

# Overview of Key Montclair State Procurement Policies

April 2024



**MONTCLAIR**  
STATE UNIVERSITY

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# Procurement Services

The Office of Procurement Services strives to support the mission of Finance & Administration as well as the University by:

- Procuring goods and services in the most efficient and cost-effective manner, including strategically sourcing through all available means;
- Providing the highest quality of customer service to all the faculty and staff of the University;
- Ensuring that all purchases are in compliance with the University's purchasing guidelines and the State of New Jersey's laws and regulations; and
- Executing the bidding process in its entirety, including but not limited to creating purchase orders, processing change orders, and maintaining the supplier database.

# Procurement Services (Size and scope)

- 22,000+ Students
- 5,850+ Faculty, Staff & Student Workers
- 750+ Cost Centers in Workday
- 430+ Procurement “Requestors” in Workday
- 360+ Procurement “Approvers” in Workday
- \$61 million non-payroll expenditures
- 15,000+ Purchase Orders issued a year
- 12,000+ active suppliers, with additions and changes occurring regularly
- 60+ procurements completed through a public bid or waivers of advertising issued by Procurement
- 120+ procurements completed through a delegated waiver of advertising process
- 1,000+ contracts a year that require legal review (excluding all fee-for-service contracts at our academic centers)

*\*All numbers are approximated for a full year.*

# Montclair State University Act

- Establishes bidding requirements.
- Defines when exceptions (“waivers”) can be made to public bidding.
- Requires establishment of a board-approved procurement policy.
- Permit procurements of goods and services, including construction, to be awarded based on the bid most advantageous to the University, “price and other factors” considered.
- Price may have varying importance depending on the type of goods or services.
- Other factors (or technical criteria) may include, but may not be limited to, the specific qualifications of the bidder, including experience, staffing, ability to complete the scope of work, etc.
- When applicable, the evaluation committee scores the bidders based on the technical criteria.
- The ranking of the other factors can be used to select a bidder that did not provide the lowest price.

# NJ State Controller's Best Practices

1. The pool of contractors solicited should be as **expansive** as possible;
2. Statements of work should be drafted in **clear and unambiguous** terms;
3. Proposals should be judged on the basis of predetermined, **merit-based evaluative criteria**, made known to suppliers before proposals are submitted;
4. The evaluative criteria should be judged by a **qualified evaluation committee**;
5. The evaluation process should be **explainable** to evaluators and competing suppliers, and capable of withstanding scrutiny under a protest challenge; and
6. The scoring process and award recommendations should be **well-documented** and retained.

Office of State Comptroller (OSC) - *“At a minimum, the use of these best practices, serving as a safeguard against fraud, collusion, bribery, and the like, will make it far more difficult for dishonest participants in the procurement process to achieve their unlawful goals. These practices are aimed at protecting the public by helping to ensure that government gets the best value for services it buys, and by safeguarding against unfair favoritism and inadvertent waste of taxpayer dollars.”*

# Key Procurement Thresholds

Requirement*	General Goods & Services Contract Value	Prevailing Wage Contract Value
<b>1 Quote</b> ( <i>Competition is not required, but is recommended</i> )	\$0 - \$22,179	\$0 - \$7,879
<b>3 Quotes</b> ( <i>except for limited sole source exceptions in which the sole source form must be completed, use of a <a href="#">Cooperative Contract</a> in accordance with the methodology listed on the website</i> )	\$22,180 - \$110,899	\$7,880 - \$39,399
<p align="center"><b>Bid Threshold - Three Potential Methodologies</b></p> <p>1) <u>Public Bid</u>; 2) <u>RFP Waiver of Advertising</u> (<i>if an exception exists</i>); or 3) <u>Use of a <a href="#">Cooperative Contract</a></u> (<i>in accordance with the methodology listed on the website</i>)</p>	\$110,900 and above	\$39,400 and above
<p align="center"><b>Board of Trustees Approval</b></p> <p><i>(required for all procurements regardless of methodology)</i></p>	\$500,000 and above	
<b>OSC Post-Award Notification</b> ( <i>within 20 days of award</i> )	\$2,500,000 - \$12,499,999	
<b>OSC Pre-Advertisement and Post-Award Notification</b> ( <i>a minimum of 30 days prior to advertisement and within 20 days of award</i> )	\$12,500,000 and above	

\*University Contracts (UNC's) may be utilized for any threshold. [University-wide UNCs](#) are posted on the website.

# Prevailing Wage (Public Work Projects)

If the total value of a Public Works project exceeds \$2,000 for work being done for or on property or premises owned by Montclair (or on property or in a building leased by Montclair where Montclair occupies: 1) at least 20,000 square feet; and 2) at least 55% of the total building or acreage of vacant land), the prevailing wage procurement thresholds apply and certified payroll documentation is required with each invoice. The NJ State Prevailing Wage Act applies for:

- Construction, reconstruction, demolition, alteration, **or**
- Custom fabrication, e.g. the fabrication of:
  - plumbing, heating, cooling, ventilation or exhaust duct systems, mechanical insulation, **or**
  - one or more signs in a project that cost a total of more than \$30,000 **and** are part of a project upon completion, **or**
  - any other fabrication which is either of components or structures pre-fabricated to specifications for a particular project of public work or of other materials finished into components without further modification for use in a project of public work or for use in a type or classification of a project of public work.
- Repair work, **or**
- Maintenance work, e.g.
  - Painting or decorating **or**
  - Any other repairs of existing facilities when the size, type or extent of such facilities is not thereby changed or increased, **or**
  - Maintenance work that exceeds the scope of work and capabilities of in-house maintenance personnel, requires the solicitation of bids, and has an aggregate value exceeding \$50,000.

*\*Spend Categories where prevailing wage may apply have a soft alert in Workday to notify end users that the lower procurement thresholds may apply.*



# Cooperative Contracts

Cooperative contracts can be beneficial as the competitive process has already taken place. There are four (4) different types of cooperative contracts that are approved for use: 1) State of New Jersey Cooperative Contracts; 2) Federal GSA Cooperative Contracts; 3) Local Cooperative Contracts; and 4) National Recognized Cooperative Contracts (lead public agency).

Some Key Benefits of Cooperative Contracts include:

1. Public Bidding Not Required: Cooperative purchases eliminate the need for public bidding above the bid threshold.
2. Competition Not Required Below \$200,000: The University may rely on a cooperative contract to eliminate the need to obtain competition for purchases below \$200,000 (*unless required per the contract*)
3. Less Complex Process at or above \$200,000: Purchases at or above \$200,000 typically require justification that the cooperative purchase is most advantageous to the University, cost, and other factors considered. This is typically achieved by doing market research and obtaining competition to ensure the best product or service is being procured. *This is not required for State of New Jersey Cooperative Contracts unless required per the contract.*

Please refer to our Procurement website's [Cooperative Contract](#) page for more information and threshold information.

*\*Cooperative purchases, even those above \$200,000, can be “delegated” to the using department, although Procurement can assist with more complex projects.*

# Publicly Advertised Request for Proposal (RFP)

If the potential purchase price for a good and service is greater than \$110,900 (or \$39,400 for prevailing wage projects), a Publicly Advertised Request for Proposal may be required for the procurement. To initiate a Request for Proposal (RFP) with University Procurement Services, a [Bid Initiation Form](#) is provided to Procurement Services. In addition, drafts of the following are required, all of which will be reviewed and honed in collaboration with the requesting school/department:

- A full description of the Scope of Work and Statement of Qualifications that are being sought
- Technical Evaluation criteria (quantitative and qualitative factors, other than price, upon which submissions will be judged)
- Pricing Sheet
- Bid evaluation committee members (if applicable)
- Relevant dates (expected RFP issue date and due date based on when product or service is needed. Procurement will advise on the feasibility of the timeline and appropriate dates for questions, etc.)

Note: Publicly Bid RFPs, and the process that follows issuance, are always managed by Procurement Services, in collaboration with the requesting school/department.

# Publicly Advertised RFP (continued)

Procurement Services will work proactively with the school/department to develop the RFP document, and will manage the process from release of the public bid to receipt of bids and contract award which may include:

- Advertisement: The University will post the RFP on its website for all parties to review and respond
- Conference/Site Visit: A Pre-Proposal Conference or Site Visit can be scheduled for the project if required or requested.
- Question & Answers: The University accepts questions regarding the RFP until a certain date and time. The University will work with the end users to determine answers to the questions received and will post the addendum with answers to all the questions addressing the project. This process helps to improve the RFP that was originally posted.
- Bid Opening: The date on which submissions must be received.
- Procurement Review: Procurement will review the proposals for mandatory submission documentation and release responsive proposals to the Evaluation Committee.
- Evaluation: For most RFPs, the Committee will review each proposal and fill out a score sheet for each bidder based upon the bidder's proposal. This evaluation is based on price and other factors (technical evaluation).
- Notice of Intent to Award: Once the Committee reviews and recommends a bidder for award, a Notice of Intent to Award will be sent to all bidders. Procurement will request any additional forms required at this time, as required.
- Contract: After the protest period, the contract will be prepared by Procurement. All contracts shall be submitted to University Counsel for review as required.

Typically, the timeline for a public bid from the issuance date to award is about 45 days; BOT approval is required for RFPs over \$500,000

# Waiver of Advertising (does not require a Public Bid)

- A method to procure a good or service with a dollar value greater than \$110,900 (or \$39,400 for prevailing wage projects), without issuing a publicly advertised RFP.
- Must meet one of the statutory waivers to public bidding. Refer to the [List of Exemptions to Publicly Advertised Bids](#).
  - Examples: Professional Services (those that require a license, such as attorneys and architects); Information Technology (software/hardware); Library Materials; or a Sole Source supplier.
- A Board Waiver means that the RFP does not have to be publicly advertised but does not eliminate the requirement to bid competitively.
- Waivers of Advertising (WOA) can be “delegated” to the using department, although Procurement can assist with more complex WOA.
- Purchases under \$500,000 can be submitted on a rolling basis, while those over \$500,000 need to be approved by the Board of Trustees.

# Waiver of Advertising (issued by Procurement Services or Delegated)

## 1. RFP Waiver of Advertising issued by Procurement Services:

- Process is often very similar to a public RFP, and typically, the timeline from issuance date to award is about 45 days; review of Scope of Work/Specifications with the requesting school/department may require additional time. The process starts with a [Bid Initiation Form](#).
- Procurement Services will collect all forms and requirements through this process.

## 2. RFP Waiver of Advertising issued by internal customers:

- The department completes the procurement cycle in this instance.
- Collection of all forms and requirements are delegated when completed by the internal customer, but Procurement Services is available to assist in securing these documents as needed. Please refer to the [Waiver of Advertising Form](#) for a full listing of requirements. When there is a contract that requires University Counsel's review, include the [Contract Approval Sheet \(CAS\)](#) with the BOT package.
- This includes providing the Scope of Work/Specifications for the Waiver of Advertising, proposals obtained through the competitive process, a summary of the procurement process, and rationale for the selected supplier.

# Board of Trustees (BOT) Approval Thresholds

Requirement	General Goods & Services Contract Value	Prevailing Wage Contract Value
<p><b>Purchases pursuant to a Waiver of Advertising are delegated for approval to the Vice President for Finance &amp; Treasurer and reported at the next BOT Meeting</b></p> <p>*Additional approvals may be required per the form, such as IT purchases require CIO approval</p>	\$110,900 - \$199,999	\$39,400 - \$199,999
<p><b>Purchases pursuant to a Waiver of Advertising are delegated to the Chief Operating Officer (or University President) and reported at the next BOT Meeting</b></p> <p>*All purchases over \$200,000 require Budget Office approval and Academic Affairs purchases require University Provost approval</p>	\$200,000 - \$499,999	
<p><b>Purchases must be submitted to the Board of Trustees for approval</b></p> <p>*This applies for all purchases (regardless if done by Waiver of Advertising, Public RFP, or a Cooperative Contract)</p> <p>*It is expected that the full and complete package be submitted to the Chief of Staff through Procurement Services approximately four (4) weeks before <u>the BOT meeting.</u></p>	\$500,000 and above	

# Board of Trustees (BOT) Additional Notes

- The effective date of a contract cannot be before the date the Board of Trustees adopts a resolution approving the contractor or, when appropriate, the VP for Finance and Treasurer, COO, or President approves the waiver documents. Contractors are not permitted to perform work prior to contract execution.
- The Board of Trustees (BOT) meeting dates can be found on the BOT website's [Agenda & Schedule](#) page.
- Following all required approvals, Procurement Services issues a BOT Waiver number for each approved contract to identify the procurement methodology.
- Approval thresholds are for the aggregate amount (includes prior BOT approval if a contract increase is needed or previous spending if the same contract is being increased).

# New Jersey Compliance Requirements

(Montclair cannot process procurements without these)

Requirement	General Goods & Services Threshold	Prevailing Wage Threshold
<p align="center"><b>Business Registration Certificate (BRC)*</b>  <i>(for individual or cumulative purchases within a fiscal year or the aggregate contract value totaling 15% of bid threshold or more) – <u>Non-profits and public entities are exempt.</u></i></p>	\$16,635	\$5,910
<p align="center"><b>Chapter 51 Approval (EEO333 Political Contributions)*</b>  <i>(for individual or cumulative purchases within a fiscal year or the aggregate contract value totaling \$17,500 or more) – <u>Non-profits and public entities are exempt.</u></i></p>	\$17,500	
<p align="center"><b>Certificate of Employee Information Report (Affirmative Action)*</b>  <i>(for individual or cumulative purchases within a fiscal year or the aggregate contract value totaling the bid threshold or more)</i></p>	\$110,900	\$39,400
<p align="center"><b>Public Works Registration Certificate*</b>  <i>(related to prevailing wage)</i></p>	Not Applicable	\$2,000

- For new suppliers, a W-9 for U.S. entities or a W-8 Form for Foreign Entities, as well as a Supplier Create Form is required\*
- *\*The supplier file can be accessed in Workday to check if these requirements are on file.*



# Additional Compliance Requirements – Continued

(Other requirements for publicly bid RFPs and Waivers of Advertising include)

- Required:
  - Montclair State University Standard Terms and Conditions (ST&C), signed by the supplier (if the PO is the contract, then signature is not required)
- All required but obtained through signature on ST&C in most cases as of April 2022:
  - Disclosure of Investments in Iran
  - Conflict of Interest Form
  - Source Disclosure Certification Form
  - Non-Collusion Affidavit
  - Russia/Belarus Certification
- When applicable:
  - Ownership Disclosure Form
  - EUGDPR Data Protection Addendum (*when applicable, only required when receiving personal data collected or processed in the EU, typically relates to SaaS*)
  - China Data Protection Addendum (*when applicable, only required when receiving personal data collected or processed in the People's Republic of China, typically relates to SaaS*)
  - Supplier's MBE, WBE, SBE, DVBE, and VBE Certificate (*if applicable*)

# Legal Review and Contract Approval Sheet (CAS)

- Regardless of contract value, if a supplier is proposing its own T&Cs or changes to our T&C's then the University's Legal Counsel needs to review and approve prior to signature by the proper signatory authority.
- In these cases, the end user must complete [a Contract Approval Sheet \(CAS\)](#) and route it to Procurement Services after all subsequent approvals are obtained, along with the contract in question and relevant backup documentation (i.e. 3 quotes if it is in the quoting threshold range)
  - **All suppliers should be strongly encouraged to accept the University's Purchase Order as the contract instead of going through the CAS process when possible.**
- Procurement Services reviews to ensure that the Using Department adheres to the Procurement Policies & Procedures. Additionally, Procurement Services ensures the CAS is signed by all applicable individuals that are shown on the CAS. Once both are confirmed, Procurement Services will send to University Counsel.
- University Counsel will redline where necessary and send back the contract to the initiating department and copy Procurement Services.
- Once the CAS is approved, the Using Department should obtain the supplier's signature on the contract and return it to Procurement Services. Upon receipt, Procurement Services will obtain the signature of the appropriate officer of Montclair, which is outlined on the next page.

# Contract Signing Authority

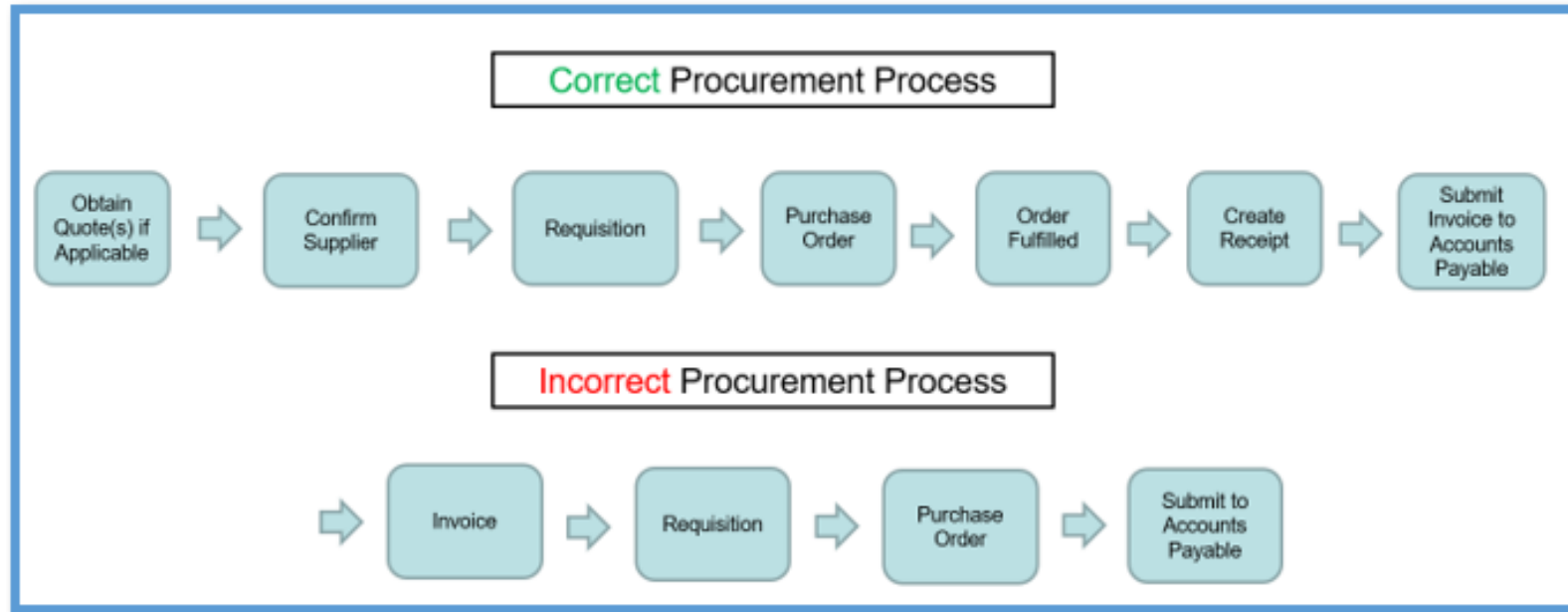
The University Signing Authority Policy was revised at the November 2023 Board of Trustees Meeting. As it relates to contracts involving the procurement of goods and services that require signature by the University, the updated signing authority levels are as follows:

Amount	Approver Position / Title
\$0 to <\$200,000	Vice President for Finance and Treasurer (VPFT) <b>(Assistant Vice President of Procurement Services in VPFT's absence)</b>
\$200,000 to <\$500,000	Chief Operating Officer and Senior Vice President (COO);
≥\$500,000	President (after approval of the Board of Trustees for procurements)

- The VPFT, COO, and the President are the only signatory authorities for the University for goods and services contracts except in cases where the approval has been delegated in writing.
  - **No other individuals have the authority to enter into a goods and services contract on behalf of the University.**
- The VPFT or COO may sign larger value amendments at their discretion if no additional funds above Board approval are contemplated.

# Requisitions & Procure-to-Pay Cycle

- Requisitions must be submitted to Procurement Services and converted to purchase orders PRIOR to the supplier performing any work. Must state a clear description of the goods and services, include all relevant information including any contract #'s, quote #'s, contract term, etc., and attach backup documentation (written quotes, contract, etc.).
- Individual faculty and staff members are not authorized to procure any goods or services on behalf of the University: Ensuring purchase orders are provided prior to the supplier performing any work allows the University's Terms & Conditions to be connected to the purchase and allows for review to ensure compliance with University policy and appropriate State laws, regulations, policies, and procedures.



# Contract Administration

- Once a contract is executed, the using department takes responsibility for managing the relationship with the awarded contractor. This includes ensuring all terms and conditions are met, including but not limited to :
  - Timeliness;
  - Quantity;
  - quality of deliverables/services;
  - billing is consistent with agreed-upon amounts and frequency, etc.
- All contract discrepancies should be communicated in writing to the contractor and maintained in a file.
- All amendments/changes to the contract must be through an official amendment document.
- Procurement Services should be contacted if identified problems are not promptly cured after bringing them to the supplier's attention.

# Risks of Noncompliance with Applicable Laws and Policies

- Audits by New Jersey are performed, penalties can be assessed
- Violations of the governing law, our own Board's procedures, and our Procurement Policy can have serious repercussions for individuals and for the institution.
- Protests by suppliers claiming non-compliance with procedures, differential information provided to suppliers, unfair evaluation, etc. can lead to – *has led to* – expensive and time-consuming litigation or threats of litigation.
- Performance accountability issues with suppliers where the RFP, which serves as the basis for the contract, is unclear about deliverables and standards.
- Adverse publicity with regard to controversial procurements, particularly if acquired without following established procedures.

# Other Procurement Processes

- Supplier Onboarding is handled by the Supplier Create Group and is detailed in the training specific to that process. Additional information can be found on our Procurement website's [Supplier Create Group](#) and [Supplier Information](#) pages.
- The University has a P-Card program (University credit card) to simplify and streamline the acquisition of small-value goods and services. This program is detailed in the training specific to that process. Additional information can be found on our Procurement website's [P-Card Program](#) page.
- The University offers a Workday Procurement Lifecycle training that provides details about the entire requisition process, including surface information about the relevant budget processes and the payment processes handled by the Accounts Payable Department.
- These trainings are offered on a reoccurring basis and can be signed up for within the [ITDS Training Portal](#)

**Questions?**