

EMAIL FROM GARY ALLER, ALLIANCE FOR CONSTRUCTION EXCELLENCE

From: Gary Aller

Date: Monday, May 3, 2004

Subject: Mohave Educational Services Cooperative - Job Order Contract

ACE continues to receive inquiries concerning the status of the Mohave Educational Services Cooperative Job Order Contract (JOC) in light of the recent Auditor General's report. This report* found several issues associated with some of the Mohave procurement in the late 1990's. In addition to this report, the AG issued an email to those public owners that use the MESC stating that owners using Mohave for purchasing should exercise due diligence on each procurement. Due diligence of procurements has always been the public owner's responsibility. In order to make due diligence documents easily available to all members, Mohave has posted all related documents on their website (<http://www.mesc.org/response.html>) making compliance with the AG's email a simple matter.

The Mohave JOC was procured in 2001, two years after the audit time period. Since ASU authored and facilitated the APDM legislation, Mohave asked us to help them with the JOC procurement. Over a period of six months, we worked through the RFQ and RFP documents to make sure they met the state statutes. Since I was personally involved in the Mohave JOC procurement, I feel the procurement does not have any of the issues that were identified in the AG's report, which related only to procurements prior to the establishment of the Mohave JOC. To further verify the compliance of the contract, Mohave recently had a third party audit the procurement. The auditing firm asked only three questions, all of which were satisfactorily answered. This reconfirmed my belief that the Mohave JOC procurement is in accordance with the state statutes. Each of you that use the Mohave JOC can also assure yourselves by simply reviewing the documents being made available to you online.

I am taking the time to write this email because ACE has been seen as a neutral, objective organization that has been at the forefront of project delivery. We have a strong commitment to improving project delivery in our state for the benefit of all parties. Job Order Contracting has become a very viable, economical and necessary project delivery tool for us here in Arizona. It has reached the \$100M per year level across the state and has allowed many small projects to be completed in a short time, where in the past we could not have even procured them in such a short timeframe. To stop using the Mohave JOC because of the AG issue would be a disservice to the tax payers of our state. There is nothing wrong with the Mohave JOC procurement and you can and should confirm this for yourself.

Project delivery methods like JOC have raised the performance of our industry. We need to continue to work hard together to not lose this very valuable set of tools. By working jointly to expand the use of alternate delivery methods such as JOC and to address any issues as they arise, we can make further valuable progress in streamlining project delivery. If you have any questions, please feel free to email or call me.

*You may review the AG report on-line at

<http://www.auditorgen.state.az.us/Reports/Counties/Mohave/SIU/SIU04-1.htm>

Thank You,

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Director

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