

# THE RICHARD STOCKTON STATE COLLEGE OF NEW JERSEY

## PURCHASING PROCEDURES

### 1.0 Purpose

All College purchases must be made within the regulations established by the Board of Trustees on October 15, 1986, and by Title 18A, Chapter 64 of the New Jersey Revised Statutes, commonly referred to as the State College Contracts Law. This policy prescribes the parameters within which all College purchases are to be made. The procedures establish the internal processing system for all acquisitions of goods and services and are issued for the guidance of all administrative officers and personnel employed by the College.

### 1.1 Objectives

The primary objectives of College purchasing policies are to:

- A. maximize the use of the taxpayer's dollar;
- B. ensure that full value is received for dollars spent;
- C. foster competition in the procurement process;
- D. prevent corruption and favoritism and ensure the integrity of the purchasing system; and
- E. attempt to secure the best possible price.

### 2.0 Definitions

- A. Bid: the formal submission of an offered price for the goods or services being sought by the College. A bid is submitted to the College in writing, in a sealed manner, and opened in public at an advertised time and place.
- B. Bid Waiver: a statutorily created category of items that may be purchased without a formal advertising of a public bid.
- C. Board of Trustees: means the board of a State college.
- D. Contracting agent: means the business officer of the State college having the power to prepare advertisements, to advertise for and receive bids, and to make awards for the State college in connection with the purchases, contracts or agreements permitted by this article or the officer, committee or employee to whom the power has been delegated by the State college.
- E. Contracts: means contracts or agreements for the performance of work or the furnishing or hiring of services, materials or supplies, as distinguished from contracts of employment.

- F. Direct Pay: payment to vendor/employee processed through Accounts Payable. A payment for travel, employee reimbursement, honorariums, memberships, and Contracts between \$3000.00 and \$6,599.99 would be direct pays not purchase orders.
- G. Extraordinary Unspecifiable Services: means services or products which cannot be reasonably described by written specifications.
- H. Information technology: means telecommunication goods and services, including, but not limited to, software, hardware and systems implementation and support for voice, data and video.
- I. Legal newspaper: means a newspaper circulating in this State which has been printed and published in the English language at least once a week for at least one year continuously.
- J. Materials: includes goods and property subject to Chapter 2 of Title 12A of the New Jersey Statutes, apparatus or any other tangible thing, except real property or any interest therein.
- K. 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 also means services rendered in the performance of work that is original and creative in character in a recognized field of artistic endeavor.
- L. Project: means any work, undertaking, construction or alteration.
- M. Purchase Order: after all the processes have been completed leading up to the awarding of an order, the document known as the purchase order is then printed. The purchase order is a formal document detailing specifically what is to be purchased, terms, the supplier, ship to information, and all necessary data to complete ordering instructions to the vendor. Purchase Orders should be done for tangible goods, advertising, services, and construction.
- N. Purchases: are transactions, for a valuable consideration, creating or acquiring an interest in goods, services and property except real property or any interest therein.
- O. Quotation: the offering of a price for goods or services being sought by the College. A quote may be verbal, faxed, or written and maybe rescinded by the vendor before acceptance of a contract. Requesting quotations is a less formal procedure than a request for bids.
- P. Requisition: the initial request as approved by the Budget Unit Manager to the Purchasing Department, for the procurement of goods and/or services. The requisition must contain all pertinent data needed by a vendor to fill the department's request. Requisitions can be regular or standing (Blanket)
- S. Sole Source: A sole source purchase request cannot be considered unless it is clearly demonstrated that no other similar product and/or service can meet the department's needs. Brand preference or time issues may not be used as a reason to bypass normal requisition procedures. When a requisition states "sole source", a form (located on the Purchasing website) must be completed

and sent to the Purchasing Department with any other information about the purchase.

- T. Standing Order: A standing (blanket) purchase order is an encumbrance for a set amount of money for small purchases, in most cases, to local vendors. No purchase for \$500.00 or more should be purchased on a standing order. The standing order is setup by the Department for convenience, so a requisition does not have to be completed for every small purchase.
- Q. State College: means an institution of higher education established pursuant to Chapter 64 of Title 18A of the New Jersey Statutes.
- U. State Contract: items widely used among State agencies for which the Department of Treasury Bureau of Purchasing has conducted a formal public bid for the benefit of all State agencies, including the State Colleges.
- V. Work: includes services and any other activity of a tangible or intangible nature performed or assumed pursuant to a contract or agreement with a State College.

### 3.0 Procedures

- A. Purchasing is under the supervision of the Associate Vice President for Operations. The Associate Vice President has designated immediate supervision to the purchasing supervisor, who has day-to-day responsibility for all College purchasing and contracting and supervision of the Purchasing Department.
- B. The College purchasing policy does not allow any Board member or employee of the College to order equipment, materials, or services without written authorization from the Vice President or designee. Ordinarily, a signed copy of an approved purchase order, as defined in Section 2.0, shall serve as this authorization. However, certain types of purchases, generally in the services category, may be procured directly by Budget Unit Managers and processed through the Accounts Payable Department, using the procedure known as Direct Pay. See Addendum 1 for a listing of the methods of making a purchase at Stockton, how to choose the appropriate method, what approvals and documentation are needed, and how much lead-time to allow for processing.

**Expenditures made without required approvals, as outlined in this document, will be considered unauthorized purchases. Documents will not be processed and will be returned to the employee responsible. Employees may be held personally liable for payment of unauthorized purchases unless they can provide a letter of justification signed by the Vice President of their Division stating why the purchase was made in violation of the process. Employees may also be subject to disciplinary action.**

C. All College purchasing will comply with State laws and regulations in effect at the time of the purchase. See Addendum 3 for applicable statutes.

3.1 Required Approvals

The requirements in Sections 3.2, 3.3, and 3.4 are subject to electronic internal approval as noted below:

Purchasing Supervisor or designee:	up to \$49,999
Associate V.P. of Finance:	\$50,000 to \$499,999
College President:	over \$500,000

3.2 Items on New Jersey State Contract

The New Jersey Department of the Treasury, Bureau of Purchasing, regularly conducts bids for goods and services widely used among state agencies. New Jersey State contracts may be used for procurement if they offer the best price. Some State contracts, however, may be outdated or not suitable to the College's needs; often, goods and services may be purchased at more competitive prices and terms (such as time, delivery and install costs) through the bid process. Departments are strongly encouraged to preserve and maximize the use of their department funds by searching for and obtaining the best price and terms available.

If a Department determines that the items on State contract are offered at the best available price and terms, then the item may be purchased without conducting a public bid. All that is required is a properly executed requisition and purchase order approved by the Purchasing Department.

Each State contract is assigned a contract number by the Department of Treasury Purchase Bureau. This number must appear on all associated requisitions and purchase orders, thereby establishing a trail through the College's Banner system and facilitating reporting and control.

3.3 Quotations for Non-State Contract Purchases Under \$33,000

Purchases, contracts, or agreements for materials, supplies, work, etc., that do not exceed \$33,000 in any fiscal year may be made, negotiated, and awarded by soliciting quotes from vendors without a formal public advertising for bids.

The following requirements apply to the various bid threshold categories:

- |                     |                         |
|---------------------|-------------------------|
| A. \$0 - \$6,599.99 | No competition required |
|---------------------|-------------------------|

- |                          |                                                                                                               |
|--------------------------|---------------------------------------------------------------------------------------------------------------|
| B. \$6,600 - \$32,099.99 | Three (3) written or faxed quotes are required or as determined by the Purchasing Department.                 |
| C. Over \$33,000         | Formal advertised bid will be coordinated through the Purchasing Department or a bid waiver will be required. |

The Purchasing Department reserves the right to seek additional and/or price competition on all purchasing requests.

### 3.4 Non-State Contract Purchases in Excess of \$33,000

A purchase, contract, or agreement exceeding \$33,000 can only be awarded after a written, sealed public bid, unless it is for a statutorily waived item of the type listed in Section 3.5 or an item on State contract as defined in Section 3.2.

Publicly bid contracts may be made for a period of up to thirty-six (36) consecutive months; a limited number of contract services may be made for a period of up to five (5) years, and ten (10) years for energy contracts.

Development of the formal bid, and the attendant specifications, are the responsibility of the Purchasing Department, which may ask for the requisitioner's assistance in the writing of the bid document. Each bid document is to be tailored to meet the specific needs of the purchase.

By statute, the bid must be advertised at least once in the newspaper in general circulation in the county at least ten (10) days prior to the day fixed for receiving bids. Addendums must be advertised seven (7) business days prior to the bid opening. In addition to the placement of advertising, the Purchasing Department may post the bid announcement on its website. Bid documents may also be sent directly from the Purchasing Department to identified potential vendors.

Bids are opened and read aloud by Purchasing at the time and place specified in the advertisement and bid document. The bids are available for public inspection at the bid opening or at a later date under reasonable rules set by the Purchasing Department.

The College reserves in the advertisement and bid documents the right to reject any and all bids. The College also reserves the right to require bid security in an amount not to exceed ten percent (10%) of the base bid for goods and services, but not in excess of \$20,000, as security to hold the successful bidders' price, the bid security requirement for construction projects is ten percent (10%) of the bid. The bid security may be rendered through certified check, cashier's check, or bid bond at the bidder's option.

The standard for awarding bids for goods and services is: "...that responsible bidder, whose bid, conforming to the invitation for bids, will be most advantageous to the State college, price and other factors considered." The Board delegates its authority to the President, or his designee, to approve and execute contracts and agreements for the purchase of material supplies, and services and for the construction of buildings and other improvements.

The standard for awarding bids for construction contracts is: "...to the lowest responsible bidder, whose bid, conforming to the invitation for bids, will be the most advantageous to the State college." Bids not responsive to requirements will be declared void.

Following the review of bids and the award of a contract, all vendors are given written notification of the award and have three (3) days from the date of the award to enter a protest. Upon receipt of a written appeal, the Purchasing Department may grant the objecting vendor a hearing; see section 4.5 for further information.

### 3.5 Waiver of Bidding Procedures

- A. The State College contracts law allows for the waiver of public bidding procedures for purchases over \$33,000 under certain circumstances. Generally speaking, the State legislature has determined that in limited situations the objectives of conducting a public bidding process may not be advanced or may not always produce the best possible outcomes for the College. Despite this statutory latitude, the Associate Vice President for Operations may, however, determine that it is in the best interest of the College to forego the waiver process and conduct a formal public bid.

Bid waiver requests must meet statutory definitions. If all conditions are met, a bid waiver form must be completed and submitted to the Purchasing Department for approval by resolution of the Board of Trustees. Upon approval by the Board, the bid waiver is assigned a unique five-digit number. This waiver number must appear on all associated requisitions and purchase orders, thereby establishing a tracking mechanism through the College's Banner system and facilitating reporting and control.

Questions about bid waivers should be directed to the Purchasing Department.

- B. The three (3) broad categories of bid waivers are those that pertain to: 1) certain goods and services; 2) contracts or agreements with other public entities; and 3) public bids that have failed to produce a viable outcome for the College.

1. Certain Goods and Services: The following items may be purchased without the solicitation of bids if, in the judgment of the Vice President for Administration and Finance, the vendor recommended on the requisition appears to be offering satisfactory material or services at a reasonable price. A college purchase order, when required, shall be approved by the Purchasing Department. These items include:

1. Professional services; or
2. Extraordinary unspecifiable services and products which cannot reasonably be described by written specifications, subject, however, to procedures consistent with open public bidding whenever possible; or
3. Materials or supplies which are not available from more than one potential bidder, including without limitation materials or supplies which are patented or copyrighted; or
4. The doing of any work by employees of the State college; or
5. The printing of all legal notices and legal briefs, records and appendices to be used in any legal proceeding to which the State college may be party and the use of electronic data or media services, including the internet, for the printing of these legal notices and legal briefs, records and appendices; or
6. Textbooks, copyrighted materials, student produced publications and services incidental thereto, library materials including without limitation 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 library services, including electronic databases and digital formats; or
7. Food supplies and services, including food supplies and management contracts for student centers, dining rooms and cafeterias; or
8. The supplying of any product or the rendering of any service by the public utility which is subject to the jurisdiction of the Board of Public Utilities, in accordance with tariffs and schedules of charges made, charged and exacted, filed with that board; or
9. Equipment repair service if in the nature of an extraordinary unspecifiable service and necessary parts furnished in connection with the services; or
10. Specialized machinery or equipment of a technical nature which will not reasonably permit the drawing of specifications, and the procurement thereof without advertising is in the public interest; or
11. Insurance, including the purchase of insurance coverage and consulting services, which exceptions shall be in accordance with the requirements for extraordinary unspecifiable services; or
12. Publishing of legal notices in newspapers as required by law and the use of electronic data or media services, including the internet, for the publication of the legal notices; or

13. The acquisition of artifacts or other items of unique intrinsic, artistic or historic character; or
14. The collection of amounts due on student loans, including without limitation loans guaranteed by or made with funds of the United States of America, and amounts due on other financial obligations to the State college, including but not limited to, the amounts due on tuition and fees and room and board; or
15. Professional consulting services; or
16. Entertainment, including without limitation theatrical presentations, band and other concerts, movies and other audiovisual productions; or
17. Contracts employing funds created by student activities fees charged to students or otherwise raised by students and expended by student organizations; or
18. Printing, including without limitation catalogs, yearbooks and course announcements and the production and reproduction of such material in electronic and digital formats, including compact discs; or
19. Information technology; or
20. Personnel recruitment and advertising, including without limitation advertising seeking student enrollment; or
21. Educational supplies, books, articles of clothing and other miscellaneous articles purchased by a State college for resale to college students and employees; or
22. Purchase or rental of graduation caps and gowns and award certificates or plaques; or
23. Items available from vendors at costs below State contract pricing for the same product or service, which meets or exceeds the State contract terms or conditions; or
24. Management contracts for bookstores, performing arts centers, residence halls, parking facilities and building operations; or
25. Consulting services involving information technology, curricular or programmatic review, fund raising, transportation, safety or security; or
26. Construction management services for construction, alteration or repair of any building or improvement; or
27. Purchase or rental of equipment of a technical nature when the procurement thereof without advertising is necessary in order to assure standardization of equipment and interchangeability of parts in the public interest.
28. Contracts with other governmental agencies
29. After receiving no bids or having rejected bids on two occasions

2. Contracts or Agreements with other Public Entities: Any contract, agreement with the United States of America, the State of New Jersey, a county, municipality or any board, body or officer, agency, college or authority, or any other state or subdivision thereof may be entered into without public bidding.

1. Joint Purchasing Agreements

The Board of Trustees of two or more State colleges may provide jointly by agreement for the purchasing of work, materials, and supplies for their



respective colleges and also may, enter into a joint purchasing agreement with other units of State or local government.

Joint agreements shall set forth the categories of work, materials, or supplies to be purchased, the manner of advertising for bids and of awarding of contracts, methods of payment by each participating State college or other governmental unit, and other matters deemed necessary to carry out the purposes of the agreement.

Funds for each participant share of expenditures for purchases under any joint agreement shall be appropriated and paid in the manner set forth in the agreement and in the same manner as appropriations are made for other expenses of the participant.

3. Failed Public Bids: The College has advertised for bids pursuant to Section 4 of the State Contract Laws on two occasions and (i) has received no bids on both occasions in response to its advertisement, or (ii) has rejected the bids on two occasions because the College has determined that they are not reasonable as to price, on the basis of cost estimates prepared for or by the College prior to the advertising therefore, or have not been independently arrived at in open competition, or (iii) on one occasion no bids were received pursuant to (i) and on one occasion all bids were rejected pursuant to (ii), in whatever sequence; any contract or agreement may then be negotiated by a two-thirds affirmative vote of the authorized membership of the Board of Trustees authorizing the contract or agreement, provided that:

1. A reasonable effort is made by the contracting agent to determine that the same or equivalent materials or supplies at a cost which is lower than the negotiated price are not available from any agency or authority of the United States, the State of New Jersey, or of the county in which the College is located, or any municipality in close proximity to the College;
2. The terms, conditions, restrictions, and specifications set forth in the negotiated contract or agreement are not substantially different from those which were the subject of competitive bidding.
3. Any minor amendment or modification of any of the terms, conditions, restrictions, and specifications, which were the subject of competitive bidding, shall be stated in the resolution awarding the contract or agreement. However, if, on the second occasion the bids received are rejected as unreasonable as to price, the College shall notify each responsible bidder, submitting bids on the second occasion of its intention to negotiate and afford each bidder a reasonable opportunity to negotiate. The College shall not award the contract or agreement 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

reasonable vendor, and is a reasonable price for the work, materials, supplies, or services.

Whenever the College shall determine that a bid was not arrived at independently in open competition, it shall thereupon notify 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 trade.

### 3.6 Bid Specifications

- A. All specifications for any purchase, contract, or agreement shall be drafted in such a manner to encourage free, open, and competitive bidding. Detailed specifications will be included with Request for Bid Proposal packets.
- B. Per Executive Order #11 passed in 2007, The College shall procure energy efficient products and equipment, renewable energy products, recycled products, low toxicity products and alternatives to products that contain mercury, lead, or other persistent bioaccumulative toxics (PBT's), and other products manufactured through environmentally sustainable methods. The College shall select ENERGY STAR energy-efficient products when acquiring new energy-using products or replacing existing equipment.

Notwithstanding Section B above, a bid may not:

- 1. require a standard, restriction, condition, or limitation not directly related to the purpose, function, or activity for which the purchase, contract, or agreement is made; or
- 2. require that any bidder be a resident of, or that the bidder's place of business be located in, the county in which the purchase will be made or the contract or agreement performed, unless the physical proximity of the bidder is requisite to the efficient and economical purchase or performance of the contract or agreement; or
- 3. discriminate on the basis of race, religion, sex, or national origin; or
- 4. require with regard to any purchase, contract, or agreement the furnishing of any "brand name," although specifications may in all cases require "brand name or equivalent" nor shall materials or supplies which are patented or copyrighted be specified unless the resolution authorizing the purchase, contract or agreement sets forth the manner in which the special need for the patented or copyrighted materials or supplies is directly related to the performance or purpose for which the purchase, contract, or agreement is made; or
- 5. fail to include any option for renewal, extension, or release which the State college may intend to exercise or require; or
- 6. fail to include any terms and conditions necessary for the performance of any extra work; or

7. fail to disclose any matter necessary to the substantial performance of the contract or agreement.

C. Any specification adopted by the College which knowingly excludes prospective bidders by reason of the impossibility of performance, bidding, or qualification by any but one bidder, except as provided herein, shall be null and void and of no effect, and the purchase contract or agreement shall be re-advertised, and the original purchase, contract, or agreement shall be set aside by the Vice President.

#### 4.0 Requisition Procedures

##### 4.1 Vendor Registration and Entering into Vendor Database

Pursuant to N.J.S.A. 52:32-44 vendors providing goods or services with a value of \$4950.00 or more to the College in any single fiscal year must be registered with the Department of Treasury. Effective September 1, 2004, the College is prohibited from entering into a contract or purchase order for \$4950.00 or more with an entity unless the vendor has provided a copy of its business registration certificate.

To facilitate the input of new vendors into the College vendor database, end users should supply the Purchasing Department with the vendor's name, address, copy of W-9, and business registration certificate and, if possible, phone number, fax number, and Federal Identification number. When all documentation is verified, the vendor will be entered into the Banner vendor database. Allow a 7-10-day time frame to process vendor entry requests.

##### 4.2 Certificate of Insurance

Prior to the issuance of a Purchase Order, a certificate of insurance must be on file with the Purchasing Department for any work or service where the vendor will be on College property. The minimum types and amounts of insurance coverage required by the College are posted on the Purchasing website (Addendum 5). The requisitioning Department should "e-mail" the Purchasing Department, who will then contact the vendor to obtain the necessary documentation. Once Purchasing receives the certificate of insurance, notification will be made to the requestor so a requisition can be entered into Banner. Purchasing has a certificate of insurance database and will maintain and update as necessary.

#### 4.3 Initiating the Purchase

The individual requesting a purchase (the requisitioner) completes an electronic, requisition on the Banner system. This procedure requires the approval of the respective Budget Unit Manager. The Budget Unit Manager's approval indicates agreement for the need to purchase the item being requested and that funds are available. The requisition will be electronically forwarded to the Purchasing Department.

#### 4.4 Preparation of the College Requisition

A. Requisitions are prepared electronically through the College's Banner system. Requisitions can be regular or standing (blanket) orders. Standing orders are set up in most cases with local vendors so the Departments can purchase items on an as-needed basis. Attached to this document (Addendum 1) is a chart showing the methods of making purchases and the approval process.

It is important that the requisition be complete and clear and leaves no doubt as to the exact specifications of the desired items. The requisition must show any discounts, and installation fees. Current catalogs, State contracts, and brochure files are available at the Purchasing Office in limited quantities for use in research of products or services.

B. The required delivery date must be entered as a Banner field to process the transaction, but will not serve to advance the speed of delivery. Exigent circumstances should be brought to the attention of the Purchasing Department.

C. Suggested vendors must be indicated and the cost or reasonable approximation thereof be given. The description provided in the requisition must be complete enough to cover the following important facts:

- a. Manufacturer;
- b. model number/part number;
- c. item name;
- d. size overall;
- e. freight charge;
- f. electrical or gas requirements (see D. below);
- g. warranties and/or guarantees;
- h. color;
- i. with or without certain option;
- j. fabric, grade, and type;
- k. accessories included;
- l. supplies needed to operate equipment; and
- m. when appropriate, chemical composition including recommended disposition.

- D. The following factors must be considered when requisitioning an item(s):
- a. Safety: some safety requirements to consider are:
    - i. fireproofing,
    - ii. special guards,
    - iii. explosive proof parts in paint areas,
    - iv. special safety features of equipment,
    - v. basic design of equipment does not lend itself to accident,
    - vi. compliance with Right-To-Know Act (please supply MSDS into central file in Natural Sciences and Mathematics).
  - b. Electrical Requirements: all equipment orders which may affect the operation of any College utility (e.g., gas, electric, telephone, HVAC, etc.) must be reviewed by Plant Management or Telecommunications prior to the issuance of any purchase order. This review is necessary in order to avoid large utility cost upgrades that may be necessary to operate the requested equipment. Please forward to Plant Management any technical (utility) specifications to expedite this review.
  - c. Size and Weight: when ordering items, make sure that size is not so great that locating equipment in the building would require destruction of any walls, etc. Always consider using elevator capacity to determine size and loading requirements. The size of stairways should also be considered, as well as any doors, halls, etc.
  - d. Installation: if possible, make sure installation is included in the overall price. Do not assume that you have bought an installed item. Do not assume that Plant Management will be able to install the item in time for use.
  - e. Assembly: are the items requested assembled or not? Make sure assembly questions are addressed before ordering.
- E. The College is exempt from paying the New Jersey Sales Tax under the New Jersey Sales and Use Tax Act as provided in N.J.S.A 54:32 B-1. Form ST-4 (Addendum 4) is used for that purpose and is available upon request from the Purchasing Department. The College's Federal Employer Identification Number (EIN) is 22-2832788.
- F. Delivery, freight, shipping, and handling charges must be added to the requisition as the last line item. Except where provided by contract or as a result of bidding, most companies' delivery terms are "F.O.B. Origin, which means that the College pays for any freight or shipping charges.
- G. Spending object codes must properly describe the service or commodity to be purchased. Reference the current Account Codes, which are reviewed annually. Purchasing reserves, the right to change object codes as appropriate.

- H. Allow sufficient time for processing of the requisition and delivery of the materials and services. If the item to be purchased requires formal bidding, the lead-time required to place an order could take up to sixty (60) days or more.

#### 4.5 Processing of Purchases

##### A. For Purchases Not to Exceed \$33,000

- a. Requisitioning department must prepare a requisition detailing the complete description of item, specifications required for that item, estimated price, and suggested vendor (if known). Vendor and price information for State contract vendors as well as other vendors are available through the Purchasing Department.
- b. Requisitions must be approved by the Budget Unit Manager and/or the Divisional Vice President of the department making the request.
- c. The approved requisition is electronically transmitted to the Purchasing Department, who will determine if the item is subject to quotation procedures as outlined in Section 3.3.

- i. If the item is not subject to quotation procedures:

- 1. The Purchasing Department may award the contract to any qualified vendor who can provide this item or service more efficiently or expeditiously due to the nature of the item or service. These items, which can be awarded without soliciting quotations, are items less than \$6,600.

- ii. If the item has been previously awarded to a vendor through State contract, the Purchasing Department may utilize this vendor by issuing to the vendor a purchase order with item description and item price - as previously negotiated. The College must be notified of any exceptions to the terms within ten (10) days of receipt of the purchase order by the vendor.

- iii. If the item has not been previously awarded to a vendor through State contract, the Purchasing Department will follow procedures below:

- 1. \$0-\$6,599.99: determine that the item is not subject to quotation procedures and will award to a responsible vendor.
      - 2. \$6,600 - \$32,999.99: hold the requisition and ask the originating department to supply to the Purchasing Department three (3) written or faxed quotes. These quotes can be obtained by the originating department if potential vendors are known; or vendors and their quotes may be solicited by the Purchasing Department

The Purchasing Department will award the purchase to a responsible vendor. If the award is made to a vendor other than the lowest quote submitted a statement of explanation must be kept on file.

The Purchasing Department will submit to the awarded vendor a purchase order.

If less than three (3) quotes are received, the Purchasing Department may make the award based upon quotations received or solicit additional quotations at the Purchasing Department's discretion.

3. Any responsible vendor has the opportunity to bid competitively for College contracts. Facts influencing the decision as to whether or not a prospective vendor is responsible may be included, but need not be limited to the following:

- Registered vendor through the Division of Revenue State of New Jersey
- Quality of products normally sold
- Prior experiences with the vendor
- Number of years in business
- Size of staff, inventory
- Other accounts served by vendor
- Financial stability of vendor
- Response time to order

Quality, service, and price are essential considerations in selecting a vendor. Geographic location is relevant only to the extent that it may affect response time.

In most instances, a requisitioner's use of a brand name will be considered only to the extent that it defines the essential specifications that must be met. Use of a brand name may not be exclusionary; all quotations and bids, if they specify a brand name at all, must indicate that the College desires to purchase the given brand or an equivalent. The final selection of brand and vendor will be made by the Purchasing Department, after due consideration of the requisitioner's preferences, particularly in regard to educational materials.

B. For Purchases Estimated to be Greater Than \$33,000 - Not On State Contract

1. Requisitioning Department must complete a ***REQUEST FOR A RFP/BID FORM*** (Addendum 7) with specifications detailing the complete description of item, estimated price, and suggested vendor(s) (if known). Provide a list of candidates for the Evaluation Committee responsible to identify factors to be included in the RFP/BID for determining the lowest responsible bidder. Purchasing will prepare a draft Request For Proposal/Bid (RFP/RFB). The requisitioning department will review the draft RFP/RFB.

If the item is subject to bidding procedures, the Purchasing Department will make the determination whether bids have previously been solicited by the State and if the State has awarded and contracted with the vendor for the item requested.

If the item has been previously awarded to a vendor through a State contract, the Purchasing Department may utilize this vendor by submitting to the vendor a copy of the purchase order with item description and item price, previously negotiated. The College must be notified within ten (10) days receipt of the purchase order by the vendor of any exceptions to the previously negotiated terms.

If the item has not been previously awarded to a vendor through a State contract, the Purchasing Department will, in consultation with the originating department, prepare a RFP or bid.

2. Once the RFP/BID is completed the Purchasing Department will prepare the advertisement. The RFP/BID will be posted on the Purchasing Department's website under the Current Request for Proposal page on the day the Ad runs.
  - a. The bid advertisement will be published in a legal newspaper sufficiently in advance to allow, for competitive bidding but, in no event, less than ten (10) days prior to the bid award date.

The advertisement shall designate:

- i. The specifications, describing the goods/services requested. If space prevents the listing of the full specifications, a contact at the College shall be named to make available full specifications to any prospective responsible vendor.
- ii. If brand names are specified, the term "equivalent" must be stated.
- iii. The manner of submitting and of receiving bids.
- iv. Laws against discrimination and requirements for vendor registration.



- v. An addendum must be advertised seven (7) business days prior to the bid opening date.
- b. Formation of Evaluation Committee:
  - i. The Purchasing Supervisor shall appoint an Evaluation Committee to review all Requests for Proposal/Bid for construction or purchase of goods and services and to evaluate bids in accordance with State College Contract law. The following procedure shall be used for the formation of the Evaluation Committee.
    - 1. The department requesting services to be bid must complete a *REQUEST FOR A RFP/BID* form (Addendum 7) provided by the Purchasing Department.
    - 2. The requesting department shall list on the form the names of two (2) candidates, at a minimum, for the Evaluation Committee that have relevant financial or technical experience or expertise necessary to evaluate the RFP/BID.
    - 3. Construction bids shall include the Budget Unit Manager and Project Manager; bids for goods and services shall include the Budget Unit Manager, and a staff person or consultant proficient in use of products/services being requested.
    - 4. The Purchasing Supervisor will make the appointment from the list; notify the candidates about their appointment; and schedule all meetings for review of the RFP and bids.
    - 5. The Evaluation Committee shall be responsible to identify any factors, in addition to price, to be included in the RFP/BID, and the criteria to be used to evaluate those factors, to determine the lowest responsive bidder.

**NOTE: Individuals and Departments representing the College must not communicate directly with bidders when the Purchasing Department has issued a request for proposal. A challenge (bid protest) to the integrity of the bid process can occur when departments interact directly with vendors during the competitive bidding process.**

- c. The Return of Bids
  - All bids received by the College must:
    - i. Be time stamped for each envelope received
    - ii. Sorted by College bid reference number
    - iii. Remain sealed until the announced opening day and time
- d. The Opening of the Bids
  - On the designated date and time, the Purchasing Department shall publicly receive the bids and immediately proceed to unseal them and publicly announce the contents in the presence of any parties bidding or their agents who are then and there present. No bids shall be

received after the time designated in the advertisement or bid request form. All unsigned bids will be rejected.

e. Bid Review and Award

- i. The Purchasing Department will review the bids received. All responsive bidders will be given to the Evaluation Committee to review the bids.
- ii. The Evaluation Committee shall review construction bids based on the lowest price, conforming to the invitation to bid, and goods and services bids based on price plus its evaluation of any additional factors identified in the RFP/BID, by using the criteria established in the RFP/BID to assist in that determination.
- iii. The Evaluation Committee shall provide in writing their recommendation and how they came to that decision and any evaluation sheets used in making the determination.
- iv. The College shall award all contracts or reject all bids in the time stated in specifications, but in no case shall such time exceed sixty (60) days, except the bids of any bidders who consent thereto which may, at the College request, be held for consideration for such longer period of time as may be agreed.

The standard for awarding bids for goods and services is: "...that responsible bidder, whose bid, conforming to the invitation for bids, will be most advantageous to the State college, price and other factors considered." The Board delegates its authority to the President, or his designee, to approve and execute contracts and agreements for the purchase of material supplies, and services and for the construction of buildings and other improvements.

The standard for awarding bids for construction contracts is: "...to the lowest responsible bidder, whose bid, conforming to the invitation for bids, will be the most advantageous to the State college."

**Once a bid is awarded to the vendor, the vendor is obligated to supply the College with the materials, service or product at the price supplied in the vendor's bid. Individual departments do not have the authority to increase the amount of the contract price. Vendors who have problems or difficulty in meeting their obligations under the bid should contact the Purchasing Department. Depending on the circumstances, the Purchasing Department may be able to work with the vendor or it may have to access that vendor's bid security and negotiate completion of the contract with the next lowest responsible bidder.**

f. Official Bid Protest

- i. The College shall provide to all qualified bidders a copy of a “Notice of Intent to Award a Contract” within sixty (60) days of a bid opening. Any qualified bidder that wishes to protest the notice of award shall have three (3) business days from the date of receipt of said notification to file an appeal in writing.
- ii. The Purchasing Department will post on website that the Bid is under Protest.
- iii. A bidder’s notice of appeal shall set forth with particularity that such is an appeal and the reasons upon which the bidder takes issue with the contemplated award to the apparent lowest responsible bidder, attaching all documentation, if appropriate. If the protest is refutable as a matter of fact, it will be treated as a clarification and the Notice of Award will proceed. A letter will be sent to the protesting company.
- iv. A panel will conduct a hearing within five (5) working days of the College’s receipt of the appeal. A written decision will be rendered within seven (7) working days of the hearing set forth in this paragraph.
- v. The hearing will be conducted by a panel of three (3) College employees. Those members shall be appointed by the Associate Vice President for Operations who shall preside at the hearing.
- vi. The hearing shall be open to all bidders on the project. The bidder filing the appeal has the right to present witnesses, and documents. The Associate Vice President for Operations may limit the number of witnesses to be heard. The panel may direct questions to the witnesses called by the appealing bidder or other project bidders present at the hearing if the panel deems necessary.
- vii. Picture taking, filming or tape recording of the hearing, are prohibited.
- viii. Attorneys may be present to assist and advise not to offer testimony, question witnesses, make statements, or speak. Furthermore, attorneys may not interfere with the hearing.
- ix. The College reserves the right to waive any immaterial defects in the bid or the bidding process.
- x. The panel shall render a decision in this matter and prepare a report to the Associate Vice President for Operations at the conclusion of the hearing which will be advisory in nature and not binding on the Associate Vice President for Operations. The Associate Vice President for Operations shall issue the final decision on this matter.
- xi. All appeals from the decision of the panel shall be appeal able to the Appellate Division pursuant to N.J.S.A. 18A:3B-6(f).

## C. Additional Purchasing Procedure Requirements

### A. Chapter 51

On September 22, 2004, Governor James E. McGreevey signed Executive Order 134, which, among other things, imposed new restrictions on State departments, agencies and authorities. The purpose of the Executive Order was to insulate the negotiation and award of State contracts from political contributions that pose the risk of improper influence, purchase of access or the appearance thereof. To that end, Executive Order 134 prohibited State departments, agencies and authorities from entering into a contract that exceeds \$17,500 with an individual or entity that has made a political contribution to a candidate committee and/or election fund of any candidate or holder of the public office of Governor, or to any State or County political party committee. Executive Order 134 was superseded by Public Law 2005, c. 51, signed into law on March 22, 2005.

Contracts or Purchase orders for \$17,500 and over cannot be finalized until the vendor completes the necessary forms (Addendum 6). The vendor must understand that the College is prohibited from awarding a contract or issuing payments until the State Treasurer or his designee gives approval that the requirements of the Public Law have been met.

### B. Emergency Purchases Over \$33,000 – Not On New Jersey State Contract

An emergency condition may be defined as the need for immediate procurement of goods and/or services necessary for the protection of College property and occupants or continual operation of the College where time does not permit using purchasing procedures.

Emergency orders must be approved by the Vice President of Administration and Finance. A written request has to be forwarded to the Vice President describing the nature of the emergency, time of occurrence, and need to invoke emergency procedures. The Vice President will make the decision to declare the situation an emergency and authorize the award of a contract. A requisition should be done by the appropriate department.

A resolution will be forwarded to the Board of Trustees at the next public meeting. The report will include:

- a. the nature of the emergency;
- b. the need for immediate action;
- c. the cost of the goods and/or services; and
- d. the name of the vendor.

### C. Contracts Extending Beyond Thirty-six (36) Consecutive Months

The College may only enter into a contract exceeding thirty-six (36) consecutive months for the:

- a. Supplying of:
  - i. fuel and oil for heating and other purposes and utilities for any term not exceeding in the aggregate five (5) years; or
  - ii. fuel or oil for use in automobiles, autobuses, motor vehicles, or equipment for any term not exceeding in the aggregate three (3) years; or
- b. plowing and removal of snow and ice for any term not exceeding in the aggregate five (5) years; or
- c. collection and disposal of garbage and refuse for any term not exceeding in the aggregate five (5) years; or
- d. purchase, lease, or servicing of information technology for any term of not more than five (5) years; or
- e. insurance for any term not more than five (5) years; or
- f. leasing or service of automobiles, motor vehicles, machinery and equipment, of every nature and kind for any term not exceeding in the aggregate five (5) years; or
- g. providing of food supplies and services, including food supplies and management contracts for student centers, dining rooms, vending operations, and cafeterias, for a term not exceeding five (5) years; or
- h. performance of work or services or the furnishing of materials or supplies for the purpose of conserving energy in buildings owned by, or operations conducted by, the contracting unit, the entire price of which is to be established as percentage of the resultant savings in energy costs, for a term not exceeding ten (10) years; provided that a contract is entered into only subject to and in accordance with rules and regulations adopted by the Board of Public Utilities establishing a methodology for computing energy cost, savings; or
- i. any single project for the construction, reconstruction, or rehabilitation of public building, structure, or facility, or a public or a public works project including the retention of the services of an architect, engineer, construction manager, or other consultant in connection with the project for the length of time necessary for the completion of the actual construction; or
- j. the management and operation of a bookstore(s), performing arts center, residence halls, parking facilities, and building operations for a term not exceeding five (5) years; or
- k. the provision of banking, financial services, and e-commerce services for a term not exceeding five (5) years; or
- l. the provision of services for maintenance and repair of building systems, including, but not limited to, fire alarms, fire suppression systems, security systems, and heating, ventilation, and air conditioning systems for a term not exceeding five (5) years; or
- m. purchase of alternative energy or the purchase or lease of alternative energy services or equipment for conservation or cost saving purposes for a term not exceeding ten (10) years.

Detailed procedures not herein addressed shall be made under the applicable provisions of the New Jersey Contracts law and other applicable laws, rules, and regulations.

D. Division of Contracts Prohibited

No purchase, contract, or agreement which is single in character shall be subdivided so as to bring it or any of the parts thereof under \$33,000, as defined in 18A:64-58 Section 7 of the State College Contracts Law.

E. Award of Contracts When Bids Are Equal

When two or more quotations or bids of equal amounts are the lowest quotations or bids submitted by responsible parties the College awards the contract to any one of such parties as, in its discretion, it may determine.

F. Miscellaneous

No action for damages shall lie against the Board of Higher Education, any State official, and College or its Board of Trustees or any of its officers because of any action taken by virtue of the provisions of the State College Contracts Law.

The College may enter into an agreement indemnifying the United States of America, or any board, body, officer, or agency thereof, and the New Jersey Educational Facilities Authority from any liability for loss or damage to the person or property of others resulting from any project undertaken or to be undertaken by the Federal government or the New Jersey Educational Facilities Authority for the benefit of the College or any project the cost of which or any part thereof is to be paid out of Federal funds or bonds financed through the New Jersey Educational Facilities Authority.

Prior to the conclusion of any contract or subcontract for the performance of work substantially similar to that performed by negotiations and employees of the College shall allow for consultation with the appropriate bargaining unit representative regarding such action. The negotiation unit's representative shall be entitled to review the supporting documentation concerning the purchase, contract, or subcontract and to an assessment of the impact of that purchase, contract or subcontract on the negotiations unit's employees of the College.

The College will evaluate existing policy on a regular basis to be in conformity with the regulations of the Board of Higher Education or any other governing body. The College reserves the right to perpetuate any policy changes it deems necessary to achieve those goals.

## G. Cancellation and Alterations

- a. Requisition: may be canceled prior to issuance of purchase order.
- b. Purchase Order: purchase order may be canceled providing acceptance is not made by the vendor. As noted in the legal conditions under purchase order, a binding contract may exist and a vendor(s) may have the right to refuse acceptance of cancellation. In this situation, the requisition budget unit manager must consult with the Vice President or his designee about the College's contractual obligations.

To cancel a purchase order, the requisitioning department must (1) telephone, fax, or write the vendor to cancel the order and (2) notify the Purchasing Department of the cancellation via e-mail or by memorandum (giving details such as purchase order number, account number, vendor, etc.) or send Purchasing a copy of the purchase order with instructions to cancel on it.

When a purchasing order has been canceled and the item(s) has been received, the requisitioning department must (1) notify the Purchasing Department of the cancellation via e-mail or by memorandum (giving details such as purchase order number, account number, vendor, etc.) or send Purchasing a copy of the purchase order with instructions to cancel on it; and (2) telephone the Receiving Department to inquire about the disposition of the item(s). Additionally, a restocking fee may be levied upon the College by the vendor when a purchase order has been canceled and the items have been received.

- c. Change orders: change orders to increase a Purchase Order must be made in writing before any additional work is started. Notify the Purchasing Department by e-mail and copy the Budget Unit Manager with an explanation. The request will not be processed unless it is submitted accordingly.

## H. Complaints

Complaints concerning performance of vendor and/or the product received are to be brought to the attention of the Purchasing Department either via-email, a memorandum, or orally; it is a function of the Purchasing Department to resolve the complaints and/or assist you in the resolution.

## I. Further Information

Contact the Purchasing Department for further information regarding purchasing or contract procedures.

J. Unauthorized Purchases

Individual faculty and staff members are not authorized to procure any goods or services on behalf of the College. New Jersey Law states that individuals who enter into unauthorized purchases may be held personally responsible for these goods or services.

If you have an unauthorized purchase and did not process a requisition through the Purchasing Department, you must submit a direct pay to Accounts Payable with a letter of justification.

K. New Jersey Prompt Payment Act

In accordance with The New Jersey Prompt Payment Act N.J.S.A. 52:32-32 et seq. interest must be paid to any business concern that does not receive payment within sixty (60) days from the date the State (1) received good and services or (2) received a properly executed invoice, whichever is later. Where a signed contract exists between the State and a vendor, payment must be made within sixty (60) days of the payment date specified in the contract.

L. Awards

All awards for professional services and construction must be submitted by the requesting department to Staff Counsel for negotiation of a contract prior to issuance of a notice to proceed, performance or payment for any such services.