

Policy

RELATIONS WITH VENDORS

The board of education wishes to maintain good working relations with vendors who supply materials and services to the school system. Constructive efforts by the administration to seek the advice and counsel of vendors about how to improve such relationships are encouraged.

In the schools, vendors shall be seen by appointment only. Vendors who call upon a school shall be governed by policy #1250. Teachers or supervisors of instruction who have invited vendors to call should notify the principal's office in advance so that proper courtesies may be extended.

No agents, canvassers, or vendors shall have access to teachers during their classes. No business concern which solicits or gains business through the school system shall use school facilities for this purpose.

Nondiscrimination

All vendors shall supply assurances that they do not practice discrimination as described in the administrative code. All vendors shall be informed that harassment of any kind of district pupils or employees by their representatives is prohibited.

Honest and Ethical Relations with Vendors; Pay-to-Play Restrictions

The district shall maintain honest and ethical relations with vendors and shall guard against favoritism, improvidence, extravagance and corruption in its contracting processes and practices. The school board will not vote upon or award a contract in the amount of \$17,500 or greater to any business entity which has made a reportable contribution to a member of the district board of education during the previous one-year period. Such contributions, to any member of the school board, from any entity doing business with the district are prohibited during the term of the contract, including contributions by a vendor's spouse or child, or contributions by any person having an interest in the business entity. Disclosure of contributions shall be made when contracts are required by law to be publicly bid. However, these limitations do not apply when a district emergency requires the immediate delivery of goods or services.

Strategies to Avoid Excessive Professional Services Expenditures

The board will seek to avoid excessive professional services expenditures, such as by:

- A. Establishing a maximum dollar limit, for budgetary purposes,
- B. Following state legal requirements and procedures to obtain the highest quality services at a fair and competitive price or through a shared service arrangement. This may include issuance of such contracts through a request for proposals (RFPs) based on cost and other specified factors or other comparable process such as the use of the "fair and open process" as defined in N.J.S.A 19:44A-20.7; and
- C. Limiting professional services contracts to non-recurring or specialized work for which the district does not possess adequate in-house resources or expertise.

RELATIONS WITH VENDORS (continued)

Prudent Use of Legal Services

All contracts for legal services must comply with the payment requirements and restrictions set forth in N.J.S.A. 18A:19-1 as follows:

- A. Advance payments for legal services are prohibited;
- B. Services to be provided shall be described in detail in the contract;
- C. Invoices for payment shall itemize the services provided for billing period; and
- D. Payment shall only be for services actually provided.

If at any time the district's legal costs exceed 130 percent of the Statewide average per pupil amount, the procedures set forth in N.J. A.C. 6A:23A-5.2(a)3 will be implemented, unless evidence can be provided that such procedures would not result in a reduction of cost.

These procedures require the district to:

- A. Limit and designate the persons with the authority to request services or advice from contracted legal counsel;
- B. Legal counsel will not be used unnecessarily to make management decisions or to obtain readily available information such as district policies;
- C. Requests for legal advice shall be made in writing; and
- D. Contact logs and records shall be kept and reviewed to determine that the requests for legal advice are necessary.

Date: Reviewed: September 17, 2008; January 19, 2011
Readopted: October 22, 2008; March 23, 2011

Legal References: Use legal reference sheet.

Cross References: List your appropriate policies. See legal reference sheet for possibilities.

Key Words

Vendors, Sexual Harassment, Harassment, Nondiscrimination, Affirmative Action

Legal References

RELATIONS WITH VENDORS

QSAC Monitored:

Section 3: Governance

Section 4: Fiscal Management

Mandated:

N.J.A.C. 6A:23A-6.3 (“accountability regulations”) requires that school districts have policies to ensure that the district will maintain honest and ethical relations with vendors and shall guard against favoritism, improvidence, extravagance and corruption in its contracting processes and practices. Specifically, under N.J.A.C. 6A:23A-6.3 the school board will not vote upon or award a contract in the amount of \$17,500 or greater to any business entity which has made a contribution reportable by the recipient under P.L. 1973, c. 83 (N.J.S.A. 19:44A-1 et seq.) to a member of the district board of education during the previous one-year period. Such contributions, to any member of the school board, from any entity doing business with the district are prohibited during the term of the contract, including contributions by a vendor’s spouse or child, or contributions by any person having an interest in the business entity. Section 2 of P.L. 2005, c. 271 (N.J.S.A. 19:44A-20.26) requires disclosure of contributions when contracts are required by law to be publicly bid. However, under N.J.A.C. 6A:23A-6.3(a) 5 these limitations do not apply when a district emergency requires the immediate delivery of goods or services.

Further, N.J.A.C. 6A:23A-5.2 requires districts to have a policy establishing strategies to minimize the cost of public relations and professional services.

Other Reasons:

N.J.S.A. 52:32-44 (b) requires all business organizations that do business with a local board of education to be registered with the State and provide proof of that registration to the board before the board may enter into a contract with the business.

N.J.A.C. 6A:7-1.8(b) forbids the district from entering into any contract for goods or services with any supplier who discriminates as described, either in employment practices, benefits, or services to pupils or employees. The state department of education requires that the district multi-year equity plan must include assurance that the district does not enter into contracts with persons, agencies or organizations that discriminate in employment or in the provision of benefits or services to the district on the basis of any of the categories listed in the statutes.

Recommendation:

A policy directing the chief school administrator and/or business official to develop regulations that address the requirement of assurance that vendors satisfy N.J.A.C. 6A:7-1.8 (b). The policy should address general procedures for vendors and their representatives on school property, as well as appropriate conduct in their relationships/contacts with district employees.

RELATIONS WITH VENDORS (continued)

Legal References:	<u>N.J.S.A.</u> 10:5-1 <u>et seq.</u>	Law Against Discrimination
	See particularly:	
	<u>N.J.S.A.</u> 10:5-31 through -35	
	<u>N.J.S.A.</u> 18A:6-8	Interest of school officers, etc., in sale of textbooks or supplies, royalties
	<u>N.J.S.A.</u> 18A:11-1	General mandatory powers and duties
	<u>N.J.S.A.</u> 18A:12-2	Inconsistent interests or office prohibited
	<u>N.J.S.A.</u> 18A:12-21 <u>et seq.</u>	<u>School Ethics Act</u>
	<u>N.J.S.A.</u> 18A:18A-1 <u>et seq.</u>	Public School Contracts Law
	<u>N.J.S.A.</u> 18A:19-1 <u>et seq.</u>	Expenditure of Funds
	<u>N.J.S.A.</u> 18A:54-20	Powers of board (county vocational schools)
	<u>N.J.S.A.</u> 52:32-44	Business registration for providers of goods and services
	<u>N.J.A.C.</u> 6A:7-1.8	Equality in employment and contract practices
	<u>N.J.A.C.</u> 6A:23A-5.2	Professional services; efficiency
	<u>N.J.A.C.</u> 6A:23A-6.3	Contributions to board members and contract awards
	<u>N.J.A.C.</u> 6A:28-1.1 <u>et seq.</u>	School Ethics Commission
	<u>N.J.A.C.</u> 6A:30-1.1 <u>et seq.</u>	Evaluation of the Performance of School Districts
	<u>N.J.A.C.</u> 6A:32-14.1	Review of mandated programs and services

Comprehensive Equity Plan, New Jersey State Department of Education

Possible

Cross References:	*1250	Visitors
	1313	Gifts to district employees
	*1330	Use of school facilities
	*2224	Nondiscrimination/affirmative action
	*3320	Purchasing procedures
	*4119.21	Conflict of interest
	*4219.21	Conflict of interest
	*9270	Conflict of interest

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