

Review of Cooperative Procurement Compliance Questionnaire as Applied to Mohave Contracts

Mohave has reviewed the requirements of the Cooperative Procurement Compliance Questionnaire and provided information that should assist members in performing due diligence reviews.

For question 1: Auditors must select and test the lesser of 50 percent or 15 of the cooperative’s contracts awarded during the fiscal year to be used by schools, but no fewer than 5 awarded contracts. These sample sizes represent the minimum level of required test work. Auditors should use their own judgment in determining whether a larger sample is needed. On the blank line included in the question, write the actual number of contracts tested. If all contracts are tested, indicate such in the “Comments” column. Of the total awarded contracts selected for testing, at least 40 percent must be of purchases made through competitive sealed bids and at least 40 percent must be of purchases made through competitive sealed proposals. If the 40 percent thresholds cannot be met due to an inadequate population size, the auditor must test all contracts awarded through competitive sealed bids or proposals, as applicable. Of the bids/proposals selected above, at least one expenditure should be for construction-manager-at-risk, design-build, job-order-contracting, or qualified select bidders list, if applicable.

1. Based upon review of (____) awarded contracts for the procurement of construction, materials, and services that met or exceeded the amount requiring sealed bids, as calculated by the Arizona State Board of Education in accordance with A.R.S. §15-213, did the cooperative follow the School District Procurement Rules as set forth in Title 7, Chapter 2, Articles 10 and 11, of the Arizona Administrative Code?	Mohave’s Response to the Requirement
a. For (____) contracts tested that were made through competitive sealed bidding, did the cooperative:	
1) Give adequate notice of the invitation for bids? R7-2-1022	Mohave complies with the requirement. More than 4 vendors does not require newspaper ad. See bidders list to confirm more than 4 vendors. Bidders list included in contract documentation. All vendors registered for a category receive notice.
2) Compile and maintain a list of prospective bidders? R7-2-1023	Bidders list maintained and used for all categories. Bidders list included in contract documentation.
3) Issue invitations for bids at least 14 days before the time and date set for bid opening unless a shorter time was determined necessary, and did the invitation for bids include all information required by R7-2-1024, including: (a) The purchase description and specifications, including the estimated volume of purchases for the cooperative’s members. (b) Delivery and performance schedule (c) Inspection and acceptance requirements	IFB issued more than 14 days before time and date set for bid opening. See IFB pg 1. Copy of IFB included in contract documentation. (a) Special Ts & Cs and Specifications & Scope of Work, including historical volume of purchases and any projected increase. (b) General Ts & Cs, pg 6 (<i>Beginning in 2008, pg 7</i>); Special Ts & Cs as needed (c) General Ts & Cs, pg 18 (<i>Beginning in 2008, pg 21</i>)

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<p>3) (Cont'd)</p> <p>(d) Contract terms and conditions</p> <p>(e) The closing date and time of bid receipt</p> <p>(f) Address where bids are to be sent</p> <p>(g) Time and date of bid opening</p> <p>(h) Notice that all bids will be available for public inspection after contract award</p> <p>(i) Factors to be used in bid evaluations</p> <p>(j) Bonding and warranty requirements</p> <p>(k) The name of the cooperative representative</p> <p>(l) The special requirements if procuring information or telecommunications systems, or earth moving, material-handling, road maintenance, or construction equipment</p>	<p>(d) General Ts & Cs, pgs 4-18 (<i>Beginning in 2008, pgs 5-21</i>) (Standard Ts & Cs for Construction when applicable; Special Ts & Cs</p> <p>(e) Pgs 1 & 3 (<i>Beginning in 2008, pgs 1, 3, 4</i>)</p> <p>(f) Page 1</p> <p>(g) Pgs 1 & 3 (<i>Beginning in 2008, pgs 1, 3, 4</i>)</p> <p>(h) General Ts & Cs, pg 5 (<i>Beginning in 2008, pg 6</i>);</p> <p>(i) General Ts & Cs, pg 7</p> <p>(j) General Ts & Cs; Standard Ts & Cs for Construction; Special Ts & Cs as needed</p> <p>(k) General Ts & Cs, pg 15 (<i>Beginning in 2008, pg 17</i>)</p> <p>(l) General Ts & Cs, pg 7 & Appendices E & F. (<i>Beginning in 2008, pg 8</i>); No contracts for earth moving, material handling, road maintenance, or construction equipment.</p>
<p>4) Stamp sealed bids with the time and date upon receipt and store bids unopened until the time and date set for bid opening? (R7-2-1029)</p>	<p>Bids are time and date stamped, and logged upon receipt. Bids are stored unopened until the specified time for bid opening. Copy of log included in contract documentation.</p>
<p>5) Award contracts to the lowest responsible and responsive bidder whose bid conformed, in all material respects, to the requirements and evaluation criteria set forth in the invitation for bids? (R7-2-1031)</p>	<p>Contracts awarded to low responsive and responsible bidder or bidders. IFB evaluation criteria are basis of award. Award recommendation & supporting documentation are in contract documentation.</p>
<p>6) If a multiple award¹ was made, determine, with the specific reason(s) in writing, that a single award was not advantageous to the cooperative's members?</p>	<p>Multiple awards are substantiated & documented.</p>

¹ Examples of multiple awards include—

- Incremental awards—made only if it is necessary to obtain the required quantity or delivery.
- Regional awards—made if materials or services are required in widely scattered locations or a particular requirement is of a local nature.

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7) Maintain the documentation that supported the basis for a multiple award?	Documentation is maintained in procurement file. Award recommendation & supporting documentation is in contract documentation.
8) Limit contract awards to the least number of suppliers necessary to meet the requirements of the members?	Mohave awards contracts to least number of vendors determined necessary to meet the members' requirements. Consideration includes regional limitations, manufacturers offered, need to maintain/expand/service existing systems, purchase history, anticipated volume.
9) For contracts where only one responsive bid was received, determine that the price submitted was fair and reasonable, and that either other prospective bidders had reasonable opportunity to respond or there was not adequate time for resolicitation?	Mohave complies with the rule, and prepares a written determination to substantiate any award for a single bid response. The determination complies with the rule.
10) Maintain documentation that supported the basis for that determination?	Written determination is maintained in the procurement file.
b. For (____) contracts tested that were made through competitive sealed proposals, did the cooperative:	
1) Determine, with the specific reason(s) in writing that the use of competitive sealed bids was either not practicable or advantageous to the cooperative's members for specified types of materials or services (R7-2-1041)?	Determinations are prepared prior to using competitive sealed proposals. Copies of determinations are included in the contract file.
2) Determine, with the specific reason(s) in writing that the use of competitive sealed bids was either not practicable or advantageous to the cooperative's members because it was necessary to: (a) Use a contract other than a fixed-price type (b) Conduct oral or written discussions with offerors concerning technical and price aspects of their proposals (c) Afford offerors an opportunity to revise their proposals (d) Compare the different price, quality, and contractual factors of the proposals submitted (e) Award a contract in which price was not the determining factor	Items (a) through (e) are addressed in RFP determinations.
3) Maintain documentation that supported the basis for the determinations in (1) and (2) above?	Written RFP determinations are maintained by Mohave and provided to members in contract documentation.
4) Include all applicable factors in the request for proposals required by R7-2-1024(B) and R7-2-1042(A), including	Applicable factors are included in the RFP. Copy of RFP included in contract documentation.

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<ul style="list-style-type: none"> (a) The type of services required and a description of the work involved, including the estimated volume of purchases for the cooperative's members (b) Delivery and performance schedule (c) Inspection and acceptance requirements (d) The type of contract to be used (e) Contract terms and conditions (f) The estimated duration that services will be required (g) That cost or pricing data is required (h) That offerors may designate portions of the proposals as proprietary (i) That discussions may be conducted (j) The minimum information that the proposal shall contain (k) The closing date and time of proposal receipt (l) Address where proposals are to be sent (m) Time and date of proposal opening (n) Notice that all proposals will be available for public inspection after contract award (o) The relative importance of price and other evaluation factors (p) Bonding and warranty requirements (q) The name of the cooperative representative 	<ul style="list-style-type: none"> (a) Pg 1 & Special Ts & Cs and Specifications & Scope of Work, including historical volume of purchases and any projected increase. (b) General Ts & Cs, pg 6; <i>(Beginning in 2008, pg 7)</i>; Special Ts & Cs (c) General Ts & Cs, pg 18 <i>(Beginning in 2008, pg 22)</i> (d) General Ts & Cs, pg 8; <i>(Beginning in 2008, 08A on pgs 9 & 10; after 08A on pg 10)</i> (e) General Ts & Cs (pgs 4-18 or 19, depending on date of issue); <i>(Beginning in 2008, pgs 5-22)</i> Special Ts & Cs (f) General Ts & Cs, pg 18 <i>(Beginning in 2008, pg 21)</i> (g) See R7-2-1079-C (h) General Ts & Cs, pg 5 <i>(Beginning in 2008, pg 6)</i> (i) General Ts & Cs, pg 5 <i>(Beginning in 2008, pg 6)</i> (j) Pg 3 & General Ts & Cs, pgs 12-13 <i>(Beginning in 2008, pgs 3, 4 & General Ts & Cs pg 15)</i> (k) Pgs 1 & 3 <i>(Beginning in 2008, pgs 1, 3, 4)</i> (l) Pg 1 (m)Pg 1 <i>(Beginning in 2008, pgs 1, 3, 4)</i> (n) General Ts & Cs, pg 5 <i>(Beginning in 2008 for 08A, pg 6; 08B and after on pg 7)</i> (o) General Ts & Cs, pg 7 <i>(Beginning in 2008, pg 8)</i> (p) Special Ts & Cs, as needed (q) General Ts & Cs (pg 15 or 16 depending on date of issue) <i>(Beginning in 2008, pg 18)</i>
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<p>4) (Cont'd)</p> <p>(r) The special requirements if procuring information or telecommunications systems, or earth moving, material-handling, road maintenance, or construction equipment</p>	<p>(r) General Ts & Cs, pg 7; <i>(Beginning in 2008 08A-08B, pg 8; after 08B on pg 9)</i>; Appendices E & F.</p> <p>Mohave does not contract for earth moving, material handling, road maintenance, or construction equipment.</p>
<p>5) Give adequate notice of the request for proposals as required by R7-2-1042(C)?</p>	<p>Mohave complies. More than 4 vendors does not require newspaper ad. See bidders list to confirm more than 4 vendors. Bidders list included in contract documentation. All vendors registered for category receive notice.</p>
<p>6) Compile and maintain a list of prospective bidders in accordance with R7-2-1023?</p>	<p>Bidders list maintained and used for all categories. Bidders list included in contract documentation.</p>
<p>7) Issue the request for proposals at least 14 days before the closing date and time for receipt of proposals unless a shorter time was determined necessary [R7-2-1042(B)]?</p>	<p>RFP issued more than 14 days before the time and date set for bid opening. See RFP pg 1. Copy of RFP included in contract documentation.</p>
<p>8) Stamp sealed proposals with the time and date upon receipt and store proposals unopened until the closing date and time for receipt of proposals R7-2-1045?</p>	<p>All proposals are time and date stamped, & logged upon receipt. Copy of log included in contract documentation.</p>
<p>9) Award the contract to the offeror whose proposal was determined in writing to be most advantageous to the cooperative's members based on the factors set forth in the request for proposals and in accordance with the other provisions of R7-2-1050?</p>	<p>Contracts are awarded to the offeror or offerors whose proposal or proposals are determined to be most advantageous. RFP evaluation criteria are basis of award.</p>
<p>10) Maintain documentation that supported the basis for that determination?</p>	<p>Award recommendation & supporting documentation are included in contract documentation.</p>
<p>11) If a multiple award² was made, determine, with the specific reason(s) in writing, that a single award was not advantageous to the cooperative's members?</p>	<p>Multiple awards are substantiated and documented.</p>
<p>12) Maintain the documentation that supported the basis for a multiple award?</p>	<p>Documentation is maintained in procurement file. Award recommendation & supporting documentation is in contract documentation.</p>

² Ibid

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<p>13) Limit contract awards to the least number of suppliers necessary to meet the requirements of the members?</p>	<p>Mohave awards contracts to least number of vendors determined necessary to meet the members' requirements. Consideration includes regional limitations, manufacturers offered, need to maintain/expand/service existing systems, purchase history, anticipated volume.</p>
<p>14) For contracts where only one responsive proposal was received, determine that the price submitted was fair and reasonable, and that either other prospective bidders had reasonable opportunity to respond or there was not adequate time for resolicitation?</p>	<p>Mohave complies with the rule, and prepares written determination to substantiate any award for a single response. The determination complies with the rule..</p>
<p>15) Maintain documentation that supported the basis for that determination?</p>	<p>Written determination is maintained in procurement file.</p>
<p>16) If the cooperative used construction-manager-at-risk, design-build, or job-order-contracting to procure construction services, did the cooperative comply with the requirements of Title 41, Chapter 23 [until the Arizona State Board of Education (ASBE) adopts rules for these procurements, after which the cooperative should comply with those rules]?</p>	<p>Mohave's JOC contracts comply with Title 41, Chapter 23. Copies of substantiating documentation are included in contract documentation.</p>
<p>c. If the cooperative used qualified select bidders list to procure construction services, did the cooperative receive approval from the School Facilities Board (until ASBE adopts rules for the use of a list, after which the cooperative should comply with those rules)?</p>	<p>N/A for Mohave contracts. Mohave does not contract under this methodology.</p>
<p>d. If the cooperative procured goods and information services using electronic, on-line bidding, did the cooperative comply with the requirements of Title 41, Chapter 23, Article 13 and the rules adopted by the Department of Administration in implementing that article (until the ASBE adopts rules for these procurements, after which the cooperative should comply with those rules)?</p>	<p>N/A for Mohave contracts. Mohave does not contract under this methodology.</p>
<p>e. For purchases made through the Simplified School Construction Procurement Program (R7-2-1033), did the cooperative:</p>	<p>N/A for Mohave contracts. Mohave does not contract under this methodology.</p>
<p>1) Ensure that construction costs did not exceed the maximum amount specified in A.R.S. §15-213(A)(2)?</p>	<p>N/A for Mohave contracts. Mohave does not contract under this methodology.</p>
<p>2) Submit solicitations to bid and all other information related to the project to all vendors included in a list maintained by the CSS?</p>	<p>N/A for Mohave contracts. Mohave does not contract under this methodology.</p>
<p>3) Open the bids at a public opening?</p>	<p>N/A for Mohave contracts. Mohave does not contract under this methodology.</p>
<p>4) Keep the bids confidential until the public opening?</p>	<p>N/A for Mohave contracts. Mohave does not contract under this methodology.</p>

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5) Encourage competition to the maximum extent possible?	N/A for Mohave contracts. Mohave does not contract under this methodology.
2. Did the cooperative prevent additional purchases by new members that would materially change the volume of goods or services estimated in the original invitation for bids/request for proposals?	The IFB/RFP indicates that all Mohave members are eligible to purchase under the contract. Copy of IFB/RFP included in contract documentation.
For questions 3 and 4: If the cooperative had any emergency or sole source procurements, the auditor must test all such procurements.	
3. Based upon review of () emergency procurements did the cooperative maintain a written statement for each emergency procurement documenting the basis for the emergency, the selection of the particular contractor, and why the price paid was reasonable, and was such statement signed by the individual authorized to initiate emergency procurements (R7-2-1057)?	N/A for Mohave contracts. Mohave does not contract for members under the emergency purchase provisions.
4. Based upon review of () emergency procurements did the cooperative maintain a written statement for each emergency procurement documenting the basis for the emergency, the selection of the particular contractor, and why the price paid was reasonable, and was such statement signed by the individual authorized to initiate emergency procurements (R7-2-1057)?	N/A for Mohave contracts. Mohave does not contract for members under the emergency purchase provisions.

JTP