

Policy

PURCHASING PROCEDURES

The Chester Board of Education wishes to establish and carry out a careful system of purchasing and accounting to help provide an effective program of education while guarding against loss due to carelessness, inefficiency, theft, or improper maintenance of records.

The duties of purchasing are to be centralized under the qualified purchasing agent, who shall be familiar with and perform all his/her activities within the limitations prescribed by law, board policy and legal opinions.

The board of education encourages the administration to seek advantages in savings through joint agreements for the purchase of work, materials or supplies with the governing body(ies) of other contracting units within this county or adjoining counties or by other cooperative pricing arrangements. The administration shall also evaluate any savings which may result from the purchase of any materials, supplies or equipment under contracts entered into by the state treasury department, division of purchase and property.

The board may use competitive contracting instead of public bidding for purchasing specialized goods and services, the price of which exceeds the bid threshold, for the purposes and with the conditions specified in law.

The board shall approve all unbudgeted purchases over \$5,000.

Nothing is to be ordered independently by school personnel.

The board of education shall not knowingly enter into contract with any company that does not subscribe to and implement a policy of non-discrimination. The board secretary shall be responsible for so informing all prospective suppliers of work or materials.

Purchases Budgeted

It is the policy of the Chester Board of Education that when funds are available, all purchases contemplated within the current budget and not subject to bid be made in a manner that tends toward the insurance of maximum educational value for the district.

All purchases that are within budgetary limits and were originally contemplated within the budget may be made upon authorization of the qualified purchasing agent unless the contemplated purchase is for more than the state allowed limit, in which case prior approval is required from the board. Before the qualified purchasing agent places a purchase order, he/she shall obtain approval from the chief school administrator, check whether the proposed purchase is subject to bid, whether sufficient funds exist in the budget, and whether the material might be available elsewhere in the district.

The qualified purchasing agent shall solicit at least three written quotations from independent sources for the supplies, equipment or services (except professional services) desired whenever possible, and when the contemplated expenditure is 20% of the state allowed limit or more and not made under a state contract. All quotations received shall be attached to and retained with a copy of the resulting purchase order.

In the interests of economy, fairness, and efficiency in its business dealings, the board requires that items commonly used in the various schools or units thereof be standardized whenever consistency with educational goals can be maintained.

PURCHASING PROCEDURES (continued)

Upon the placement of a purchase order, the qualified purchasing agent shall commit the expenditure against a specific line item to guard against the creation of liabilities in excess of appropriations. No items shall be returned to the vendor without first checking with the board office and providing the board secretary with information as to specific items being returned, prices of each item, and method by which return is being made.

Local Purchasing

The Chester Board of Education recognizes its position as a major purchaser in this community. While it is the intention of the board to purchase materials and supplies of quality at the lowest possible cost through widespread competition, if all other considerations are equal, the board prefers to purchase within the district from established local merchants.

The board authorizes the qualified purchasing agent responsible for district purchasing to award purchases placed in accordance with this policy and all policies of the board otherwise applicable to local merchants when:

- A. Their quotation is competitive;
- B. Freight charges are a factor;
- C. Maintenance service may be required;
- D. Promptness of delivery is a consideration provided that all statutes pertaining to public purchasing are duly observed.

Purchases Not Budgeted

In accordance with law and the interests of this community, the board shall exercise fiscal responsibility in the operation of the school district. Appropriate fiscal controls are hereby adopted to insure that public monies are not disbursed in amounts in excess of the appropriations provided this district. In as much, as the public approved the boards request for funding of certain projects and programs the board believes that the budget, as presented, needs to be adhered to whenever possible. The board recognizes that this is not always possible due to the timelines involved in developing the budget.

The chief school administrator shall approve the purchase of unbudgeted items up to \$5000. Unbudgeted purchases in excess of \$5,000, in each instance, shall be board approved before the purchase order is issued.

When funds are not available for a proposed appropriation, a legal transfer from one program account to another within major accounts must be made by the board if it is apparent that the necessary surplus funds do exist in another program account and it can be demonstrated the proposed expenditure would be educationally warranted in the current fiscal year.

Emergency Purchases

In the event of an emergency (which exists whenever the time required for the board to act in accordance with regular procedures would endanger life or property or threaten the continuance of existing school classes), a purchase order up to the amount of the state allowed limit may be authorized by the board president, board secretary, or chief school administrator. It is not intended by this policy that "emergencies" be permitted to occur as a result of inadequate planning, delay, etc.

When budgeted funds are allocated on a building basis, the total amount so budgeted may not be exceeded

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without prior approval as noted above, but the amount budgeted to each program for a building may be exceeded if a like amount is deleted from another program of that building by the authority of the secretary.

Any expenditure in excess of appropriation made in conformance with this policy shall be reported to the board at the next meeting with a recommendation of funds to be transferred to cover said purchase.

Purchases Subject To Bid

It is the policy of the Chester Board of Education that the public good be the primary consideration in determining bidding requirements. In order to do so the bidding procedures shall provide equal opportunity to each responsible vendor to furnish supplies and equipment and to keep the administration, board, and public informed on business matters. Further, purchases shall, whenever possible, be on an aggregate basis and not be intentionally split to avoid requirements for competitive bidding.

The chief school administrator and/or business administrator shall identify those items for which competitive bids must be obtained to insure compliance with State statutes and to delegate the authority necessary to conduct the bidding procedures in an orderly and efficient manner.

All supplies, equipment and services procured by the district whether by purchase, contract or agreement including acquisition by sale, lease, exchange, discount, negotiation, mortgage, pledge, lien, issue or reissue or any other voluntary transaction for consideration creating an interest in property not made by contract or agreement be subject to bidding whenever the aggregate value of such purchase exceeds the state allowed limit within one fiscal year unless exempted by law.

Bid specifications shall be prepared by the qualified purchasing agent who may prepare bids in the alternative. Each bid specification shall indicate the Board's right to reject all bids and to re-advertise and to accept reasonable equivalents.

The qualified purchasing agent is authorized to advertise for bids in accordance with statutory procedures without prior approval of the board but shall inform the board of this action at the meeting next following such action. Records shall be kept in sufficient detail to show that a reasonable number of qualified vendors were invited to bid.

Bids shall be opened publicly by the qualified purchasing agent before one or more witnesses at a previously designated time and place. Contracts shall be awarded to the lowest responsible bidder upon resolution of the board, unless the board chooses to reject all bids, to re-advertise, or to purchase under a State contract.

Whenever a contractor shall submit a bid for the performance of work and the contractor later claims a mistake, error or omission in preparing said bid, the contractor shall before the bids are open make known the fact, and in such case, the bid shall be returned unopened.

The board may by resolution approved by a majority of the board and subject to provisions of statute disqualify a bidder who would otherwise be determined to be the lowest responsible bidder. This disqualification can be based on prior negative experience with the district or with any other board of education or the New Jersey Economic Development Authority.

Adopted:	January 14, 2003
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Key Words

Purchasing Procedures, "Set Aside" Contracts, Nondiscrimination, Affirmative Action, Vendors Purchases

PURCHASING PROCEDURES (continued)

Budgeted, Local Purchasing, Purchases Not Budgeted, Emergency Purchases, Purchases Subject To Bid

<u>Legal References:</u>	<u>N.J.S.A. 10:5-1 et seq.</u>	Law Against Discrimination
	See particularly:	
	<u>N.J.S.A. 10:5-31</u>	
	through -35	
	<u>N.J.S.A. 18A:18A-1 et seq.</u>	Public School Contracts Law
	<u>N.J.S.A. 18A:19-1 et seq.</u>	Expenditure of Funds; Audit and Payment of Claims
	<u>N.J.S.A. 52:32-44</u>	Business registration for providers of goods and services (definitions)
	<u>N.J.A.C. 6A:7-1.8</u>	Equity in employment and contract practices
	<u>N.J.A.C. 6A:23A-1.2</u>	Definitions
	<u>N.J.A.C. 6A:23A-16.5</u>	Supplies and equipment
	<u>N.J.A.C. 6A:23A-20.4</u>	Ownership and storage of textbooks
	<u>N.J.A.C. 6A:23A-21.1 et seq.</u>	Management of Public School Contracts
	<u>N.J.A.C. 6A:27-9.1 et seq.</u>	Contracting for Transportation Services
	<u>N.J.A.C. 6A:30-1.1 et seq.</u>	Evaluation of the Performance of School Districts

20 U.S.C.A. 1681 et seq. - Title IX of the Education Amendments of 1972

42 U.S.C.A. 2000e et seq. - Title VII of the Civil Rights Act of 1964 as amended by the Equal Employment Opportunities Act of 1972

29 U.S.C.A. 794 et seq. - Section 504 of the Rehabilitation Act of 1973

Possible

<u>Cross References:</u>	*2224	Nondiscrimination/affirmative action
	3300	Expenditures/expending authority
	*3326	Payment for goods and services
	*3327	Relations with vendors
	*3570	District records and reports
	3571	Financial reports

*Indicates policy is included in the Critical Policy Reference Manual.