

REGULATION

**NORTHVALE
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R 6421 – PURCHASES BUDGETED

A. Definitions

1. "Purchasing agent" means the School Business Administrator/Board Secretary of the Board of Education duly assigned the authority, responsibility and accountability for the purchasing activity of the Board and having the power to prepare advertisements, to advertise for and receive bids and to award contracts as permitted by this chapter, but if there be no School Business Administrator/Board Secretary or Business Manager, such officer, committees or employees to whom such power has been delegated by the Board.
2. "Extraordinary unspecifiable services" means services which are specialized and qualitative in nature requiring expertise, extensive training and proven reputation in the field of endeavor.
3. "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 requires 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 may also mean services rendered in the provision or performance of goods or services that are original and creative in character in a recognized field of artistic endeavor.
4. "Aggregate" means the sums expended or to be expended for the provision or performance of any goods or services in connection with the same immediate purpose or task, or the furnishing of similar goods or services, during the same contract year through a contract awarded by a purchasing agent.
5. "Bid threshold" means the dollar amount set in N.J.S.A. 18A:18A-3, above which a Board shall advertise for and receive sealed bids in accordance with procedures set forth in N.J.S.A. 18A:18A-1 et seq.
6. "Contract year" means the period of twelve consecutive months following the award of a contract.



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7. "Competitive contracting" means the method described in sections 45 through 49 of P.L.1999, c.440 (C.18A:18A-4.1 through C.18A:18A-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel or School Business Administrator; and the Board awards a contract to a vendor or vendors from among the formal proposals received.
8. "Goods and services" or "goods or services" means any work, labor, commodities, equipment, materials, or supplies of any tangible or intangible nature, except real property or any interest therein, provided or performed through a contract awarded by a purchasing agent, including goods and property subject to N.J.S.A. 12A:2-101 et seq.
9. "Library and educational goods and services" means textbooks, copyrighted materials, pupil produced publications and services incidental thereto, including but not limited to books, periodicals, newspapers, documents, pamphlets, photographs, reproductions, microfilms, pictorial or graphic works, musical scores, maps, charts, globes, sound recordings, slides, films, filmstrips, video and magnetic tapes, other printed or published matter and audiovisual and other materials of a similar nature, necessary binding or rebinding of library materials, and specialized computer software used as a supplement or in lieu of textbooks or reference material.
10. "Lowest price" means the least possible amount that meets all requirements of the request of a purchasing agent.
11. "Lowest responsible bidder or vendor" means the bidder or vendor: (1) whose response to a request for bids offers the lowest price and is responsive; and (2) who is responsible.
12. "Official newspaper" means any newspaper designated by the Board pursuant to R.S.35:1-1 et seq.
13. "Purchase order" means a document issued by the purchasing agent authorizing a purchase transaction with a vendor to provide or perform goods or services to the Board, which, when fulfilled in accordance with the terms and conditions of a request of a purchasing agent and other provisions and procedures that may be established by the Board, will result in payment by the Board.



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14. "Quotation" means the response to a formal or informal request made by a purchasing agent to a vendor for provision or performance of goods or services, when the aggregate cost is less than the bid threshold. Quotations may be in writing, or taken verbally if a record is kept by the purchasing agent.
 15. "Responsible" means able to complete the contract in accordance with its requirements, including but not limited to requirements pertaining to experience, moral integrity, operating capacity, financial capacity, credit, and workforce, equipment, and facilities availability.
 16. "Responsive" means conforming in all material respects to the terms and conditions, specifications, legal requirements, and other provisions of the request.
 17. "Concession" means the granting of a license or right to act for or on behalf of the Board, or to provide a service requiring the approval or endorsement of the Board, and which may or may not involve a payment or exchange, or provision of services by or to the Board, provided that the term concession shall not include vending machines.
 18. "Proprietary" means goods or services of a specialized nature, that may be made or marketed by a person or persons having the exclusive right to make or sell them, when the need for such goods or services has been certified in writing by the Board to be necessary for the conduct of its affairs.
 19. "Service or services" means the performance of work, or the furnishing of labor, time, or effort, or any combination thereof, not involving or connected to the delivery or ownership of a specified end product or goods or a manufacturing process. Service or services may also include an arrangement in which a vendor compensates the Board for the vendor's right to operate a concession.
- B. All purchasing for the school district will be conducted under the authority of the purchasing agent as defined in N.J.S.A. 18A:18A-2.b. and as designated by the Board.
- C. Any contract, the amount of which exceeds the bid threshold, shall be negotiated and awarded by the Board by resolution at a public meeting without public advertising for bids and bidding therefore if the subject matter thereof consists of:



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1. Professional services. The Board will in each instance state supporting reasons for its action in the resolution awarding each contract and shall forthwith cause to be printed once, in an official newspaper, a brief notice stating the nature, duration, service and amount of the contract, and that the resolution and contract are on file and available for public inspection in the office of the Board;
2. Extraordinary unspecifiable services which cannot reasonably be described by written specifications. The Board will in each instance state supporting reasons for its action in the resolution awarding the contract for extraordinary unspecifiable services and shall forthwith cause to be printed, in the manner set forth in C.1. above a brief notice of the award of such contract;
3. The doing of any work by employees of the Board;
4. The printing of all legal notices; and legal briefs, records and appendices to be used in any legal proceeding in which the Board may be a party;
5. Library and educational goods and services;
6. Food supplies, including food supplies for home economics classes, when purchased pursuant to rules and regulations of the State Board and in accordance with the provisions of N.J.S.A. 18A:18A-6;
7. The supplying of any product or the rendering of any service by a public utility, which is subject to the jurisdiction of the Board of Public Utilities, in accordance with the tariffs and schedules of charges made, charged and exacted, filed with said Board;
8. The printing of bonds and documents necessary to the issuance and sale thereof by a Board;
9. Equipment repair service if in the nature of an extraordinary unspecifiable service and necessary parts furnished in connection with such services, which exception shall be in accordance with the requirements for extraordinary unspecifiable services;
10. Insurance, including the purchase of insurance coverage and consultant services, which exception shall be in accordance with the requirements for extraordinary unspecifiable services;



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11. Publishing of legal notices in newspapers as required by law;
 12. The acquisition of artifacts or other items of unique intrinsic, artistic or historic character;
 13. Those goods and services necessary or required to prepare and conduct an election;
 14. The doing of any work by persons with disabilities employed by a sheltered workshop;
 15. Expenses for travel and conferences;
 16. The provision or performance of goods or services for the support or maintenance of proprietary computer hardware and software, except that this provision shall not be utilized to acquire or upgrade non-proprietary hardware or acquire or update non-proprietary software;
 17. Purchases of goods and services at rates set by the Universal Service Fund administered by the Federal Communications Commission;
 18. Goods and services paid with funds that: are raised by or collected from pupils to support the purchase of pupil oriented items or materials, such as yearbooks, class rings, and a class gift; and are deposited in school or pupil activity accounts; and require no budget appropriation from the Board;
 19. Food services provided by food service management companies pursuant to procedures established by the New Jersey Department of Agriculture, Bureau of Child Nutrition Programs;
 20. Vending machines providing food or drink.
- D. Any contract, the amount of which exceeds the bid threshold, shall be negotiated and awarded by the Board by resolution at a public meeting without public advertising for bids and bidding therefore
1. If the contract is to be made or entered into with the United States of America, the State of New Jersey, county or municipality or any Board, body, officer, agency, authority or Board or any other State or subdivision thereof.



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2. Bids have been advertised pursuant to N.J.S.A. 18A:18A-4 on two occasions and
 - a. No bids have been received on both occasions in response to the advertisement, or
 - b. The Board has rejected such bids on two occasions because it has determined that they are not reasonable as to price, on the basis of cost estimates prepared for or by the prior to the advertising therefore, or have not been independently arrived at in open competition, or
 - c. On one occasion no bids were received pursuant to a. above and on one occasion all bids were rejected pursuant to b. above, in whatever sequence; any such contract may then be negotiated and may be awarded upon adoption of a resolution by a two-thirds affirmative vote of the authorized membership of the Board authorizing such a contract; provided, however, that:
 - (1) A reasonable effort is first made by the Board to determine that the same or equivalent goods or services, at a cost which is lower than the negotiated price, are not available from an agency or authority of the United States, the State of New Jersey or of the county in which the Board is located, or any municipality in close proximity to the Board;
 - (2) The terms, conditions, restrictions and specifications set forth in the negotiated contract are not substantially different from those which were the subject of competitive bidding pursuant to N.J.S.A. 18A:18A-4; and
 - (3) Any minor amendment or modification of any of the terms, conditions, restrictions and specifications which were the subject of competitive bidding pursuant to N.J.S.A. 18A:18A-4 shall be stated in the resolution awarding the contract; provided further, however, that if on the second occasion the bids received are rejected as unreasonable as to price, the Board will notify each responsible bidder submitting bids on the second occasion of its intention to negotiate, and afford each bidder a reasonable opportunity to negotiate, but the Board shall not award such contract



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unless the negotiated price is lower than the lowest rejected bid price submitted on the second occasion by a responsible bidder, is the lowest negotiated price offered by any responsible vendor, and is a reasonable price for such goods or services.

3. Whenever the Board determines that a bid was not arrived at independently in open competition pursuant to subsection c.(2) of N.J.S.A. 18A:18A-5, it shall thereupon notify the county prosecutor of the county in which the Board is located and the Attorney General of the facts upon which its determination is based, and when appropriate, it may institute appropriate proceedings in any State or federal court of competent jurisdiction for a violation of any State or federal antitrust law or laws relating to the unlawful restraint of trade.
 4. The Board has solicited and received at least three quotations on materials, supplies or equipment for which a State contract has been issued pursuant to N.J.S.A. 18A:18A-10, and the lowest responsible quotation is at least 10% less than the price the Board would be charged for the identical materials, supplies or equipment, in the same quantities, under the State contract. Any such contract will be entered into in accordance with N.J.S.A. 18A:18A-5.e. and may be made, negotiated or awarded only upon adoption of a resolution by the affirmative vote of two-thirds of the full membership of the Board at a meeting thereof authorizing such a contract or agreement.
- E. Quotations
1. For all contracts that in the aggregate are less than the bid threshold but fifteen percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection a. of N.J.S.A. 18A:18A-5, except for paragraph (1) of that subsection concerning professional services and paragraph (3) of that subsection concerning work by employees of the Board, the purchasing agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The purchasing agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor.



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2. When in excess of the bid threshold, and after documented effort by the purchasing agent to secure competitive quotations, a contract for extraordinary unspecifiable services may be awarded when the purchasing agent has determined in writing that solicitation of competitive quotations is impracticable. Any such contract shall be awarded by resolution of the Board.
 3. All contracts that are in the aggregate less than fifteen percent of the bid threshold may be awarded by the purchasing agent without soliciting competitive quotations.
 4. Whenever two or more responses to a request of a purchasing agent offer equal prices and are the lowest responsible bids or proposals, the Board may award the contract to the vendor whose response, in the discretion of the Board, is the most advantageous, price and other factors considered. In such a case, the award resolution or purchase order documentation shall explain why the vendor selected is the most advantageous.
- F. Requisitions
1. A requisition for goods and/or services may be originated by any school district employee who perceives a need for such goods and/or services.
 2. The requisitioner will prepare and sign a one part requisition form, filling in the following information:
 - a. Description and quantity of item or service desired;
 - b. Unit price and total amount (actual or estimated) of proposed purchase;
 - c. Desired brand or vendor;
 - d. The building, program, subject, or class in which the goods or service will be used;



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- e. The name and title of the requisitioner; and
- f. The date on which the requisition is filed.
3. Requisitions for lost or stolen equipment must be accompanied by an explanatory report.
4. The requisitioner will retain a copy of the requisition form. One copy of the requisition form will be filed with the Principal or the appropriate supervisor for consideration.
5. The Principal or immediate supervisor will determine:
 - a. The need for the requisitioned goods or services;
 - b. Whether the desired goods or services are presently available elsewhere in the district or are available without cost from another source;
 - c. The appropriateness of the proposed expenditure;
 - d. Whether the requisition can be combined with others for greater efficiency and economy;
 - e. Whether the originator's needs can be better met by an alternate purchase; and
 - f. Whether uncommitted funds remain in the budget allocations to the school or program, sufficient to cover the proposed expenditure.
6. A requisition not approved by the Principal or immediate supervisor will be returned to the requisitioner with the reason for its rejection.
7. When approval is given, the Principal or immediate supervisor will sign and date the requisition, indicate the account to be charged, retain the duplicate copy, and file the original with the business office, for approval.



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8. A requisition that originates with a Principal, immediate supervisor, or central office administrator must be approved by the Board Secretary/Superintendent.
 9. If the Board Secretary/Superintendent denies approval of a requisition approved or originated by a Principal, immediate supervisor, or central office administrator, he or she will so notify the approver or originator with the reason for the denial.
- G. Purchase Orders
1. Before a purchase order is prepared for an approved requisition, the purchasing agent shall determine whether:
 - a. The proposed purchase is exempt from bid in accordance with N.J.S.A. 18A:18A-5;
 - b. If appropriate, vendors' quotations have been solicited in accordance with F above;
 - c. The requisition can be processed without resort to advertisement for bid or solicitation of quotations; or
 - d. The proposed purchase is in excess of the bid threshold and may be Competitively Contracted in accordance with N.J.S.A. 18A:18A-4.5.
 2. A requisition that is not exempt from bid shall be submitted to the purchasing agent for advertisement.
 3. Approved requisitions must be authorized as follows:
 - a. If within the budget and not subject to bid, authorized by the purchasing agent;
 - b. If within the budget and subject to bid, authorized by a Board resolution awarding a contract after bid;
 - c. If not in the budget or in excess of the line item allocation, authorized by the Board or, as permitted by Policy No. 6422 between Board meetings, by the purchasing agent.



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4. To prepare a purchase order, the business office secretary shall
 - a. Verify and enter the account to which the purchase will be assigned;
 - b. Assign a purchase order number to the expenditure;
 - c. Verify and enter the name and address of the vendor;
 - d. Verify and enter the description of the goods and/or services, including, as appropriate, the quality standards of the goods sought;
 - e. Verify as necessary, by telephone call to the vendor or by reference to a catalog, and enter the unit cost of the goods and/or services;
 - f. Extend and total costs;
 - g. Check that the requisition has been properly approved and authorized; and
 - h. Determine and enter the desired delivery date and any necessary delivery instructions.
5. Each purchase order will be completed in full and forwarded to the purchasing agent for approval and signature.
6. The purchasing agent shall encumber the appropriate account in the amount of the purchase order.
7. Copies of the purchase order will be distributed as follows:
 - a. white and yellow copy, to the vendor;
 - b. yellow copy, to the vendor to be signed as a voucher and returned with invoice;
 - c. pink copy, to which the requisition and any quotations received or a copy of the Board resolution awarding bid, as appropriate, are attached, retained by business office and filed alphabetically by vendor;



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- d. gold and blue copy, to the Principal, supervisor, or central office administrator who approved or originated the requisition, to be returned to the business office when the goods and/or services have been received, checked, and approved as satisfactory;
 - e. pink, yellow and blue copy, retained in the business office and filed numerically by purchase order number.
8. A purchase order may be issued to confirm an oral order given to a vendor under bona fide emergency circumstances, pursuant to Policy No. 6422. A confirmation order will be so designated.
9. Open purchase orders may be written for vendors who regularly provide the school district with certain goods and/or services. Any open purchase order may be exempt from the requirement for bidding, must specify a "not to exceed" amount, and must be closely monitored to determine that the aggregate amount of goods and/or services does not exceed the bid threshold in any twelve month period.

H. Payment

Purchases will be paid in accordance with Policy No. 6470 and Regulation No. 6470.

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