or from a member of the immediate household of an employee.

In accord with N.J.S.A. 19:44A-20.26, all vendors who contract with the District are required to adhere to Pay-to-Play laws. Vendors who contract with the District for \$17,500.00 or more, and who received the contract in ways other than fair and open (i.e. no bid, or request for proposal), must file a Political Contribution Disclosure form (PCD). See Appendix E for a list of affected agencies.



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PURCHASING REQUESTS: BUYING MATERIALS AND/OR SERVICES

- **AUTHORIZATION**

All purchasing requests must be authorized by the Director, Supervisor, Principal or Building Administrator

- **FUNDING**

Prior to initiating the purchasing request, verify that enough funding is available to purchase the materials and/or services needed.

- **FINDING A VENDOR**

Use either a Paterson Public Schools Bid, State Contract, or Cooperative Bid. This information will be provided by the Purchasing Department. If the requested items are not covered by the above methods and are over the quote threshold of \$6,000.00, then three (3) quotes are required. If requested, email/fax the quotes to the Purchasing Department.

A. Catalogs

In some cases, the Purchasing Department distributes catalogs to be used for purchasing goods or services that have been bid are on State Contract or are part of cooperative purchasing.

Caution: Many other vendors will supply catalogs directly to the schools. These should only be used to obtain ideas. One other possible use will be discussed later.

B. Others

You may know a colleague or contact within the District that may have already purchased the same goods or services. You can also use your professional associations, Internet web pages, and the telephone book for quotations (below the quote limit of \$6,000.00).

- **REQUESTING COMPETITIVE BIDDING**

If the purchasing request exceeds the bid threshold of \$40,000.00 in aggregation, the item(s) must be competitively bid by the Department of Purchasing. Splitting the order to circumvent the bid process is illegal. If detected, this activity will be reported to the Business Administrator. Also, once the necessary and detailed scope of work is provided to the Department of Purchasing for any procurement of goods and/or services, it is imperative that Purchasing be allowed to handle the process to the point of vendor recommendation without outside departmental interference so as to avoid confusion and possibly the opportunity for legal action against the District.



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BIDS

A. Bid Threshold-\$40,000.00

This means that any goods or services of a similar nature purchased by the District totaling more than \$40,000.00 for the entire fiscal year must be bid. This is an aggregate number for the District, which means your purchase combined with anyone else in the District purchasing the same goods or services apply to the \$40,000.00 total.

You cannot circumvent the statute by attempting to divide the purchase into more than one purchase order, 18A: 18A-8.

The process varies based on the complexity of each and every bid. Therefore, it must be planned appropriately. An outline of the bidding process is in the Appendix.

B. Periodic Bids

These happen at any time during the fiscal year. The procedures to be followed are the same as for annual recurring bids. See Appendix A.

C. Annual Bids

The Paterson Public School District requires that Central Office Department Administrators and Supervisors and School Principals plan for Annual Bids. The proposed timelines are as follows:

January	Administrators/Supervisors prepare technical specifications (scope of work) to be reviewed by the Purchasing Department. Specifications are mandatory to proceed with any bid and they are entirely the responsibility of the Using Dept.
February	The Purchasing Department prepares final bid specifications to be drafted in a manner to encourage free, open and competitive bidding.
April	Annual Bids are received, opened and tabulated by the Purchasing Department.
May	The Purchasing Department assists the Using Department with board resolutions for approval by the Business Administrator and the State District Superintendent and submitted to the Board of Education for ratification.
May/June	Purchase Requisitions are generated by Administrators/Supervisors and submitted to the Department of Purchasing for August delivery. NOTE: Some goods, such as furniture, take about 8-12 weeks after the vendor receives the purchase order.

All Of These Require Board Or State District Superintendent Approval. Allow Up To 4 Weeks For Action.



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BID EXCEPTIONS

New Jersey State Law allows for exceptions to the bid and quotation limits. There are several exceptions where a school district does not have to go out to bid or quote. Some of them are:

- Purchasing through State Contract
- Cooperative purchasing (If Any)
- Textbooks and copyrighted materials
- Student activity fund purchases for students
- Travel and conference expenses
- Legal notices
- Utilities
- Election expenses

STATE CONTRACTS

The State has bid for these goods and services; therefore, the District is not required to bid. The Board or State District Superintendent approves a resolution to award these contracts. Several of these goods and services are on the Paterson Web Page. You can get a complete listing at <http://www.nj.gov/treasury/purchase/pricelists.shtml>. See Appendix A for state contract standard operating procedures.

Vendors will claim to be included on a State Contract. These contracts are very specific, so everything a vendor sells may not be on a State Contract. The notification of award will list the specific items under contract, the dates of the contract, contract number, and price for each item and the conditions of the contract. Some notices will list other vendors providing the same goods or services. Request that the vendor provide you with a copy of the notification of award. Any quotes issued by the vendor should include the state contract number, which needs to be included on the requisition and purchase order.

NOTE - To purchase computers, you must contact the Technology Department for assistance and approval.

All purchase requisitions via state contract must include all of the following:

- State Contract Number
- Award notification
- Proposals from vendors reflecting total price
- Shipping and handling are included in the price



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COOPERATIVE PURCHASING

The District has entered into agreements with various local agencies to provide goods and services. Some of these are Passaic Educational Services Commission, Educational Services Commission of New Jersey, and the Morris County Cooperative Pricing Council.

EMERGENCY CONTRACTS

An actual emergency must exist that cannot be remedied through the normal procurement process. An emergency is a situation affecting the health and/or safety of occupants of school property that requires the immediate delivery of articles or performance of service to alleviate the emergency. An "emergency" is not to be created as a result of inadequate planning, delay, failure to take into account construction season or administrative convenience.

A written request must come from the official in charge of the building, facility or equipment wherein the emergency occurred or such other officer or employee as may be authorized to act in place of that official, shall notify the Business Administrator of the need for the performance of a contract, the nature of the emergency, the time of its occurrence and the need for invoking this section.

If the Business Administrator is satisfied the emergency exists, the Business Administrator will award the contract. In accordance with N.J.A.C. 5:34-6.1(a) 2 the County Superintendent must be notified of the emergency within three (3) days after awarding the contract or agreement:

According to District policy, 6424, the Business Administrator will submit a final report to the Board.

QUOTATIONS

The current quotation limit (threshold) is \$6,000.00 or 15% of the bid threshold of \$40,000.00. This means that any goods and services purchased by the school district totaling more than \$6,000.00 and less than \$40,000.00 for the entire year must be competitively quoted. This is an aggregate number for the District, which means your purchase combined with anyone else in the district purchasing the same goods or services apply to the total.

You cannot circumvent the statute by attempting to divide the purchase into more than one purchase order, 18A: 18A-8.



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A. Quotation Process

You must secure administrative approval for the purchase and determined sufficient funds are available. If requested, the Purchasing Department will secure quotations for you. You must provide a clear description of the goods or services requested. You can facilitate the process by providing a list of vendors to be contacted. The specifications will be reviewed by the Purchasing Department

In the District's online requisition system, the quotes should be included. The quotation page and requisition should then be sent through the normal procedural channels for processing. The Business Administrator will review the quotation and specifications to determine whether the specifications are set up to provide open and competitive quotations.

The process varies based on the complexity of each and every quotation. Therefore, it must be planned appropriately. An outline of the quotation process is in the Appendix. The Purchasing Department may determine that these goods or services will be bid regardless of cost.

B. Professional Service Contracts

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

The Business Administrator, the State District Superintendent or his designee must approve all Professional Service and Consultant Contracts. If you plan to recommend the hiring of a professional consultant, please be advised of the following:

1. Provide a background summary and rationale for review by the Business Administrator and State District Superintendent. If possible, competition for professional services should be solicited.



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2. Professional services over \$6,000.00 in the aggregate, three written proposals may be solicited, one from each consultant and/or vendor outlining the following:
 - Name and address of consultant/vendor.
 - A description of services to be provided.
 - Starting and ending dates of service.
 - The cost of the services/terms of payments by hourly-proposed rate.
 - Proof of Licensure as a New Jersey State licensed consultant.
 - Award of contracts exceeding \$17,500.00 are published in local newspaper.

All summaries are to be sent to the State District Superintendent for approval. Please note that all contracts with consultants are subject to affirmative action laws (Appendix C) and certificate of insurance district policy (Appendix D). Under new regulations within 6A:23A-5.2, professional service contracts may be issued in a deliberative and efficient manner such as through requests for proposals or other comparable means.

REQUISITION AND PURCHASE ORDER RESPONSIBILITY ASSIGNMENT

1. Originator Responsibilities:

The person who completes the online purchase requisition has the following responsibilities before the order is sent to the administrator, supervisor, or principal for approval. Remember to be as specific and detailed as possible when submitting a requisition. No blanket orders will be permitted; all orders shall delineate the vendor, the item or items, the quantity and price.

- Vendor's number.
- Budget account number.
- Thorough description of goods, services, and costs.
- Catalog numbers are to be provided. Use the latest catalog for proper discounts.
- Estimated shipping costs. For all goods - add 10%
- Delivery timeframe "**must be delivered by 00/00/00**"

If shipping and handling are included (it is on most State Contracts, Cooperative Purchases and Bid purchases), indicate on Purchase Requisition "Shipping and Handling included".



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- Ship-to-Code. Capital items (\$2000 or over in value) must be delivered to Central Stores.
- Total cost. This includes all delivery charges.
- State Contract orders: Indicate the State Contract Number.
- Bids: Indicate the bid number (i.e. PPS-000-19).
- Quotations: Attach copies of the (3) quotes solicited by Using Department.

2. Site Administrators Responsibilities:

- Determine if the purchase price requires quotations or bids.
- Determines if sufficient funds are available.
- Check originators responsibilities.
- Approve the requisition.

3. Assistant Superintendents and Director Responsibilities:

- Determine value and if the requisition meets need.
- Approve requisition.

4. Business Office Responsibilities:

- Purchasing Department determines if the items can be found from another vendor for a savings.
- Purchasing Department determines if the requisition is in compliance with State law and District policies.
- Purchasing Department approves the requisition.

5. Business Administrator:

- Business Administrator reviews prior responsibilities and approves the requisition.

6. Requisition Problems:

Requisitions will be returned at any level if the previous level did not complete their responsibilities. This will delay the requisition process until the responsible party corrects the requisition. The originator will be notified via internal message when a requisition has been disapproved. Required changes can be made and the order can be re-approved.



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C. Purchase Order Distribution

All purchase orders are printed in the Purchasing Department and distributed to the proper parties. The vendor is sent the Vendor copy and Voucher copy. The vendor must sign and return the Voucher copy with an invoice to request payment. Orders must be completed within sixty (60) days of purchase order creation. Otherwise, such orders exceeding the sixty-day limit may be closed by Accounts Payable.

- The Purchasing Department keeps the Purchasing copy for filing.
- The Receiving copy is an online copy which the originator can access.

PAYMENT

The originator of the requisition ensures that the District has received the goods ordered or is satisfied with the services rendered. In the event that only a part of the goods are received or parts of the services are preformed, indicate within the online receiving that only partial goods or services have been received. When the order is completed, indicate the order is complete in the online receiving system.

If you wish to cancel some goods or services, secure written confirmation from the vendor of the cancellation. Indicate in the online receiving system those goods or services are canceled.

The Paterson Public School District strives for timely payments to vendors; we ask that all staff members assist in our endeavor. This will help to improve vendor services and relations. Also, our improved payment schedule will help secure more vendors, and competition should produce better prices and better services.

A. Full Payment

Immediately after satisfactory receipt of the goods or services by the originator, commence online receiving to enable Accounts Payable to release funds to the vendor. This is matched to the vendor invoice and vendor signed Voucher Copy to make payment.



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B. Partial Payment

In the event that only partial goods or services are received, as mentioned above, indicate so in the online receiving system. Partial online receiving can be done for as long as the purchase order has not been filled. If some of the goods or services were cancelled, indicate this in the online receiving system. Make mention of the vendor's confirmation and notify the Accounts Payable Department.

All District administrators are responsible for contract enforcement. A Paterson Public Schools purchase order is a contract with a vendor to supply us with the quality and quantity of the goods or services we ordered.

C. Vendor's Performance

In the event the using department has found the vendor's performance to be unsatisfactory this must be documented. A detailed explanation of negative experience must be submitted to the Purchasing Department for appropriate legal action. The Purchasing Department may change vendors, seek compensation, and deny a bid award if the vendor has not been responsive in our District.

FIXED ASSETS

Each piece of equipment or material that costs \$2000.00 or more shall be delivered to Central Stores for proper recording and tagging. After the item is properly recorded and tagged, the item is then delivered to the appropriate location or school. See Appendix C for Fixed Asset standard operating procedures.

A. Requisitions

This is how you code the requisition, if the item you are ordering qualifies as a "Fixed Asset". Input "627" in the "ship-to" field, this is the location code for our Central Stores facility. To make sure the item is delivered from Central Stores to your location, specify your location number in the "ship-to attention" field.



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B. Surplus and Asset Redistribution

When a department no longer needs a usable asset, that asset is stored for redistribution to other interested departments in the District. Assets are stored at Central Stores, which is managed by the Business Office. Items available for redistribution will be posted on our Web Site

C. Disposal of Assets

When the District no longer needs an asset, the Purchasing Department will dispose of the asset. Specifications may be developed and the asset is sold to the highest acceptable bidder or the Purchasing Department may trade in the asset on a new purchase. Revenues generated by the sale of the surplus assets are deposited to a general fund and is not reallocated to individual departments.

D. Used Furniture

You will need authorization from the State District Superintendent or Business Administrator to store furniture at Central Stores. Once you have received authorization for storage, contact the Manager of Central Stores at (973) 321-0942 to coordinate removal and storage. Surplus furniture in storage is immediately available for redistribution within the District. You can visit Central Stores to inspect this furniture, to schedule a visit please contact the Manager.



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FORMAL BIDDING PROCESS

This is for a non-construction item. Construction requires more detailed specifications, more approvals, and permits.

Step	Time Line
An administrator initiates the request to purchase goods or services requiring a bid	One Day
The appropriate administrator approves the request for bidding.	One Week
Sufficient funds are available for the purchase.	One Day
Detailed specifications are developed by the using department for the goods or services.	One Week
The initiating administrator reviews and approves the specifications.	One Week
A bid package is prepared by Purchasing.	One Week
A legal notice is placed in the newspapers. Copies of the bid package are distributed to vendors.	Ten Days (minimum)
Bids are opened and read in public.	One Day
The bid results are reviewed by Purchasing.	One Week
Written recommendations for award are made by using department and Purchasing.	Three Days
The Board resolution is created.	One Day
The resolution is reviewed and signed by the initiating administrator, Divisional Administrator, Business Administrator and State District Superintendent.	One Day
The Board and/or State District Superintendent approve the award.	One-Two Weeks
A contract is issued to successful bidder	Three days
Start the requisition and purchase order process.	One Day



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Technical Specifications

Technical specifications or a scope of work shall be provided by the using department, in a **timely manner**, and must, in detail, describe the goods and/or services requested.

Prevailing Wages (N.J.S.A. 34:11-56.25 et seq.) (Public Works)

Using department shall maintain all prevailing wage related documentation, including all certified payrolls from successful bidder.

District Contract Manager (DCM)

The District's Contract Manager (DCM) is the District employee, authorized by the using department, responsible/accountable for the overall management and administration of the contract. A DCM **MUST** be assigned for each bid contract in order to enforce the terms and conditions of the bid developed by the Purchasing department and within the contract.

Bid Request Form

A Bid Request Form must be utilized to initiate a bid process, followed by the submission of the technical specifications. This form can be obtained from the Purchasing Department.



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Appendix A Standard Operating Procedure:

Subject: Use of State Contracts for Purchases	Effective Date: 7/1/07	Page 1 of 1
	Approved by: State District Superintendent	

I. Purpose:

To establish District guidelines for making purchases for goods and services through the New Jersey State Contract list.

II. Authority:

The State District Superintendent

III. Terms and Conditions:

District employees, who wish place orders for goods and services by means of state contract, must confirm that such items are properly priced and subject to the respective state contract terms.

IV. Procedures for Making State Contract Purchases:

In such cases when an order is placed by a using department for an item under state contract, before input of such order the using department should contact the Purchasing Department to obtain the latest approved state contract list for confirmation that the vendor is a state contract vendor. After confirmation, the using department should contact the vendor for pricing by means of a written quotation. The quotation should be in the form of a fax which includes the pricing, and the vendors' state contract number. The fax should be filed as part of the using departments' records for future auditing purposes.

V. Procedures for Getting Quotes for State Contract Purchases:

State contract pricing varies according to vendor. Therefore, to receive the best possible pricing for prospective purchases, soliciting quotes may be necessary. When a using department identifies an item they would like to purchase under state contract, they may select one of the following ways to do so: 1) Supply the Purchasing Department with a detailed description of the desired goods or services, in which case, Purchasing will contact no less than three (3) vendors for a price quote, or 2) Using department contacts no less than three (3) vendors from the state contract list, supplied by the Purchasing Department, for a price quote. All such quotes should be kept on file for future auditing purposes.



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Appendix B: Standard Operating Procedure: Affirmative Action Language

Dissemination:

All Building Principals, Supervisory and Administrative employees of the Paterson Public School District.

I. Purpose:

To establish District Guidelines for submission of Affirmative Action language by vendors who provide services to the District, which includes but not limited to:

- auditors
- consulting engineers
- attorney and bond counsels
- insurance company contracts
- financial investment contracts
- banking
- medical consultants (doctors and nurses)
- construction contracts
- goods and service contracts in excess of bidding threshold

II. Authority:

The State District Superintendent

III. Terms and Conditions:

District employees who wish to engage the services of an outside vendor must secure the vendor's affirmative action language prior to the execution of a contract with the District. If an employee fails to provide the affirmative action language prior to contract execution between the District and the vendor, the contract between the District and the vendor will be denied and the requisition(s) will be rejected and returned to initiator.

IV. Reporting Procedures:

Specific affirmative action language requirements for the vendor(s) to whom an award is made are listed below. The vendor must furnish one of the following prior to the execution of a contract with the District:



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- a. A current Certificate of Employment Information Report by the State of New Jersey Affirmative Action Office and a signed copy of Exhibit A or Exhibit B (construction contract only) as an indication the mandatory language is part of the contract.

or

- b. Evidence of a current federally approved Affirmative Action Program photostatic, copy of said approval and a signed copy of Exhibit A or Exhibit B (construction contract only)

If “a” or “b” cannot be furnished and if an Employee Information Approval has not been applied for, the vendor is required to submit a signed Exhibit A or Exhibit B (construction contracts only) and a completed Employee Information Report Form AA 302 or a completed Initial Workforce Report Construction Form AA201 (construction contracts only). Forms AA302 and AA201 will be provided by the Purchasing Department, upon request. (See attached samples of forms AA302 and AA201)

V. Dissemination:

All Building Principals, Supervisory and Administrative employees of the Paterson Public School District.



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Appendix C: Standard Operating Procedure:

Subject: Inventory and Fixed Asset Procedures	Effective Date: 4/1/07	Page 1 of 1
	Approved by: State District Superintendent	

I. Purpose:

To establish District Guidelines for registering and maintaining fixed asset inventory received within the District.

II. Authority:

The State District Superintendent

III. Terms and Conditions:

District employees, who wish place orders for items at or above the State mandated \$2000 dollar limit for fixed assets, must have such items properly inventoried in the Districts' fixed asset financial system.

IV. Procedures for Registering Fixed Assets:

In such cases when an order is placed by a using department for an item classified as a fixed asset, at the time of input of such order and assignment of account code, the District financial system will automatically redirect the order to the Central Stores department for receiving. The Purchasing Department will ensure that the item is earmarked for delivery to Central Stores. Once received at Central Stores, the item will be immediately logged by the Administrative Secretary and numerically tagged by the Inventory Specialist. Logging will include the purchase order number, make, model and serial numbers of the item along with the location said item will be assigned. Following tagging, the item will be shipped to destination and signed for. Once the fixed asset is registered in the financial system, the Accounting Department will care for the annual depreciation of fixed assets in the database.



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V. Procedures for the Movement of Fixed Assets:

In such cases when an asset needs to be moved to another location within the District, the respective departmental supervisor is to inform the Accounting Department and provide them with the item's tag number before the move is made.

VI. Dissemination:

All Building Principals, Supervisory and Administrative employees of the Paterson Public School District



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Appendix D: Standard Operating Procedure:

Subject: Vendor Certificate of Insurance	Effective Date: 7/1/07	Page 1 of 1
	Approved by: State District Superintendent	

I. **Purpose:**

To establish District guidelines for submission of certificate of insurance by vendors who provide services on District premises.

II. **Authority:**

The State District Superintendent

III. **Terms and Conditions:**

District employees who wish to engage the services of an outside vendor must secure the vendors certificate of insurance prior to the commencement of services by the vendor. Employee must also provide a copy of the vendors' certificate of insurance to the Purchasing Department for requisition approval, which will be forwarded to the Business Administrator for purchase order signature. If a certificate is not provided to the Purchasing Department, requisition will be rejected and returned to initiator.

IV. **Reporting Procedures:**

In such cases when a vendor is requested to service the District in any capacity on District premises, the vendor is required to submit a certificate of insurance. The certificate of insurance shall meet the minimal standards as set by the District's Risk Management Officer. The certificate should be submitted to the District representative requesting services at the time of entering into a contract to provide said services. To ensure receipt of certificate of insurance, the Supervisor of Purchasing shall request a copy from District representative at requisition input and before approval. To further ensure receipt, the Business Administrator will sign subsequent purchase order, only with an attached copy of the certificate of insurance.

Dissemination:

All Building Principals, Supervisory and Administrative employees of the Paterson Public School District



PATERSON PUBLIC SCHOOLS

Preparing All Children for College and Career



Department of Purchasing

Appendix E: Political Disclosure Requirements

List of Agencies with Elected Officials Required for Political Contribution Disclosure N.J.S.A. 19:44A-20.26

County Name: Passaic

State: Governor, and Legislative Leadership Committees

Legislative District #s: 26, 34, 35, 36, & 40

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):

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

Boards of Education (Members of the Board):

Bloomingtondale Borough	Pompton Lakes Borough
Clifton City	Prospect Park Borough
Haledon Borough	Ringwood Borough
Hawthorne Borough	Totowa Borough
Lakeland Regional	Wanaque Borough
Little Falls Township	Wayne Township
North Haledon Borough	West Milford Township
Passaic City	West Paterson Borough
Passaic County Manchester Regional	
Passaic Valley Regional	
Paterson City	

Fire Districts (Board of Fire Commissioners): None



Department of Purchasing

Appendix F: Competitive Contracting

The Division has approved the use of competitive contracting for school and district improvement services geared toward improving student performance by providing services to school employees. School and district improvement services include but are not limited to, leadership training, professional development, organizational evaluations and personnel evaluation training.

Prior to this approval, school and district improvement services that exceeded the bid threshold required public advertising of bids as the services would not qualify for an allowable exemption under the Public School Contracts Law. Examples of such programs could include training in supplemental reading instructional services, year-long training/coaching in math or language arts instruction, and providing consulting and professional development in school and district leadership.

The Department requested this approval on behalf of boards of education pursuant to N.J.S.A. 18A:18A-4.1(k) and N.J.A.C. 5:34-4.4 given the qualitative nature of the services provided, the varying needs of boards of education, and the often creative approaches that may be provided by a variety of these vendors. The Division approved the request as the subject matter is consistent with the statutory provisions encouraging competitive contracting.

In the development and implementation of a competitive contracting process for these services, districts must still comply with the statutory (N.J.S.A. 18A:18A-4.1 et seq.) and regulatory (N.J.A.C. 5:34-4.1 et seq.) provisions of the process. The PSCL does not include a sole-source exception and therefore, districts must use the competitive contracting process or the bid process pursuant to N.J.S.A. 18A:18A-15(d) for the procurement of proprietary services.

This approval excludes the purchase or lease of equipment unless it is fully integrated with and necessary for the training programs, in compliance with N.J.S.A. 18A:18A-4.1(a).



Department of Purchasing

Appendix G: Purchasing with Federal Funds

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/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.



Department of Purchasing

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.



Department of Purchasing

Appendix H: Public School Purchasing Limits

Amount	Activity	Citation
\$50.00	Fee limit to charge vendors for Competitive Contracting proposals	18A:18A-4.5(a)
\$2,000.00	Prevailing wages required Contractor registration required	34:11-56.26(11b) 34:11-56.51
\$4,350.00	Quotation threshold – no QPA NJ BRC required – no QPA Sale of Personal Property – no QPA Verification of Claims – (15% of bid threshold)	18A:18A-37(a) 52:32-44 18A:18A-45(a) 18A:19-3
\$6,000.00	Quotation threshold - QPA NJ BRC Required – QPA Sale of Personal Property (Bid Required) - QPA Verification of Claims (15% of bid threshold)	18A:18A-37(a) 52:32-44 18A:18A-45(a) 18A:19-3
\$17,500.00	Bid threshold – Pupil Transportation Chapter 271 PCD	18A: 39-3(a) 53:34.25(2a)
\$20,000.00	Prequalification/Classification-Public Works Bid Guarantee	18A:18A-29,27,32 18A:18A-24
\$20,000.00+	Contract performance report to State	18A:18A-15(e)
\$29,000.00	Bid threshold – non QPA – P.L. 2009, c.166 Contracts – Board Approval Needed – non QPA Affirmative Action evidence with contract (non QPA)	18A:18A-3(a, b) 18A:18A-5(a) 10:5-31 et. seq.
\$40,000.00	Bid threshold – QPA limit Contracts – Board Approval Needed – QPA Affirmative Action evidence with contract (QPA)	18A:18A-3(a, b) 18A:18A-5(a) 10:5-31 et. seq.
\$50,000.00	Bid Guarantee Limit – Pupil Transportation	N.J.A.C. 6 ^a :27-9.5(b)
\$100,000.00	Public Works Contract – Partial Payment Limit	18A:18A-40.1
\$100,000.00 – \$500,000.00	Public Works Contract Retainage – 5%	18A:18A-40.3
\$2,000,000.00	Notification to State Comptroller of any expenditure of \$2,000,000.00 (within 20 days of award)	52:15C-10
\$10,000,000.00	Notify the State Comptroller of any potential expenditure of \$10,000,000.00 or more 30 days prior to advertisement (goods/services)	52:15C-10



Department of Purchasing

Appendix I: Methods of Procurement

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
- Technology
- Computer Supplies/Equipment
- Printers / Computer
- Interactive Boards
- Title I Testing

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 \$6,000.00 and \$39,999.99)

This method of procurement is used for contracts for goods, materials, services and public work projects that in the aggregate between \$6,000.00 and \$39,999.99.

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.



Department of Purchasing

C. Request for Proposal—RFP

This method is preferred for contract for:

Professional Services	Academic/Operational Services
Medical	Contracts less than \$40,000
Auditor	Instructional Services
Attorney	Educational Services
Engineer, Architect	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 over \$40,000). This method is used for certain contracts over \$40,000.00.

The District can only use this procurement 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.



Department of Purchasing

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

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

G. Federal Procurement Guidelines

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 Work..... | 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