

Fairfield Township School District

PURCHASING MANUAL

2018-2019

Ms. Janecia Smith, School Business Administrator / Board Secretary

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Introduction

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

- **New Jersey Public School Contracts Law N.J.S.A. 18A:18A-1 et seq.;**
- **New Jersey Administrative Code N.J.A.C. 5:34-1 et seq.;**
- **Board of Education Policy;**
- **Other federal, state law and code;**
- **NJQSAC SOA Fiscal Management Item #10; and**
- **Local Finance Notices – NJ Division of Local Government Services**

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

1. Follow the law on purchasing
2. Promote efficiency in the purchasing practices
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 time 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 teachers, secretaries, and others who are involved in the purchasing process. It is imperative that everyone adheres to all purchasing laws and guidelines.

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

Sincerely,

Janecia Smith
School Business Administrator

PURCHASE ORDER PROCEDURES

Authorized Purchases

New Jersey State Law (18A: 18A-2(b)) assigns the authority to the purchasing agent to make purchases for the board of education. All requests for purchases of materials, supplies, goods and or services must be made through a signed and approved purchase order.

The purchase order authorizes the work or service to be done, and/or the materials, and supplies to be delivered to our school district.

Unauthorized Purchases

Any Board of Education employee who orders and 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.

Unauthorized purchases will be referred to the Superintendent of Schools for appropriate action and the individual responsible for these purchases will be disciplined. Please note the following:

Preview of Materials

All staff members must receive permission from administrators, coordinators, 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 originated for a new item.

Reimbursements

The Board of Education only recognizes a reimbursement purchase order when it pertains to approved travel, meals, and conferences. For travel, the mileage will be calculated, based on the deducted difference of the daily commute to Fairfield Township School. **The Board will not reimburse employees for items and goods personally purchased by the employee.**

School Activity Accounts

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

Petty Cash Accounts

The Board of Education Authorizes establishment of petty cash accounts annually. The maximum amount for petty cash purchase is \$25.00.

Funds are to be used for emergencies and small purchases only and not to subvert the intent of the regular purchasing procedures or for routine expenditures.

A signed voucher shall support all disbursements from petty cash by the claimant and receipts, sales slips or any other supporting documentation.

All unused petty cash funds are to be returned to the Business Office by Accounts Payable by the **25th of June**.

REQUISITIONS / PURCHASE ORDERS:

ALL REQUISITIONS / PURCHASE ORDERS ARE TO BE ENTERED INTO THE DISTRICT SOFTWARE BY THE SCHOOL SECRETARIES.

STAFF MEMBERS ARE TO SUBMIT PAPER REQUISITION FORMS WITH DETAILED INFORMATION FOR APPROVAL; THEN THE COMPUTER GENERATED REQUISITION IS PREPARED.

A. Responsibilities of Originator of Requisition / Purchase Order – Preparing a Requisition / Purchase Order

The person who fills out the requisition / purchase order has certain responsibilities before the order is sent to the administrator, coordinator, or principal for approval. He/She is to ensure the following:

1. **Vendor's Name**—All Board checks are made payable to the vendor name (top line) listed on the purchase order. Please ensure the correct vendor name.
2. **Vendor's Address Complete with a phone number**—The purchase order must include a complete vendor's address and phone number with area code.
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 latest catalogues available.

4. **Shipping Costs**—Shipping and handling costs are to be added to all applicable purchase orders. Please read the catalogue or contact the vendor to determine the actual shipping and handling costs.

If you are unable to ascertain the actual charges, type
“10% Estimated Shipping and Handling”

If there are no shipping and handling charges type
“Shipping and Handling Included”

5. **Delivery Address**—Attention of: The delivery address should include a name of a person or a specific department.
6. **Minimum Order**—The minimum order for all purchase orders is \$25.00
7. **Budget Account Number**—Please be sure the correct Budget Account Number is entered on the purchase order.
8. **State Contract Orders**—When ordering through State Contract vendors, please include:
 - a. State Contract Number
 - b. Appropriate documentation when required
9. **Quotations**—If quotations are obtained, please attach to the purchase order a copy of each written quotation received. It is prudent to solicit two quotes to ensure cost-effectiveness. Any order over \$6,000 requires quotes.
10. **Bids**—If bids are obtained, please enter the following on the purchase order:
 - a. Bid date
 - b. Bid titleAny order over \$40,000 must be bid.

B. Responsibilities of Administrator/Coordinator or Principal

Administrators/Coordinators and Principals must ensure the following before the purchase order is approved in the district software:

1. They must check to determine if **funds are available** in their budget to cover the purchase order.

2. They must check to determine that items 1-10 previously noted (Responsibilities of the Originator) have been **properly completed**.
3. If satisfied with the above two items, the requisition / purchase order must be approved in the district software.
4. The Administrator will receive a file copy (yellow) of the purchase order for their records. When order is received then blue copy is signed by the person who received the order and sent to the business office.

C. Responsibilities of the Business Office

The School Business Administrator and the Business Office Staff review each requisition / purchase order. Special attention is given to the following:

1. Available Funds—Purchase orders are divided by account and are checked to determine if funds are available in the account. If not, the purchase order is returned to the originator with a memo of explanation.
2. What is being ordered and the cost—The technical aspects of the purchase order are reviewed to ensure compliance with State Law and Board Policy.
3. Disbarred Vendors- The Federal Excluded Parties List (EPLS) will be checked to ensure that the vendor is eligible to do business with. (only required when using federal funds)

The Business Office also reviews whether the requisition / purchase order exceeds:

The Quotation Limit	\$ 6,000
The Bid Limit	\$40,000

4. Review of Purchase Order-The requisition / purchase order is also reviewed for technical aspects such as:
 - a. Account number missing or incorrect
 - b. Shipping charges added
 - c. State contract numbers incorrect/missing
 - d. Federal procurement requirements under Uniform Administrative Requirements -2 CFR Part 200 were followed for all purchases using federal funds.

Incomplete or Improper requisitions / purchase orders will be returned with a memo explaining deficiencies. See copy of memo in Appendix. (Section C)

If the School Business Administrator is satisfied, s/he will approve the requisition / purchase order. The Business Office will then:

- Issue a purchase order number
- Send the purchase order to the vendor

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

BIDS AND BIDDING

A. Bid Limits

The Fairfield Board of Education is restricted by New Jersey State Law as to 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 for the 2018-2019 School Year 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.

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 Business Office at once. **The formal bidding process takes approximately 6-8 weeks to complete.**

B. Annual Bids

The Board of Education now requests that Administrators, Principals, and Coordinators start to plan and prepare for Annual Bids. Coordinators must work with each appropriate building principal. The proposed time lines are as follows:

March

- Administrators/Principals prepare technical specifications to be drafted in a manner to encourage free, open and competitive bidding. The specifications are then submitted to the School Business Administrator.

April

- School Business Administrator prepares final bid specifications to be drafted in a manner to encourage free, open and competitive bidding.

May/June

- Annual bids are received, opened and tabulated by the Business Office

June

- Bid Resolutions are prepared by School Business Administrator for Board approval

July

- Purchase orders are generated by Administrators/Principals/Coordinators for August/September Delivery.

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

C. Bidding

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

D. **Exceptions to the Bid Limit**

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

1. Purchasing through State Contract
2. Professional services as outlined by New Jersey law (see Public School Contract Guidelines)
3. Textbooks (*), student produced publications
4. Legal notices, food supplies, milk, utilities, insurance, election expenses, energy saving devices, and/or supplies

* State Contracts may exist for these items, check with the Purchasing Department before creating the requisition / purchase order.

E. **State Contract Purchasing**

1. **Office Supplies and School Supplies**

The Board Office will distribute separate memos highlighting the approved list of State Contract vendors who sell **Office Supplies, School Supplies, Computer Supplies, Paper, and Copier Supplies**. Please note that the State Contract may restrict the items available from these contracts.

Purchase Orders—State contract

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

1. State Contract Number
2. Shipping and Handling included

The minimum order for State Contract purchases is \$100.00

E. Emergency Purchases

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

F. Cooperative Purchasing

The Fairfield Board of Education has contracted with other entities to bid on items (i.e. natural gas, electricity, transportation, paper etc).

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**, (not individual schools) totaling more than **\$6,000** and less than **\$40,000** for the entire year, must be competitively quoted.

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

B. Quotation Process

Please note: The formal quotation process could take approximately 2-4 weeks from start to finish.

There will be no telephone quotations except in case of extreme urgency.

A minimum of two (2) vendors must be solicited.

Copies of quotations must accompany the requisition / purchase order.

Please be advised that all **“equipment”** must be \$2000.00 or more in cost **per item** to be classified as “Equipment”. All other purchases under that amount, including computers are to be classified as “supplies”

Written quotes that exceed **\$17,500** but do not exceed the bid limit of **\$40,000** may be subject to Chapter 271 of P.L. 2005, Pay to Play. Please contact the business office for a determination and for the additional procedures that may be required. This does not apply in case of “emergencies” as defined by N.J.S.A. 18A:18A-7.

PURCHASE ORDER PROCESS

A. **Processing the Purchase Order—Design of Purchase Order**

The purchase order is comprised of five sheets each color-coded for a certain purpose. Listed below are the name of each sheet, the appropriate color, and the purpose of each sheet.

<u>Copy</u>	<u>Color</u>	<u>Disposition</u>
Vendor Copy	White	Sent to vendor to order items
Acceptance Voucher	Green	Sent to vendor for signature
Board Secretary Copy	Pink	Remains on file in Business Office
Receiving Copy	Blue	Sent to school/office; returned to Business Office <u>immediately</u> upon receipt of goods
Principal's Copy (Originator)	Yellow	Remains with office of administrator or coordinator

B. **Receipt of Materials, 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 (**blue**) 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 the receiving copy (blue) and attach packing slip and send to the Board Office.

All receiving copies (blue) of purchase orders and packing slips should be sent as soon as possible to the Business Office.

The Fairfield Township Board of Education has an excellent reputation for paying bills in a timely fashion. We ask that all employees continue to 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.

Procedure to Follow for Back Orders

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

- Mark on your receiving copy (blue) of the purchase order those items you did not receive.
- Make and keep a copy of your receiving copy (blue) and the packing slip.
- Send the original receiving copy (blue) and packing slip to the Accounts Payable Department.
- Upon receipt of the back order in the next shipment, check off your copies of the receiving copy (blue) and the packing slip and send both copies to the Business Office.
- Contact the Business office if the vendor fails to supply the back order within 30 days.

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.
- Mark on the receiving copy and packing slip what items were missing.

- Make and keep a copy of your receiving copy (blue) and the packing slip.
- Send the original receiving copy (blue) and packing slip to the Accounts Payable Department.
- Upon receipt of the missing item in the next shipment, check off your copies of the receiving copy (blue) and the packing slip and send both copies to the Business Office.
- Contact the Business Office if the vendor fails to supply the back order within 30 days.

Problem—Items Damages; Wrong Item

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

Process to Follow for 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. You are responsible for this; please do not send your package to the Business Office for processing.
- On the receiving copy (blue) and the packing slip mark what items were returned and the reasons for being returned. Please note how the items were returned (UP/PO/Vendor Pick up).
- Send the receiving copy and packing slip to the Business Office.
- Contact the Business Office if the vendor fails to supply the back order within 30 days.

Problem: Discontinued item

Sometimes the items you requested have been discontinued.

Process to Follow—Discontinued Item

- Mark on receiving copy (blue) of the purchase order “discontinued.”
- Do not call the company for a replacement item. You must complete a new purchase order.
- If the item number has been changed (“superseded”) and the price and product have remained the same; you may accept the product.

C. PURCHASE ORDER CUT OFF DATE

Administrators and Supervisors are to be alerted to the fact that requisition / purchase orders for supplies for the present school year can not be accepted after January 12th . If something is needed on an emergency basis please see your immediate supervisor.

ETHICS IN PURCHASING

It is the desire of the Fairfield Board of Education to have all Board employees practice exemplary ethical behavior in the purchasing of goods, materials, supplies and services. With this in mind, the Board reminds all employees of the following:

Financial Interest

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. N.J.S.A. 18A: 6-8.

Family Members

District officials and employees should avoid recommending purchases from members of their family or businesses that employ members of their family.

Favoritism

District officials and employees who recommend purchases should not extend favoritism to any vendors. Each recommended purchase should be based upon quality, price, service, delivery and other applicable factors and in full compliance with N.J.S.A. 18A:18A.

Funds and Solicitation of Gifts

District officials and employees are prohibited from soliciting funds, materials, goods, supplies, favors and other items of value from vendors doing business with the Fairfield Board of Education.

All district officials should be guided by the tenets of the New Jersey School Ethics Law.

APPENDIX

- A. Formal Bid Process
- B. Emergency Purchases/Contracts
- C. Memorandum—Return of Purchase Order
- D. Copy of Requisition
- E. Copy of Purchase Order

A. FORMAL BID PROCESS

<u>Process</u>	<u>Time Line</u>
Initial request to bid made by Administrator/Principal. Certification that funds exist.	One Day
Review of specifications, fully outlining items, materials or services to be bid by School Business Administrator.	One Week
Return or reviewed specifications to Administrator/Principal for final approval. Administrator/ Principal signs off final approval.	One Week
Bid package prepared by School Business Administrator.	One Week
Copies of bids run off.	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
Business Administrator prepares spreadsheet (bid tab sheet). Bid results are reviewed by: <ul style="list-style-type: none"> a. Administrator/Principal (recommends award of bid) b. School Business Administrator (Resolution is written) 	One-Two Weeks
Bids are reviewed at Board Agenda and Regular Public Meetings.	One Week
Purchase orders are prepared by Administrator/Supervisor.	One Week

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

B. EMERGENCY PURCHASES/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 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/ Coordinator/ Administrator requesting a declaration of emergency.
2. Written Requisition Filed with Business Administrator
A written requisition (purchase order) for the performance of work or the furnishing of materials is filed with the Business Administrator describing the following:
 - a. Nature of emergency
 - b. Time of occurrence
 - c. The need for invoking the emergency statute

This written requisition must be certified by the employee in charge of the building/ facility, or the employee in charge of the equipment wherein the emergency occurred.

3. Awarding of Contract by School Business Administrator
If the School Business Administrator is satisfied the emergency exists, the Business Administrator is, by State Law, authorized to award the contract but will do so only with Superintendent’s approval.
4. Filing of Documents with State/County by School Business Administrator
In accordance with N.J.A.C. 6:20-8.5, the following documents must be filed with the Bureau of Facility Planning and the County Superintendent within three (3) days after awarding the contract or agreement:
 - a. A copy of the contract or agreement
 - 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.

FAIRFIELD TOWNSHIP PUBLIC SCHOOLS
Business Office
375 Gouldtown/Woodruff Road, Bridgeton, NJ 08302

C. MEMORANDUM

To: _____

From: Janecia Smith, School Business Administrator

Date: ___/___/___

Re: Return of Requisition (s) / Purchase Order (s)

The purchase order is returned for the following reason.

- _____ Missing vendor information
- _____ Account number required
- _____ EIP number required
- _____ Registration form is required
- _____ 2 copies required of any attachment
- _____ Principal/ Administrator/Coordinator signature required
- _____ If check is required, send paperwork contract/invoice from vendor
- _____ Missing: quantity, description, item # or amount
- _____ Total is incorrect/or missing
- _____ Multiple Quotes required
- _____ Invoice amount exceeds the Bid amount
- _____ Bid Number, Quotation Number, State Contract Number missing or incorrect
- _____ State Contract Documentation missing
- _____ Shipping charges not added
- _____ Shipping charges not needed. Type on P. O. "Shipping and Handling Included"
- _____ Minimum Order \$25.00
- _____ Unauthorized Order—Please call me 453-1882
- _____ Other _____

Please make the adjustments needed and return the requisition / purchase order with this form to the Business Office.