



8. APPENDIX

8.1 Definition of Terms

Account Code:

A composite of the following data fields: last two digits of the fiscal year, district number, quick code, object code, location code and activity code.

Activity Code:

A 4-digit numeric code (created by Galaxy), which classifies a programmatic expenditure.

Allocation:

Funds that have been allocated to a particular school/site from an approved budgeted program so that a school/site may begin spending OTPS items.

Authorizing Official:

The authorizing official is a NYC Department of Education employee who certifies that goods and services being ordered for a school/site are needed, and is in accordance with **all** NYC Department of Education rules and regulations including bidding and contracts. In a **school**, the authorizing official is usually the **principal** or his/her designee. For a **program**, the **director** or his/her designee is usually the authorizing official.

Bidder's List:

An electronic Vendor Listing maintained by Division of Contracts and Purchasing (DCP). This listing is divided into two parts: professional service vendors, and commodity vendors. Upon receipt of required information from a company, which includes the goods and/or services it offers to the NYC Department of Education, that company (vendor) may be assigned on one or both of these categories. Vendors offering commodities **only** to our schools and sites will be assigned a vendor number/code and will begin to receive information about contract bidding opportunities. It should be noted that the assignment of a vendor number /code does not constitute a contract between this company and the NYC



Department of Education, nor is there a pre-qualification assessment.

For maintenance and repair contracts the Division of School Facilities (DSF) maintains its own "Approved Contractor List."

Bids:

An offer by a vendor to provide an item or service at a specified price. Depending upon the price, this offer can be by telephone, written or faxed. When a system-side Requirements Contract exists, no additional bidding is required.

Budget Code:

A four-digit number that codes the money to a specific category (e.g., elementary schools, high schools, bilingual education, NYSTL, etc.).

Certification of Delivery:

Written or electronic confirmation by a Department of Education employee indicating that goods and services ordered have been received, examined and found to be correct as to quantity and quality. Certification of Delivery must be done directly into the FAMIS Portal. By doing this, the receiver of goods and services acknowledges that the order is partially or fully received and reduces the interval to pay vendors.

Change Notice:

A document used to serve as official notification to a vendor to increase, decrease or cancel an order via FAMIS. This notice is not to increase or decrease the limits on a Procurement Card.

"City Record":

New York City government's "daily newspaper." To comply with public advertisement requirements, all announcements of contract opportunities involving the expenditure of public dollars for all city government agencies, including the NYC Department of Education, are advertised here. Contact Division of Contracts and Purchasing (DCP) at 718-935-3000 for additional information on how to advertise in the "City Record."



Collapsed Object Codes:

The combining of minor Object Codes into major groupings for budgetary purposes only. No item may be encumbered or expensed against the major series object Codes: 100, 300, 400 and 600.

Committee on Contracts (formerly called the The Exceptions Committee):

A Committee consisting of representatives from the Office of Legal Services (OLS); The Division of Financial Operations (DFO); The Division of Contracts and Purchasing (Chaired by DCP); The Office of Auditor General (OAG); The Division of School Programs and Support Services (DSPSS); and, The Office of the Deputy Chancellor for Teaching and Learning. This Committee reviews and considers for approval any anticipated expenditure for professional services that has not been competitively bid in excess of \$100,000.

Commodities:

Supplies, materials, books and equipment required to supplement and complement the instructional programs, in our schools.

Competitive Bidding:

Soliciting bids or proposals from a variety of different vendors thereby providing to taxpayers the greatest assurance that goods and services are procured in the most prudent and economical manner; and that procurements are reasonable and not influenced by favoritism, fraud or corruption.

Contract::

An agreement between a buyer and seller to purchase required goods and services to enhance instruction and improve the classroom experience. For the purchase of goods or services for the life of the contract with an expenditure of over \$100,000, a formally executed contract is required. For additional information, please refer to the definitions for "Requirements" and "Full Value" Contracts located in this section and in the SOPM chapter on "Formal Contracts" (formerly "Bidding and Contracts").



Contracted Items/Services:

Commodities or services available for purchase that have been established through an award of contract, executed between the DOE and the respective vendor.

Contract Number:

A 7-digit number assigned to a contract and entered into FAMIS upon submission of the formal contract with the City Comptroller for registration.

Contracts Administration Officer:

Every ISC/central office has a Contracts Administration Officer. This individual is responsible for all procurement practices as they relate to OTPS spending and acts as a liaison between the Division of Contracts and Purchasing (DCP) and the Procurement Team Members within the Integrated Service Center. The Procurement Team Member will ensure efficient ordering for schools and other sites within the Instructional Region.

Delivery Receipt:

Basically, this is a form prepared by the carrier delivering the ordered items. It provides information that may confirm a purchasing document. It also provides delivery information including: Number of cartons/packages, place or origin, destination, special instruction, etc.

Emergency Procurements:

An emergency condition is an unforeseen danger to life, health, safety, or, property. The existence of such a condition creates an immediate and serious need for goods, service or construction that cannot be met through normal procurement methods. The Executive Directors of DCP, the Chief Executive Director of School Support Services and the Chief Administrator of School Based Procurement, DCP have been delegated by the Chancellor to declare an emergency and approve such procurements in excess of \$15,000.



Empowerment Support Organization (ESO):

The ESO provides support to networks of self-affiliated schools. Each network receives support from a team of instructional and business staff members selected by the schools. Empowerment Schools enjoy great flexibility and autonomy surrounding their own budget, instruction, professional development, and assessment. Network teams support 496 schools this school year.

Encumbrance:

Setting aside or reserving funds within FAMIS against a location's budgeted monies for a purchase.

FAMIS:

The NYC Department of Education's Accounting System – Financial Accounting Management Information System.

FAMIS Portal:

The DOE's accounting system contains a procurement module which is part of the accounting system. Prior to making any purchase for goods or services, funds availability is established.

Financial Management Center (FMC):

The FMC is the business unit responsible for budgeting and administering the funds allocated to a Central department.

Full Value Contract:

A contract for a fixed-time purchase for a specific good or service at a specific dollar amount.

Galaxy:

A school-based budgeting system.

General School Funds:

Monies generated by a school from sources other than tax levy, governmental or private grants. These funds are generally raised by various internal school activities.

Integrated Service Center (ISC):

ISCs replaced Regional Operations Centers (ROCs) on July 1, 2007. There are five ISCs, one for each borough, and they are professional, customer-oriented organizations, dedicated to delivering targeted services to schools within the NYC Department of Education. Services include consultation and transactional assistance in addressing human resources, budget and procurement, transportation, food services, facilities and extended use, grant management, technology, health and safety, student suspensions, youth development and special education administration. Principals and other school-based staff will be able to connect directly with an ISC representative to secure one-stop assistance and support in all of these areas and more.“

Invoice:

A bill for goods or services sent by the vendor after delivery. The invoice is a commercial bill used by the vendor to request payment.

Item Number:

A number assigned to commodity items under system-wide Requirements Contracts with the Division of Contracts and Purchasing (DCP). These items are listed in the e-catalog on the FAMIS Portal

Learning Support Organization (LSO):

A Learning Support Organization offers theme-based comprehensive service packages to the schools. Service packages are differentiated to meet the unique needs of a broad variety of schools and are available to schools across the city without regard to geographic boundaries. Each of the four LSOs includes distinctive support offerings, focusing on areas including instruction, programming, scheduling, youth development, and professional development.



List Items:

Commodity items required by the schools or offices that are contracted for system-wide usage by the Division of Contracts and Purchasing (DCP). They are ordered via the FAMIS Portal against Requirements Contracts.

Listing Application:

Published or copyrighted materials, artistic performances of specific artists, and programs of cultural institutions (e.g., Planetarium), which are not subject to competitive bidding requirements. If expenditures are anticipated to exceed \$100,000, the Division of Contracts and Purchasing (DCP) will establish Requirements Contracts for these items in order to achieve better value and to standardize pricing and contract conditions.

Location Code:

A 4-character code identifying a school/site for accounting purposes. Used to properly record in FAMIS that site's allocated funds with the costs (expenses).

Modification (Budget or Spending):

An adjustment to a budget or spending plan.

Non-Contract Items:

Commodity items where there is no existing Department of Education contract.

Non-List Items:

Contracted items that because of their characteristics (e.g., services, library books) do not lend themselves to being listed under the e-catalog in the FAMIS portal. These items are ordered via an electronic Purchase Order, referencing the contract number on the FAMIS Portal, and sent directly to the vendor after encumbrance.



On-Line Fastrack Catalogs:

A comprehensive listing of General Supplies, Textbooks, Computer and Audio Visual Software, Toys and Games, Athletic Supplies, and Early Childhood Furniture currently available for purchase from a system-side Requirements Contract. These are updated on a weekly basis, and include all of the information necessary to order any of the materials included through the Fastrack Ordering System. Access these catalogs by logging on to the Division of Contracts and Purchasing (DCP) website located at <http://www.nycenet.edu/opm>.

Object Code:

A four-digit number that identifies the category of the OTPS expenditure. Each classification is assigned an object code (e.g., printing supplies are charged to object code 0101).

Other Than Personal Service (OTPS):

Refers to expenditures of money (tax levy and/or reimbursable) for supplies, materials, and services other than salaries of Department of Education personnel. These include instructional supplies, materials, textbooks, library books, equipment, etc.

Packing Slip:

A document accompanying a shipment that details the contents of a particular package within the respective delivery.

Partnership Support Organization (PSO):

Partnership Support Organizations (PSOs) are operated by groups outside of the DOE including intermediaries, colleges, universities, and other organizations with demonstrated records of supporting communities and schools in a variety of capacities. Each of these organizations will join with school leadership to leverage what's working elsewhere in our City and country.



Proceed Notice:

Document that authorizes the purchase of goods and/or services under an executed and registered Full Value Contract (over \$100,000). (Refer to chapter on "Formal Contracts (formerly "Bidding and Contracts") for detailed definition on Full Value Contracts).

Procurement Card:

Also known as Purchasing Card or P-Card. Adopted by the Department of Education for select categories of purchases. Will speed up processing times, lower transaction costs for small purchases and reduce out-of-pocket expenses for staff.

Procurement Representative:

This individual is responsible for accepting protests from bidders or proposers or prospective bidders or prospective proposers whose direct economic interest would be affected by the award of a contract or by failure to award a contract. The Procurement Representative should first try to resolve a protest with the vendor without relying on the formal Protest Procedures.

Professional Services:

Services provided by an individual or organization engaged in "a calling requiring specialized knowledge and often long and intensive academic preparation." Typical services may include staff development training, program evaluations, curriculum development, artistic performances from cultural institutions and other student outcome-related services.

Protest Officer:

This individual is responsible for the resolution of a protest initiated by a bidder or proposer or prospective bidder or prospective proposer relying on formal Protest Procedures.

Public Notification of Award:

A summary of all awarded contracts posted on the website of the NYC Department of Education's Division of Contracts and Purchasing (DCP) <http://schools.nyc.gov/Offices/dcp/default.htm> .



Protest Procedures:

A bidder or proposer or prospective bidder or prospective proposer whose direct economic interest would be affected by the award of a contract or by failure to award a contract may file a protest. (See Chapter 3, Subsection 8).

Public Bid Opening:

A public bid opening (for *commodity* contracts over \$15,000) that must be attended by at least two employees (not performing any function related to the particular bid in question) of the NYC Department of Education. One of the employees will open and read the sealed bids (at the day, date, time and place indicated on the solicitation) while the other will act as a witness to the opening. (See *Sealed Bids* for additional information).

Purchase Order:

An electronic document processed through the FAMIS Portal used to purchase goods or services directly from vendors.

Quick Code:

An eight digit number that identifies the service/program, project or grant category.

Request for Authorization (RA)

A formal request to enter into a formal contract. These are required for contracts over \$100,000 for professional services and for commodities if there was only one bidder. Additionally, any commodity contract with a value of a \$1,000,000 or more require an RA.

Request for Proposals (RFP's):

A publicly advertised written solicitation request to prospective vendors to submit written proposals to provide specified professional services.

Requirements

The formal contracts established Centrally with approximately 1,000 vendors that yield the 200,000 "list and non-list items" and professional services. All current regulations regarding bidding procedures are enforced prior to the award of a contract.



The written contract document contains all the terms and conditions to be performed by the vendor and the NYC Department of Education, as well as the unit cost for goods and services and terms of payment. When a system-wide Requirements Contract exists no additional bidding is required.

Restricted Items:

Items that have special purchasing guidelines and/or approvals which must be followed prior to purchase. See Topic 2, Section 2.9 for complete details.

School Spending Plan:

The allocation of budgeted funds to the location level.

School Support Organization (SSO):

Virtually every school can benefit from support and assistance from people outside the building: to help identify best practices in education; to provide targeted strategies for specific students in need of extra help; and to help prioritize among competing demands on resources and time.

To ensure that the support from outside the school is consistent with and advances the priorities and focus inside the buildings, school leaders need the ability to choose the kind of support that best meets their needs. For the 2007–08 school year, all school leaders have chosen a package of support from a School Support Organization.

School leaders chose from among three types of School Support Organizations: the Empowerment Support Organization (ESO), the Learning Support Organization (LSO) and the Partnership Support Organization (PSO).



Regardless of the type of School Support Organization a school chooses, schools will remain public schools subject to the authority of the Department, the Chancellor, and the community and high school superintendents, as well as all Chancellor's regulations. Every principal signed a Statement of Performance Terms and operates under the same policies regarding student placement, suspension, collective bargaining agreements, financial reporting, and other areas as outlined by the Department and State law.

Sealed Bid:

A written response by a vendor to a bid solicitation which is held in a sealed envelope until a specified date, day, place and time for its public opening. (See *Public Opening* for additional information).

Small Item Payment Process (SIPP):

An electronic document processed through the FAMIS Portal (Exhibit F) that provides for the disbursement of funds to pay a **vendor** for small incidental purchases, or for the procurement of goods and services when either the purchase order or requisition method of purchase is not practical. It is also a mechanism, which provides reimbursement to a NYCDOE employee for the purchase of small over-the-counter items (emergency purchases), as well as any other business-related expense. (E.g., Travel).

Sole Source/Exception to Competitive Bidding:

A vendor, who **for very specific reasons**, is identified as the **only feasible source** for obtaining certain commodities or services and therefore, may be exempt from the competitive bidding process. This determination is made by either the school, ISC, central office or DCP, depending upon the contract cost (See Section 3.2.2).

Split Purchase:

Is an impermissible practice, wherein multiple awards are made to the same vendor within the same fiscal year to by-pass the purchasing thresholds (i.e., split orders and invoices thereby staying under the \$250 maximum).



Standard Operating Procedures (SOP):

An official publication maintained by the Division of Financial Operations (DFO), periodically updated, containing the proper business and fiscal practices and policies to be followed by schools/sites. As chapters are updated, they are also placed on the website of DFO located at:

<http://schools.nyc.gov/Offices/DFO/default.htm> .

Vendex Questionnaire:

Used to collect financial and background information from vendors who have been awarded contracts which have a cumulative value of \$100,000 or more. (i.e., Vendex is required on a two (2) year contract for \$51,000 per year). There are certain contracts wherein a Vendex is also required as a precaution. For example, for all Universal Pre-Kindergarten contracts a Vendex is required although the contracts cumulative value does not exceed \$100,000.

Vendor Number/Code:

A 9-character code assigned to each vendor that has done business with, or wishes to do business with the NYC Department of Education. This number/code does not mean that a contract has been awarded to this vendor. It serves to record vendor information in the DOE's and City's accounting system.

Vendor Performance Evaluation Form:

A form developed by the Division of Contracts & Purchasing, Office of Policy & Vendor Performance (P&VP), to track and evaluate vendors for performance on contracts and to establish a centralized system for storage and retrieval of information. This form can be accessed, completed and submitted via the Department of Education's intranet at <http://www.nycboe.net/dfop/tracker/eval>.

The Office of Policy & Vendor Performance will disseminate and collect evaluations department-wide on an annual basis. However, users may submit a review at any time. Contract Managers should always complete an evaluation for any contract in excess of



Voucher/Tickler Number:

A group of alpha/numeric characters, sequentially assigned by the accounting system as OTPS payments are processed.

W-9 Form:

A form that can be downloaded from the Division of Contracts and Purchasing (DCP). Click the link below to access the form.

http://www.comptroller.nyc.gov/bureaus/acc/w9/Substitute_W9_Instruction_s.pdf .

This document is used to activate a vendor in the City's Financial Management System (FMS) and DOE's FAMIS. Once completed by the vendor, this form, containing important taxpayer information, is forwarded to the Central Office/ISC who in turn returns it to Division of Contracts and Purchasing (DCP) along with the *Vendor Add/Change Form* –

http://schools.nyc.gov/NR/ronlyres/C24B3854-2E3F-499D-9F18-7DA5A851262E/0/SUBSTITUTEFORMW9_SEPT2007Rev.pdf