

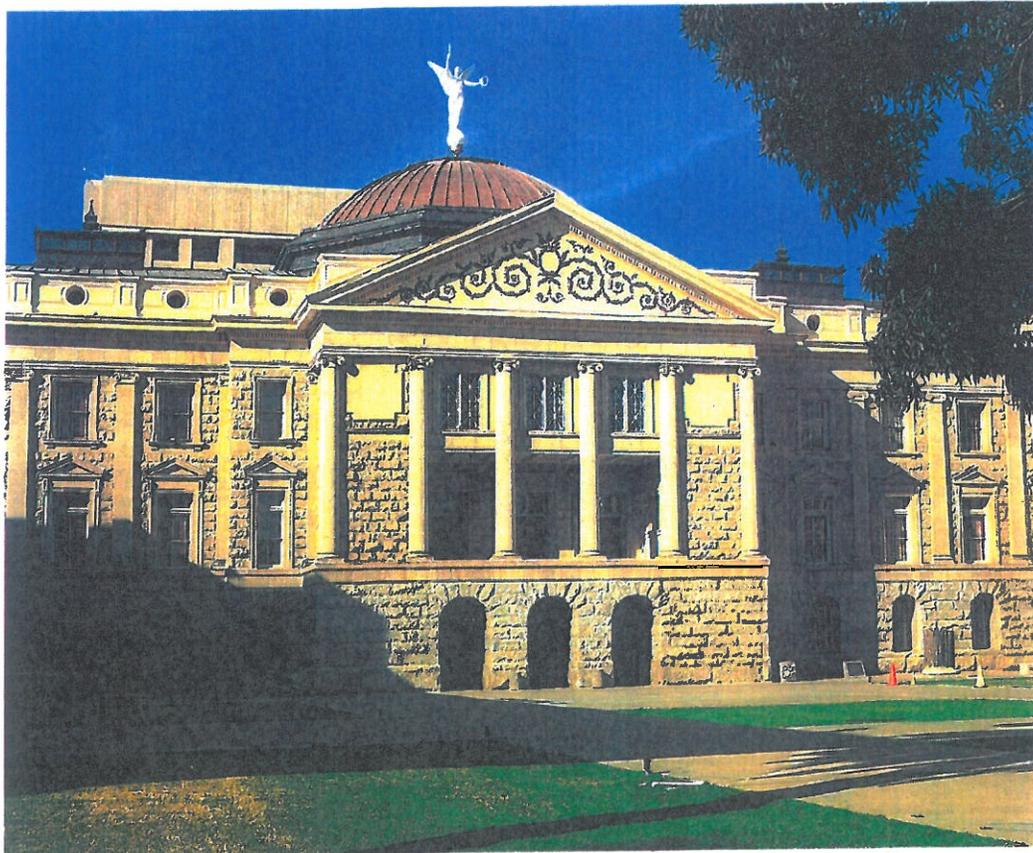
JANICE K. BREWER
GOVERNOR



BRIAN McNEIL
DIRECTOR

Arizona Department of Administration State Procurement Office

"Providing procurement services through operational leadership, legal compliance, and enhanced value for our customers and the state's procurement community."



Arizona Board of Appraisal Procurement Performance Review

Prepared by: SPO Compliance
07/01/2014



ARIZONA BOARD OF APPRAISAL

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August 5, 2014

Mr. Jeremy Beakley
Compliance Officer State Procurement Office
Arizona Department of Administration
15 N. 15th Avenue, Suite 201
Phoenix, Arizona 85007

RE: Procurement Performance Review

Dear Mr. Beakley:

The Members of the Arizona Board of Appraisal express their gratitude for the opportunity to respond to the procurement performance review dated July 1, 2014. The agency will endeavor to complete a procurement policies and procedures manual within the next six months, which was the only finding noted in this review.

Thank you for your assistance through this review process and for your recommendations of other departments that have a policy and procedure manual already completed.

Yours truly,

A handwritten signature in blue ink that reads "Debra Rudd".

Debra Rudd
Executive Director

**STATE OF ARIZONA
STATE PROCUREMENT OFFICE
PROCUREMENT PERFORMANCE REVIEW
TABLE OF CONTENTS**

Summary..... 3

Findings, Recommendations, Noteworthy Practices.....4

Conclusion.....5

Procurement Performance Review – Worksheets.....6

**STATE OF ARIZONA
STATE PROCUREMENT OFFICE
PROCUREMENT PERFORMANCE REVIEW
SUMMARY**

The State Procurement Office (SPO) performed a Procurement Performance Review of the Arizona Board of Appraisal commencing on 07/14/2014, in accordance with Arizona Procurement Code R2-7-201, R2-7-202, Governor's Executive Order 2005-01, and SPO Technical Bulletin No. 003, Revision 4. The review focused on the agency's ability to properly exercise procurement authority in accordance with its procurement delegation, the Arizona Procurement Code (APC), SPO Technical Bulletins, and Standard Procedures.

The review included an examination of the agency's internal procurement policies and procedures; review of previous audit and personnel training records; observation of internal systems controls; interview with purchasing personnel; review of quarterly and annual agency procurement reports; examination of solicitations, contracts and purchase orders performed by the agency.

One solicitation was selected for review. The reviewed files included one request for quote (RFQ). The Arizona Board of Appraisal is a \$10,000 delegated agency and, as such, communicates procurement requests in excess of the agency's delegated authority to the SPO Shared Services section.

This review may not have detected, nor should it be relied upon to detect, all deficiencies that may have existed or improvements that should have been employed by the agency at the time of the review. Contained in this report are the findings and recommendations.

**STATE OF ARIZONA
STATE PROCUREMENT OFFICE
PROCUREMENT PERFORMANCE REVIEW
FINDINGS, RECOMMENDATIONS, NOTEWORTHY PRACTICES**

1. Procurement Policies and Procedures Manual

A procurement policy and procedures manual is beneficial to establish guidelines and standards for the acquisition of products and services by ABOA. A relevant and up-to-date manual fosters consistent procurement practice within ABOA and serves as a basis for procurement control and oversight. A purchasing policy and procedures manual should include, at a minimum, ABOA-specific instructions that supplement the general instructions of the APC, SPO Technical Bulletins, and Standard Procedures.

Findings

ABOA, to date, does not have a procurement policy and procedure manual, a resource advisable as a best practice in public procurement to reasonably help reduce the likelihood of procurement code violations.

Recommendations

ABOA should endeavor to complete a procurement policies and procedures manual within the next six months. This manual should include ABOA-specific instructions that supplement the general instructions of the APC, SPO Technical Bulletins, and Standard Procedures, and may also benefit from ABOA management guidelines regarding topics such as: Protests, confidentiality, procurement ethics, reporting unethical behavior, quality control of contract files including vendor performance review, and guidelines for recommending evaluators. The ABOA manual, for ease of development and use, should clearly define the procurement requirements specific to the agency's delegated authority, and serve as a resource manual to current and future ABOA personnel.

Additionally, it is advisable ABOA supplements its existing procedures for assigning and approving internal authorities (i.e. check signing) to include the completion of a ProcureAZ New User form, ProcureAZ Approval Paths, and to update SPO with a current sub-delegation list. These forms should be addressed as part of the agency's procurement policies and procedures manual.

**STATE OF ARIZONA
STATE PROCUREMENT OFFICE
PROCUREMENT PERFORMANCE REVIEW
CONCLUSION**

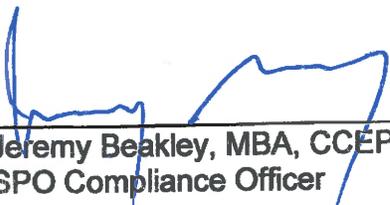
The personnel at the Arizona Board of Appraisal (ABOA) wear multiple hats, and as such, procurement is only a portion of their daily activities. While the personnel acknowledge their limited exposure to, and use of, the entire Arizona Procurement Code (APC), the staff also knows to draw on their resources at the SPO Shared Services section as needed. The ABOA personnel communicate eagerness to conduct procurement in accordance with the APC.

Through implementing one recommended area of improvement, the ABOA will enhance its professional image and reduce risk of non-compliance. The recommended area of improvement includes:

- 1.) Development of a Procurement Policies and Procedures Manual that supplements the APC, SPO Technical Bulletins, and Standard Procedures, which are specific to the needs, processes, and the delegated authority of the ABOA.

Finally, it is recommended ABOA management review all actionable recommendations contained within the worksheets herein.

The State Procurement Office Compliance Unit would like to express its appreciation to the ABOA management and staff for their cooperation during the course of our review.


Jeremy Beakley, MBA, CCEP
SPO Compliance Officer

7/16/14
Date


Barbara Corella
State Procurement Administrator

7/14/14
Date

**STATE OF ARIZONA
STATE PROCUREMENT OFFICE
PROCUREMENT PERFORMANCE REVIEW**

State Agency: Board of Appraisal

State Agency Delegated Authority: \$ 10,000

The following criteria were considered in the procurement performance review process in compliance with AZSPO Technical Bulletin No. 3, Procurement Compliance Reviews – Phase 2 (Organizational Chart, Purchasing Policy and Procedures Manual, List of Delegated Employees, & other documents as requested).

| Item No. | Compliance Criteria | | | | | |
|----------|--|--------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|
| 1.0 | Purchasing Organization | N/A | Yes | No | Requires Action | Comments |
| 1.1 | Does the procurement office have an accurate organizational chart that shows current employee designation? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 1.2 | Does the procurement office have a Chief Procurement Administrator (CPO) signed delegated procurement authority on file? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 1.3 | Have procurement personnel completed necessary training applicable to delegated authority? (TB# 002) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 1.4 | Are the employees listed on the organizational chart assigned full-time procurement and contracting duties? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Procurement is only one of several functions of personnel assigned to ABOA procurement. |
| 1.5 | Agency has well documented process for adding/deleting/modifying delegated authority in ProcureAZ. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Office does have internal procedures for approving staff for a range of authorities. However, office does not routinely use ProcureAZ "New User" form where appropriate. Provided copy of form to ABOA. See 2.1 |

| Item No. | Recommendations | Assigned to | Estimated Completion |
|----------|---|-------------|----------------------|
| 1.5 | Provided copy of ProcureAZ New User and Approval Paths forms to ABOA. Recommend making these forms part of the office's internal packet of authorities for new hires – where appropriate. Submit both forms to SPO Help Desk as needed going forward. | Debra Rudd | Ongoing |

**STATE OF ARIZONA
STATE PROCUREMENT OFFICE
PROCUREMENT PERFORMANCE REVIEW**

| Item No. | Compliance Criteria | | | | | |
|----------|---|-------------------------------------|--------------------------|-------------------------------------|-------------------------------------|---|
| 2.0 | Purchasing Policies and Procedures Manual | N/A | Yes | No | Requires Action | Comments |
| 2.1 | Does the agency have a purchasing policies and procedures manual? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | The agency does not currently have a policies and procedures manual specific to internal procurement processes. |
| 2.2 | Is the agency's purchasing policies and procedures manual current and in compliance with the AZ Procurement Code (APC), applicable executive orders and SPO Technical Bulletins (TB)? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.3 | Does the agency's manual provide comprehensive instructions on the following? | | | | | |
| 2.3.1 | Description of the purchasing cycle | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.3.2 | Roles and delegation assignments of procurement personnel | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.3.3 | Agency-specific instructions on how to process purchase requisitions and purchase orders | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.3.3.1 | Instructions on how to process purchase orders and contract releases issued in ProcureAZ. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.3.4 | Instructions on how to use the agency's procurement system | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.3.5 | Instructions on how to prepare specifications and scopes of work | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.3.6 | Instructions on how to process sole source, limited competition, and emergency procurements (Unlimited w/in authority; Limited to SPO) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.3.7 | Instructions on how to conduct solicitations, as applicable to agency delegated authority (e.g. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

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|--------|--|-------------------------------------|--------------------------|--------------------------|--------------------------|--|
| | IFB, RFP, RFQ, 3 quotes) | | | | | |
| 2.3.8 | Instructions on contract administration and procurement file management | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.3.9 | Instructions on set-aside purchasing | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.3.10 | Instructions on submitting agency procurement reports (e.g. changes in delegated personnel, set-aside program, Compliance with AZ Legal Workers Act, etc.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.3.11 | Instructions on how to process cooperative purchasing agreements (TB# 005) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.3.12 | Instructions on how to use P-Cards | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.3.13 | Instructions on how to dispose of agency surplus property | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.3.14 | Procurement ethics (TB# 001) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2.4 | Are employees complying with the agency's established purchasing policies and procedures manual? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

| Item No. | Recommendations | Assigned to | Estimated Completion |
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| 2.1 | Develop procurement standards and procedures manual, addressing the particular needs of the Arizona Board of Appraisal, that is reasonably capable of reducing the likelihood of non-compliance to the A.P.C., Technical Bulletins, Standard Procedures, and Delegated Procurement Authority. | Debra Rudd | 02/01/2015 |
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**STATE OF ARIZONA
STATE PROCUREMENT OFFICE
PROCUREMENT PERFORMANCE REVIEW**

| Item No. | Compliance Criteria | N/A | Yes | No | Requires Action | Comments |
|------------|---|-------------------------------------|-------------------------------------|--------------------------|--------------------------|---|
| 3.0 | Agency Reporting Requirements | N/A | Yes | No | Requires Action | |
| 3.1 | Is annual list of all agency delegated procurement personnel current and accurate? (SPO TB #002) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3.2 | Were agency procurement personnel delegation changes reported within five working days to SPO? (See agency delegation agreement) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3.3 | Are all agency requisitions, purchase orders, receipts, formal and informal solicitations and contract administration conducted on ProcureAZ? (See agency delegated authority) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (Only one solicitation since 12/01/13 – processed through SPO Shared Svcs – resulted in Not Practical to Quote – cancelled) Agency processing all requisitions through ProcureAZ effective 12/01/13. |
| 3.4 | Are quarterly sole source, emergency, and competition impracticable procurement reports to SPO timely and accurate [if applicable – see Delegated Procurement Authority]? (ARS §41-2536, §41-2537, SPO TB #041) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3.5 | Are procurement protests, claims, decisions and agency reports submitted to SPO within five days of receipt or completion? (See agency delegation on administrative actions) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Note: No protests for ABOA on record at SPO. Per interview – confirmed ABOA has not received any protests – however knows to confer with SPO Shared Services if one is received. Recommend formalizing procedure in 2.1 |
| 3.5.1 | Does agency CPO make written determination to either proceed with | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

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|-------|---|-------------------------------------|-------------------------------------|--------------------------|--------------------------|---|
| | award or stay all, or part, of the procurement – providing copies of determination to SPO & interested parties? (R2-7-A902) | | | | | |
| 3.5.2 | If a stay was issued, did Director dismiss the stay either to protect the substantial interest of the state, if the appeal did not state a valid basis for the protest, if the appeal was untimely, or if the appeal attempted to raise issues not raised in the protest? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3.6 | Is the agency endeavoring to set aside one percent of new purchases to set-aside contractors? (ARS §41-2636 and SPO TB #004) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Agency currently has procedures to make many routine purchases through ACI – advised of provisions of AZ Set Aside program and additional organizations, products, and services available on SPO Website. Recommend formalizing procedures in 2.1 |
| 3.7 | Is agency verifying employment records of contractors and subcontractors, as per randomly selected by SPO? (ARS §41-4401, Executive Order 2005-30, & SPO SP #001) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

| Item No. | Recommendations | Assigned to | Estimated Completion |
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**STATE OF ARIZONA
STATE PROCUREMENT OFFICE
PROCUREMENT PERFORMANCE REVIEW**

| Item No. | Compliance Criteria | | | | Requires Action | Comments |
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| 4.0 | Procurement Personnel Training and Delegation | N/A | Yes | No | | |
| 4.1 | Does the agency provide in-house procurement training and mentoring programs for newly-hired procurement personnel? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | ABOA does not have a documented procurement training program, however the agency does routinely educate new staff of procedures for what may, or may not, be purchased, and through whom requisitions must be submit. See 2.1 – Procurement Policies & Procedures manual would help formalize this training. |
| 4.2 | Do procurement personnel undergo procurement training to enhance proficiency and professional status of procurement? (TB# 001 & TB# 002) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Although CBTs in YES are completed as appropriate to delegations, staff are not pursuing professional designations – agency not funded for additional training. |
| 4.3 | Are agency procurement managers certified by a public procurement organization (NIGP, ISM, etc) (TB# 001 & TB# 002)? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| 4.4 | Is agency procurement staff certified by a public procurement organization (NIGP, ISM, etc) (TB# 001 & TB# 002)? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 4.5 | Are the agency's delegated procurement personnel taking the required (20) hours of procurement training each year? (Undelegated Procurement Authority) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 4.6 | Did the agency CPO sub-delegate procurement authority to agency | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No sub-delegations yet assigned. Agency will |

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| | procurement personnel in writing? (R2-7-203) | | | | | be sub-delegating authority for alternate approval path – upon which new employee must have specific delegation limits and authorities – must complete training commensurate to delegation. |
| 4.7 | Do agency sub-delegations include specific activities, functions, and limitations? (TB #002; Delegated Procurement Authority) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No sub-delegations yet assigned. |
| 4.7.1 | Are staff delegated amounts in line with duties and title? (TB #002; Delegated Procurement Authority) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No sub-delegations yet assigned. |
| 4.8 | Were procurement personnel adequately trained prior to being granted procurement delegation by the agency CPO? (TB# 002; Delegated Procurement Authority) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

| Item No. | Recommendations | Assigned to | Estimated Completion |
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**STATE OF ARIZONA
STATE PROCUREMENT OFFICE
PROCUREMENT PERFORMANCE REVIEW**

| Item No. | Compliance Criteria | N/A | Yes | No | Requires Action | Comments |
|------------|--|-------------------------------------|-------------------------------------|--------------------------|--------------------------|--|
| 5.0 | Procurement Internal Controls | N/A | Yes | No | Requires Action | |
| 5.1 | Does the agency provide procurement staff ethics training as outlined by SPO TB #001? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Per Debra Rudd, procurement staff regularly review SPO TBs, SPs, and the APC. See 2.1 – policies and procedures manual would help formalize this training. |
| 5.2 | Does the agency have a procedure or policy for dealing with unethical behavior? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 5.3 | Are any of the agency's procurement personnel or staff employed in secondary work that potentially conflicts with their ability to perform their procurement function, as must be disclosed per HR Conditions of Employment R2-5A-503? (SPO TB #001) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | New assistant – Linda – is co-owner of an appraisal firm, as has been disclosed to ABOA head – Debra Rudd. Per Debra Rudd, Linda will not be involved in any appraisal related contracts and approves of outside employment. |
| 5.4 | Does the agency have internal systems of control to guard against employee or public officer purchase of materials or services for their own personal, or business, use from contracts entered into by the state? (R2-7-204) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Per Debra Rudd, all purchases are closely scrutinized by herself – questions all “Gotta have its.” Tight budget requires close monitoring. Recommend formalizing this procedure in 2.1 |
| 5.5 | Does agency have on file Annual Procurement Disclosure Statements for all employees, whose regular responsibilities include: Soliciting quotes greater than \$10,000 for the provision of materials, services, or construction; Issuing open market purchase orders with department buyer or basic purchasing roles in ProcureAZ; and, making decisions on protests or appeals | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

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| | by a party regarding an agency procurement selection or decision? (SPO SP #003). | | | | | |
| 5.5.1 | Has agency director waived Annual Procurement Disclosure Statements for any employees? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 5.6 | Are responsibilities divided between different employees so one individual does not control all aspects of procurement? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Only procurement staff of 1 person. |
| 5.7 | Upon receipt of a submission, and CPO written determination, is the procurement office adequately safeguarding confidential information? (R2-7-103) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Although the office has not yet received vendor notice of confidentiality, the office knows to confer with SPO Shared Services. Recommend formalizing this procedure in 2.1 |
| 5.8 | Are contract files kept safe from tampering by unauthorized personnel? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Maintained in cabinet in office. Office is also safeguarded by security. |
| 5.9 | Are there procedures in place to safeguard contract files during file reviews or when the public accesses the agency's procurement records? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Office procedures to copy documents for inspection – or set appointment for supervision of originals. |
| 5.10 | Does the agency routinely check statewide contracts and state set-asides prior to issuing an open-market requisition (Delegated Procurement Authority & SPO TB# 004)? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 5.11 | Does the office regularly monitor agency P-card purchases? (SPO TB #040) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 5.12 | Does the agency maintain adequate contract records to facilitate auditing by the State? (ARS §41-2548) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 5.13 | Does the agency make available the SPO "E-Comply" anonymous/confidential reporting compliance and ethics email address? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 5.14 | Other than ADOA's state financial system, does the agency have any other system of collecting financial data? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| 5.15 | Does the agency's internal audit conduct regular audits on procurement transactions? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Per Debra Rudd |

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|--------|--|-------------------------------------|--------------------------|-------------------------------------|--------------------------|---|
| 5.16 | Were any finance or purchasing-related audits or reviews conducted on the agency within the past two years? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Per Debra Rudd |
| 5.17 | Did agency management comply with the recommendations and corrective actions in the audit report listed in 5.16? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 5.18 | Cooperative Contracts (TBD 09/14) | | | | | |
| 5.18.1 | Does the office practice due diligence in selection of cooperative contracts -- cooperative contract complies with requirements of 41-2533, 41-2534, 41-2535, TB# 005? R2-7-1001 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Per Debra Rudd, office has never used WSCA cooperative. |
| 5.18.2 | CPO performs cost analysis to determine best value? (R2-7-702) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 5.18.3 | CPO reviews contract terms and conditions (R2-7-####) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 5.18.4 | Office verifies vendor has capacity and willingness to extend contract to the state? (R2-7-####) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 5.18.5 | Cooperative contracts are lesser of 25% of original contract or \$500k? (R2-7-####) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 5.18.6 | Office verifies if State Contract already exists? (R2-7-####) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

| Item No. | Recommendations | Assigned to | Estimated Completion |
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**STATE OF ARIZONA
STATE PROCUREMENT OFFICE
PROCUREMENT PERFORMANCE REVIEW**

The following criteria were considered in the procurement performance review process in compliance with AZSPO Technical Bulletin No. 3, Procurement Compliance Reviews – Phase 3 (Representative Samples of IFB’s, RFP’s and RFQ’s, Sole Source, Competition Impracticable, Emergency). “Stop & Go” review used – reviewing greater of 10, or 10% of prior year contract files.

The following criteria is used for each representative solicitation or contract.

| | | | | |
|----------|----------------------------|--|--|--|
| Item No. | Compliance Criteria | | | |
| 6.0 | Contracts | | | |

| Request for Quotation (RFQ) | |
|---|--|
| Solicitation or Contract Number: | ADSP014-068486 |
| Contract Title or Description: | National Appraisal Examination Administrator |
| Contract Estimated Amount: | Term |
| Name of Procurement Officer: | Jennifer Hefley |

| 6.1 | Request for Quotations (RFQ) | N/A | Yes | No | Requires Action | Comments |
|---------|--|-------------------------------------|--------------------------|--------------------------|--------------------------|--|
| 6.1.1 | Is there a Procurement Request, in writing, on file (Requisition(ProcAZ) /Email/Other)? (R2-7-205) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Only solicitation since 12/01/13 – Not Practical to Quote resulted/approved. |
| 6.1.2 | Should a set-aside or statewide contract been considered/used? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6.1.3 | Was this procurement performed by an authorized procurement officer within his/her delegated authority? (R2-7-206) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6.1.4 | Is there any evidence that this was artificially divided or fragmented so as to circumvent this section? (ARS §41-2535.C) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6.1.5 | Does the RFQ include a statement that only a small business as defined in R2-7-101, shall be awarded a contract? (R2-7-D302) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6.1.5.1 | If RFQ was not awarded to a small | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

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| | business, is there a determination in file that less than three small businesses are registered, or that restricting procurement to small business is not practical under the circumstances (R2-7-D302) | | | | | |
| 6.1.6 | Does the RFQ include the following (R2-7-D302.A): | | | | | |
| 6.1.6.1 | Offer submission requirements, including offer due date and time, where offers will be received, and offer acceptance period | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6.1.6.2 | Any purchase description, specifications, delivery or performance schedule, and inspection and acceptance requirements | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6.1.6.3 | The minimum information that the offer shall contain | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6.1.6.4 | Any evaluation factors | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6.1.6.4.1 | Is conflict of interest disclosure in file for any/all non-employee evaluators | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6.1.6.5 | Whether negotiations may be held | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6.1.6.6 | The uniform terms and conditions by text or reference | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6.1.6.7 | The term of the contract, including language for any applicable option for contract extension (ProcAZ Max/Control) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6.1.7 | Was the RFQ distributed to a minimum of three small businesses? (R2-7-D302) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6.1.8 | Are Procurement Disclosure Statements in file for all employees who participated in the development of the procurement, evaluation tool, served as technical advisors or evaluators, recommended or selected a vendor, or who approved sole source or competition impracticable? (SPO SP# 003) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6.1.8.1 | Did the agency director, or designee, inform employees when the first PDS was signed, and notify the State Procurement Administrator? (SPO SP# 003) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6.1.9 | is there a written basis for the award on file? (R2-7-D304) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
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| 6.1.10 | At the time of award, does a procurement file (either paper or electronic) exist, containing a list of notified vendors, final solicitation, non-disclosure statements, solicitation amendments, bids and offers, offer revisions, Best and Final Offer, negotiations, clarifications, final evaluation report, award determinations, and additional information requested by agency CPO as approved by SPA? (R2-7-101(37)) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6.1.10.1 | Does the file contain adequate justification for multiple awards, or otherwise obtained SPA authorization? (R2-7-608). | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6.1.11 | ProcureAZ | | | | | |
| 6.1.11.1 | Is total spend limit locked in Control Tab? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6.1.11.2 | Bidders – General Tab: Is Bid Holder List hidden from Vendors? (preventing collusion) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6.1.12 | Contract Administration | | | | | |
| 6.1.12.1 | Are contract files and records complete and available for public inspection? (ARS §41-2533; SP#006) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6.1.12.2 | Is there a valid and current Certificate of Insurance on file (if applicable)? (ARS §41-2573) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6.1.12.3 | Are the amounts on the Certificate of Insurance consistent with the contract requirements? (ARS §41-2573) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6.1.12.4 | Are documents named and uploaded to ProcureAZ following the naming conventions outlined in SPO SP# 006? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6.1.12.5 | For multi-term contracts, are there written determinations of extension in the contract files (> 5 years)? (R2-7-605.A-C) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

| Item No. | Recommendations | Assigned to | Estimated Completion |
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