

CLEMENTON PUBLIC SCHOOL DISTRICT

PURCHASING MANUAL

2008-2009

CLEMENTON BOARD OF EDUCATION

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INTRODUCTION

The purpose of this manual is to assist all District employees in the purchasing practices to be in full compliance with:

- *New Jersey Public School Contract Laws (NJSA 18A:18A)*
- *Board of Education Policy*

Please have this manual available for Supervisors, Teachers, Secretaries, and others who are involved in the purchasing process. It is imperative that everyone be familiar with the procedures and guidelines.

If there are any questions concerning any of the information contained in this manual, please do not hesitate to contact the School Business Administrator's Office at 856-783-2300, ext. 1015.

Staff input is welcomed in any of the areas presented in this manual so that the content and procedures might be improved.

**NEW JERSEY PUBLIC SCHOOL CONTRACTS LAW
(NJSA 18A:18A)**

I. Bid Limits

The Clementon Public School District is restricted by New Jersey Law on how much money can be spent by the District for the entire year on materials, supplies, and services.

This is called the bid threshold or bid limit. The current bid limit is \$29,000. This means that any specific item, class of items, and/or services of a similar nature, purchased by the School District totaling more than \$29,000 for the entire year must be competitively bid.

You cannot circumvent the law by splitting purchases to be under the \$29,000 bid limit.

If you find that your purchases may exceed the \$29,000 bid limit, please contact the Business Office at once. The formal bidding process takes about six to eight weeks to complete.

II. Annual Bids

The Board of Education requires District Administrators and Supervisors to plan and prepare for Annual Bids. The procedures are as follows:

- A. Administrators/Supervisors prepare technical specifications to be reviewed by the Business Administrator.*
- B. The Business Administrator prepares final bid specifications to be drafted in a manner to encouraged free, open, and competitive bidding.*
- C. Annual bids are received, opened, and tabulated by the Business Administrator.*
- D. Bid Resolutions are prepared by the Business Administrator for Board approval.*
- E. Purchase requisitions are generated by Administrators/Supervisors in accordance with the established procedures.*

III. Bidding

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

IV. Exceptions to the Bid Limit

New Jersey State law allows for some exceptions to the Bid and Quotation limits. Some of them are:

- A. Purchasing through State Contract*
- B. Professional and extraordinary unspecifiable services as defined by New Jersey law*
- C. Library and educational goods and services*
- D. Legal notice, food supplies, milk, utilities, insurance, election expenses, energy saving devices and/or supplies.*

V. State Contract Purchasing

If you plan to purchase from a State Contract vendor, please include the State Contract number on the purchase requisition. Please be aware that State Contract prices may not be the cheapest price available

VI. *Computer/Software Purchasing*

If you plan to purchase computer/software, please contact Matt Duffield, Technology Coordinator. Mr. Duffield must sign all purchase requisitions for computer/software. Please contact him first.

VII. *Professional Services/Professional Consultants*

Quotations – Even though professional services as defined in Title 18A:18A do not require competitive bids or quotations, it is in the best interests of the Board of Education to obtain at least three (3) proposals for any professional service.

Contracts – All professional service and consultant contracts must be approved by the Clementon Public School District Board of Education. If you plan to recommend the hiring of a professional consultant, please be advised of the following:

- A. *A recommendation must be written to be placed on the Board of Education meeting agenda.*
- B. *Accompanies with the recommendation should be a written proposal from the consultant and/or vendor outlining the following:*
 - 1. *Name and address of consultant/vendor*
 - 2. *A description of the services to be provided*
 - 3. *Starting date of service*
 - 4. *Ending date of service*
 - 5. *The cost of the services/terms of payment(s)*

All recommendations are to be sent to the Superintendent's Office. The Business Administrator and Board Attorney will prepare a written contract. No service is to be performed without a properly executed contract.

VIII. *Emergency Purchases*

Emergency purchases are restricted by NJSA 18A:18A-7. A situation must exist affecting the health and safety of the occupants on school property that requires the immediate delivery of articles or performance of service to alleviate the emergency.

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

IX. *Quotations*

The quotation limit (threshold) is \$4,350. This means that any specific items, group of items, and/or of a similar nature purchased by the School District totaling more than \$4,350 and less than \$29,000 for the entire year must be competitively quoted.

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

Quotation Process – Individuals will be responsible for obtaining the required quotes. A total of three (3) quotations are to be received for all quotable purchases. Copies of all quotes received are to be attached to the purchase requisition that is submitted for processing. If the vendor does not provide a quote within the established time, attach a record of the vendors contacted and an indication that they did not respond.

PURCHASE ORDER PROCESS

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

Any District employee who orders and receives goods without going through the proper purchase requisition process will be held responsible for payment of the order. There are to be no confirming orders. Exceptions or extreme urgencies are to receive prior approval by the Superintendent of Schools or the School Business Administrator.

I. Responsibilities of Originator of Purchase Requisition

The person who fills out the purchase requisition has certain responsibilities before the order is sent out to the Administrator or Supervisor for approval. They are to ensure the following:

- A. Purchase requisitions are legible. All purchase orders are to be legible.*
- B. Vendor's address is complete. The purchase requisition must include a vendor's complete address. Post office boxes by themselves are not acceptable unless they are major, well-known companies.*
- C. Description of items, services, costs, and catalogue numbers are to be described clearly with correct and up-to-date catalogue numbers and costs. Please use the latest catalogues available.*
- D. Shipping costs. All purchase requisitions must include "shipping and handling" costs. Please read the catalogue carefully to determine actual shipping costs. If none can be found, contact the company by phone.*
- E. Delivery Address. Attention of: The delivery address should include a name of a person or a specific department.*
- F. Total Cost. Please include the words "Total Cost" on the requisition with the actual amount of the order. Minimum Order – the minimum order for all purchase requisitions is \$25.00. Please try to plan and combine orders to exceed the \$25.00 limit.*
- G. Budget Account Number. Please be sure that the correct 13 digit GAAP Budget Account Number is included on the requisition.*
- H. State Contract Orders. When ordering through State Contract Vendors, please include the State Contract Number.*
- I. Quotations. If quotations are obtained, please attach a copy of each written quotation received to the purchase requisition.*

II. Responsibilities of Administrator/Supervisor

The Administrator/Supervisor must insure the following before the purchase order is sent to the Superintendent:

- A. They must check to determine if funds are available in their budget to cover the purchase.*
- B. They must check to determine that items A-I previously noted in Responsibilities of the Originator have been properly completed.*
- C. They must check to determine that items A-I previously noted (Responsibilities of the Originator) have been properly completed.*
- D. If satisfied with the above two items, the purchase order must be signed (no rubber stamps, please) and sent to the Superintendent's Office.*

- E. *Signature of Administrator – Administrators have been notified that whenever they order materials, textbooks, and equipment for the instructional staff, the purchase requisition for these items must be cleared by the Principal. The Principal must co-sign the purchase order.*
- F. *The Administrator/Supervisor who is responsible for the budget account must ensure that purchase requisitions from their accounts are legible and signed.*

III. *Responsibilities of the School Business Office*

The Business Administrator will review each purchase requisition. Special attention is given to the following:

- A. *Available Funds – Purchase requisitions are divided by account and are checked to determine if funds are available in the account. If not, the purchase requisition is returned to the originator with a memo of explanation.*
- B. *What is being ordered and the cost – The Superintendent determines the educational need for each purchase. The Business Administrator reviews the technical aspects of the purchase requisition to ensure compliance with State Law and Board Policy. The Business Administrator also reviews whether the purchase exceeds:*

<i>The Quote Limit</i>	<i>\$4,350.00</i>
<i>The Bid Limit</i>	<i>\$29,000.00</i>

- C. *The purchase requisition is also reviewed for technical aspects such as:*
 1. *Account number missing or incorrect*
 2. *Shipping charges added*
 3. *Signatures missing*
 4. *State contract numbers incorrect/missing*
 5. *Vendor address incomplete*
 6. *Other items as listed in Section I*
 7. *Completion of Purchase Request Rationale*

Incomplete or improper purchase requisitions will be returned with a memo explaining deficiencies. See Appendix. If the Business Administrator is satisfied, he signs the purchase requisition. The Business Office will then:

1. *Executive the Purchase Order*
2. *Enter the Purchase Order in the computer*

It is in the Business Office where a double check is made to determine if funds are available for purchase. If not, the purchase requisition is sent back to the originator, and a request for transfer of funds is made. Requests for transfer are to be sent to the Superintendent. After the Superintendent has approved the transfer, the Business Administrator will approve the order. If there are sufficient funds, the receiving copy (pink) of the purchase order is sent back to the originator, and the top copy and the voucher are sent to the vendor. This completes the order process for materials and services.

D. *Receiving Copy (Yellow) of Purchase Order – Once the purchase order has been processed by the Business Office, the receiving copy (pink) is sent back to the originator. When supplies or materials have been received and/or services have been completed, Administrators/Supervisors are to sign the receiving copy and return the receiving copy to the Business Office with all the packing slips as soon as possible. Please check all orders carefully. Orders cannot be paid without the signed receiving copy (pink). The Clementon Public School District Board of Education is developing an excellent reputation of paying its bills in a timely fashion; we ask that all District employees assist us in maintaining our reputation.*

IV. *Responsibilities of Superintendent of Schools*
Upon receipt of the purchase request, the Superintendent reviews and determines the educational value of each purchase requisition. The purchase request is then signed by the Superintendent and sent to the Business Administrator.

V. *Vendor*
To receive payment, the vendor signs the voucher and returns it to the Business Office when the order has been filled. The vendor must also have and submit a New Jersey Business Registration Certificate to be used.

VI. *Responsibilities with Receiving Materials, Supplies, and Goods*
Receiving of Items Ordered: It is extremely important that all items received be immediately checked. Please adhere to the following procedures:

- A. *Obtain receiving copy (pink) of purchase order and packing slip for that order.*
- B. *Open boxes and check off items received on the receiving copy and packing slip.*
- C. *Back Orders: Sometimes items ordered will not be received in the first shipment. They will be sent at a later date. This is known as a back order. The packing slip will have written “back order” on those particular items.*
- D. *Items Missing: Sometimes items are missing from your shipment. Call the company immediately. Please note on the receiving copy and packing slip what items were missing from your shipment. Do not confuse this with a back order.*
- E. *Signatures*
 - 1. *The person checking the order should sign the packing slip. The packing slip should be attached to the receiving copy.*
 - 2. *The Administrator/Supervisor should sign the purchase order receiving copy (pink).*
- F. *Notifying the Business Office*
 - 1. *Complete Orders – If the order is complete, the receiving copy and the packing slip should immediately be sent to the Business Office.*
 - 2. *Back Orders – If the order is incomplete and it is a back order, do not wait for the second shipment. Send the receiving copy and the packing slip immediately to the Business Office.*
 - a. *Please do the follow-up if there is a back order.*
 - 1. *Make and keep a copy of the receiving copy and the packing slip.*
 - 2. *Upon receipt of the back order, check off your copy of the receiving copy and packing slip and then send it to the Business Office immediately.*

G. Returning of Items – Damaged – Wrong Item

There may be occasions when items have to be returned to the vendor. Please follow these procedures:

- 1. Call the Vendor – ask the vendor what the procedure is in returning items. Make a copy of the packing slip.*
- 2. Notify the Business Office – on the receiving copy of the purchase order and the packing slip, mark the item(s) returned and the reason(s) for being returned. Please also note on the slips how and when the items were returned. (UPS receipt OK) (PO receipt OK). Send the receiving copy with the packing slip to the Business Office as soon as possible.*
- 3. Discontinued Items – If an item is marked discontinued, please do not call the company for a replacement. If you want a replacement, you must complete a new purchase requisition.*

VII. Purchase Requisition Cut-Off Date

Administrators and Supervisors are to be alerted to the fact that purchase orders for the present school year will no longer be accepted after the date that is established by the Superintendent.

APPENDIX

Formal Bid Process

Emergency Purchases/Contracts

Memorandum – Return of Purchase Requisition

Quote Sheet

Purchase Order Rational

Notice to Vendors for Pricing

BID PROCESS

TIME LINE

<i>Initial request to bid made by Administrator/Supervisor. Certification that funds exist.</i>	<i>One Day</i>
<i>Review of specifications fully outlining items, materials, or services to be bid by Business Administrator.</i>	<i>One Week</i>
<i>Return of reviewed specifications to Administrator/Supervisor for final approval. Administrator/Supervisor signs off final approval.</i>	<i>One Week</i>
<i>Bid package prepared by Business Administrator.</i>	<i>One Week</i>
<i>Legal advertisement put in newspaper.</i>	<i>Three Day Lead</i>
<i>Bid Date/Time – must be at least 10 days after legal advertisement appears in newspaper. Bids are opened and read publicly.</i>	<i>Ten to Twenty Days</i>
<i>Bid results are reviewed by:</i> <i>a. Administrator/Supervisor</i> <i>b. Business Administrator</i>	<i>One to Two Weeks</i>
<i>Business Administrator prepares spreadsheet showing lowest bidders and recommends award of bid.</i>	
<i>Bids are reviewed at Board Agenda, Committee of the Whole, and Regular Public Meetings</i>	<i>One Week</i>
<i>Purchase orders are prepared by Administrator/Supervisor</i>	<i>One Week</i>

As you will see, the Formal Bidding Process takes about six to eight weeks from start to finish.

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

EMERGENCY PURCHASE/CONTRACTS (NJSA 18A:18A-7)

I. 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.

II. Definition of Emergency

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

III. Process in Declaring an Emergency

A. Superintendent of Schools is Notified.

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

B. Written Requisition Filed with the Business Administrator

A written requisition for the performance of work or the furnishing of materials is filed with the Business Administrator/Board Secretary describing the following:

- 1. Nature of emergency*
- 2. Time of occurrence*
- 3. The need for invoking the emergency statute*

The employee in charge of the building/facility or the employee in charge of the equipment must certify this written requisition wherein the emergency occurred.

C. Awarding of Contract by Business Administrator/Board Secretary

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

D. Filing of Documents with State and County by School Business Administrator/Board Secretary

In accordance with NJAC 6:20-8.5, the following documents must be filed with the Bureau of Facility Planning and the County Superintendent within three days after the awarding of the contract or agreement:

- 1. A copy of the contract or agreement.*
- 2. A copy of the written requisition.*

E. Approval by the Board of Education

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

**CLEMENTON PUBLIC SCHOOL DISTRICT
OFFICE OF THE SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY
. 4 AUDUBON AVENUE, CLEMENTON NJ 08021
856-783-2300**

MEMORANDUM

To: _____

From: _____

Date: _____

Re: *Return of Purchase Requisition*

I am returning the attached purchase requisition for the following reason(s):

_____ *Account Number Incorrect or Missing* *Please use* _____

_____ *Description of Item(s) or Service Needed*

_____ ** Insufficient Funds* *Amount Available: \$* _____

_____ *Minimum Order \$25.00*

_____ *Shipping Charges Not Added* _____ *5%* _____ *10%* _____ *Not Needed***

_____ *Signature Missing – Administrator, Supervisor, Principal, Technology Coordinator*

_____ *State Contract Number Incorrect or Missing*

_____ *Three Quotes Needed – Attach Quote Sheets to Purchase Requisition (NJSA 18A:18A-37)*

_____ *Vendor Address Incomplete – Post Office Box Number Only*

_____ *As Per Attached Memo*

_____ *Other:* _____

* *If there are insufficient funds in your account, a request to transfer funds must accompany your returned purchase requisitions requesting a transfer of funds from one or more of your accounts to the over-expended account.*

** *Please include on requisition “Shipping and Handling Included.”*

Quote Sheet

Project _____

Name of Vendor _____

Contact Person _____

Phone Number _____ Cost _____

Project _____

Name of Vendor _____

Contact Person _____

Phone Number _____ Cost _____

Project _____

Project _____

Name of Vendor _____

Contact Person _____

Phone Number _____ Cost _____

Michael Adams
Superintendent of Schools

4 Audubon Avenue, Clementon, NJ 08021
Telephone (856)783-2300
Fax (856) 783-8929

Joanne E. Clement
Business
Administrator

OFFICE OF THE BUSINESS ADMINISTRATOR

PURCHASE ORDER RATIONALE FORM

Use: Please complete A or B below.

A. Educational Rationale: As a result of this purchase, explain how your students will benefit.

B. Operational Rationale: Provide a brief description how this purchase is of operational value to your school or office. Explain whether goods/services are being utilized on a regular basis and whether they are useful on a long term basis.

Name of School/Office: _____
Administrator/Supervisor: _____

Signature: _____ Date: _____

Name of Vendor: _____
Amount \$ _____ Account #: _____

_____ Approved _____ Not Approved

Other: _____

Superintendent Date Business Administrator Date

To: All Vendors
From: Joanne E. Clement, SBA
Re: Purchase Order Pricing

This Purchase Order reflects the prices that we will pay. If the price is incorrect **DO NOT** fill this order. Please fax the correct prices including shipping and handling to Maryann Busch at 856-783-8929. Only fill this order after approval of the revised price. If the order is filled with incorrect pricing, we will only be responsible for paying the price on the purchase order.

NJ BUSINESS REGISTRATION CERTIFICATE/LICENSE-under legislation (P.L. 2004, c57) **ALL** business organizations that do business with a local contracting agency, such as a Public School, are required to be registered with the State of NJ and provide proof of that registration before the contracting agency may enter into certain contracts or purchase materials from the business.

If you need any additional information or have any questions, please contact me.

Thank you for your assistance.