



# **Bond Referendum:**

## **Procurement Process, Financial Reporting & Transparency**

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# Procurement: Legal Citations

# Legal Citations

## Compliance, Compliance and Compliance!

Public School Purchasing:

*“All decisions made by public officials should be supported by some legal authority”*

**New Jersey Public School Contracts Law**

N.J.S.A. 18A:18A-1 et seq.

**New Jersey Administrative Code (Purchasing)**

N.J.A.C. 5:34-1 et seq.

**New Jersey Administrative Code (Accountability Regulations)**

N.J.A.C. 6A:23A-1 et seq.

**New Jersey QSAC—Fiscal Management DPR #15**

**Federal Procurement Code—2CFR Part 200.318**

**Local Board of Education Policy**





# Procurement: Authority to Purchase

# Authority to Purchase

Who has the authority to purchase in a school district?

**N.J.S.A. 18A:18A-2(b)** – The Purchasing Agent

**Purchasing Agent** means the

- Secretary of the Board;
- Business Administrator; or
- Business Manager

The Purchasing Agent is duly assigned the **authority**, **responsibility**, and **accountability** for the purchasing of the Board and having the power to:

- Prepare advertisements
- To advertise for and received bids and sealed responses
- To award contracts less than the bid threshold when so authorized by the board.





# Methods of Procurement

# Bidding

This method is used to procure contracts for goods, materials, services and *public works projects, in the aggregate*, that exceed the bid threshold of \$44,000\*.

\*\$44,000 bid threshold – Qualified Purchasing Agent



# Advertise & Receiving Bids

**Advertise for Bids (Purchases that exceed the bid threshold--\$44,000) N.J.S.A. 18A:18A-21 (a)**

Must be advertised for no less than 10 calendar days.

Bids **shall not** be received on Mondays or any day directly following a State or Federal holiday.





# Award of Contract - Lowest Responsive & Responsible Bidder

The common thread of all these bids is that the board has to award the contract pursuant to **N.J.S.A. 18A:18A-4 (a)** to the lowest responsive and responsible bidder.

**Responsive** – confirming to all material respects to the terms and conditions, specifications, legal requirements, and other provisions of the request.

**Responsible** – 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, workforce, equipment and facilities availability.



# Request for Proposals (RFP)

**Request for Proposal—RFP**--This method is preferred for contracts for:

## Professional Services

- Auditing Accounting Services
- Legal
- Educational Services
- Engineering, Architectural Services
- Environmental Consultants



# Award of Contract – Evaluation Criteria

The RFP method is designed to award the contract to the vendor based upon a list of criteria as recommended by the NJ State Comptroller's Office with the publication of the **Best Practices in Awarding Service Contracts**.



# Award of Contract – Evaluation Criteria

## Best Practices in Awarding Service Contracts (2010)

### Technical Criteria

- Submission of narrative how firm will provide services; planned approach; measurable results
- Understanding how services will be provided

### Management Criteria

- Business organization; staffing
- Experience; and
- Knowledge of district

### Cost Criteria

- Fee proposal submission; cost analysis



# Award of Contract – Evaluation Criteria

The contract for an RFP contract **does not** have to be given to the respondent who submits the lowest price.

The evaluative process is designed to award the contract to the respondent whose response will provide the **highest quality service** at a **fair** and **competitive price**.



# Competitive Contracting

## Competitive Contracting (Certain Contracts over \$44,000)

This method is used to procure certain contracts **over \$44,000.00**.

The district can only use this procurement method for contracts that are outlined in **N.J.S.A.18A:18A-4.1**.

**Some** of the examples that are permitted are:

- Food Service provided by food service management companies
- Professional Development Services
- *Operation, management or administration of other services, with the approval of the Division of Local Government Services*



# Award of Contract

The award of contract is similar to the RFP award—an evaluative criteria which includes, price and other factors considered.



# Contract Term

The contract term can be up to five years pursuant to **N.J.S.A.18A:18A-4.2**







# Financial Reporting

# Bond Sale & Capital Project Funds

All proceeds related to the sale of the bonds are recorded in the capital projects fund (Fund 30) as Revenues.

All costs associated with the projects (i.e. construction, architectural, engineering and management services) are reported in Fund 30 as expenditures.

All 25 projects will be tracked separately by the assigned State Project Number.

Reported as part of the Comprehensive Annual Financial Report in the F- Schedules.





# Transparency

# Transparency

Transparency to the Community throughout the process.

The following will be posted on the Montclair Public Schools Website under the Board of Education section and select Bond Referendum.

- Referendum Updates;
- Presentations;
- All RFPs and Bid Advertisements;
- Project Manuals;
- Construction Manager weekly reports/updates;
- Before, during and after construction pictures and videos;
- School Bond Information.





**Thank You**