

**Equalis Group Cooperative**

**Procurement Compliance Questionnaire**

**PaveConnect Logistics, LLC**

**Contract R10-1103A**

**for fiscal year ended June 30, 2022<sup>1</sup>**

<sup>1</sup> This questionnaire must be used for fiscal year (FY) 2021 audits and thereafter.

# Procurement Compliance Questionnaire

## Instructions

Arizona Revised Statutes (A.R.S.) §15-213(F) requires school purchasing cooperatives to have a systematic review of their purchasing practices performed in conjunction with their annual audit, using guidelines that the Arizona Auditor General established. The review's purpose is to determine whether the cooperative complied with the procurement laws and applicable rules when awarding contracts that Arizona school districts use. Cooperatives meet this requirement by having their audit firm complete this procurement compliance questionnaire using the guidelines prescribed below by the Arizona Auditor General. The Arizona Auditor General may reject those Procurement Compliance Questionnaires not meeting the minimum requirements.

- The audit firms must obtain sufficient, appropriate evidence annually for each question to satisfactorily address whether the cooperative complied with the State's procurement laws and applicable rules. The audit documentation must support the comments and the evidence must be included in the audit documentation. If the evidence was obtained and documented during the financial statement audit, that evidence may be referenced to answer related questions.
- The questions are considered "stand alone" and comments for cited deficiencies should address the specific question. Auditors should not repeat a comment on multiple questions. The evidence may be obtained through test work, observation, examination, and client assertion. However, client assertion alone is not adequate evidence to support "Yes" answers on the questionnaire.
- The audit firm must determine the cooperative reviewed documents and transactions and provided sufficient evidence of approval including signatures or initials and date of review.
- For questions related to the establishment of policies and procedures, the audit firm must gain an understanding of the cooperative's internal controls and perform sufficient test work to determine that the procedures were implemented, followed, and systematically communicated to employees and member districts, as applicable.
- The minimum number of items to test has been specified for each question. The items selected should be representative of the population. Population and samples sizes used for test work should be documented in the comment box of the related question.
- The sample size should be expanded if the audit firm cannot clearly determine whether the cooperative complied with the procurement laws and applicable rules on that question.
- A "Yes" answer indicates that the audit firm has determined that the cooperative complied with the State's procurement laws and applicable rules on that question, and a "No" answer indicates the cooperative did not comply. However, the Arizona Auditor General makes the final determination of compliance based on the evidence presented in the questionnaire, audit reports, audit documentation, and any other sources of information available.
- The audit firm must adequately explain all "No" answers in the comment box below the question. Deficiencies must be described in sufficient detail to enable the Arizona Auditor General to determine the nature and significance of the deficiency for:
  - a. Assessing compliance with the State's procurement laws and applicable rules,
  - b. Describing the deficiency in a letter, and
  - c. Testing compliance during a review.

The description should include the number of items tested and the number of exceptions noted and any other relevant information that would provide context for the deficiency.

- The audit firm must adequately explain all "N/A" answers in the comment box below the question unless the reason for the N/A is obvious.
- The questions in the questionnaire do not address all requirements of the State's procurement rules and applicable laws. If the audit firm is aware of noncompliance with any requirements that are not addressed in this questionnaire, the audit firm should include those deficiencies on a separate page attached to the questionnaire, as applicable.

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The audit firm must make the resulting documentation supporting the audit firm's answers on the questionnaire available on request for the Arizona Auditor General to review. To facilitate this review, the audit firm may wish to include a copy of the questionnaire with references to the procedures performed for each question, with the audit file.

## Procurement Compliance Questionnaire

**Objective:** To determine whether the cooperative has followed the State of Arizona procurement laws and the School District Procurement Rules to promote fair and open competition among vendors to help ensure the cooperative’s members are receiving the best value for the public monies they spend.

The audit firm 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 Arizona school districts, but no fewer than 5 awarded contracts. All contracts awarded for like items should be considered a single contract in applying the sample size. These sample sizes represent the minimum level of required test work. Audit firms should use their professional judgment in determining whether a larger sample is needed.

In the parentheses provided below, indicate the population size and actual number of contracts tested and total number of contracts awarded. If all contracts are tested, indicate such in the “Comments.” Of the total awarded contracts selected for testing, at least 40 percent must be competitive sealed bids and at least 40 percent must be competitive sealed proposals. If the 40 percent thresholds cannot be met because of an inadequate population size, the audit firm must test all contracts awarded through competitive sealed bids or proposals, as applicable. Of the contracts selected, at least 1 awarded contract should be for traditional construction (design-bid-build) and specified professional services, and at least 1 for construction-manager-at-risk, design-build, job-order-contracting, or qualified select bidders list, as applicable.

	YES/NO
Based upon review of (___) contracts, (___) competitive sealed bids and (___) competitive sealed proposals, from the (___) total contracts awarded during the fiscal year for the procurement of construction, materials, and services, did the cooperative follow the School District Procurement Rules (R7-2-1001 et seq) and do the following:	
1. Compile and maintain a list of persons who requested to be added to a list of prospective bidders, if any, and furnish those bidders with notice of available bids? R7-2-1023	Yes
<i>Comment: Equalis Prospective Bidders List</i>	
2. Publish and provide other adequate notice, as applicable, of the issuance of solicitations? R7-2-1022, R7-2-1024(C), or R7-2-1042(C)	Yes
<i>Comment: Ad Proofs</i>	
3. Issue the solicitation at least 14 days before the due date and time set for bid or proposals, as applicable, unless a shorter time was documented as necessary? R7-2-1024(A) or R7-2-1042(B)	Yes
<i>Comment: RFP Schedule p. 9</i>	
4. Include all required content in the solicitation, as required by R7-2-1024(B) or R7-2-1042(A), including the requirement that bidders/offerors have taken steps to ensure no violation of A.R.S. §15-213(O) has occurred? (Note: If the answer is “No,” the “Comments” should <b>specifically</b> indicate which requirements were not complied with.)	Yes
<i>Comment: RFP</i>	
5. Record the time and date that sealed bids or proposals were received and store bids or proposals unopened until the time and date set for opening? R7-2-1029 or R7-2-1045	Yes
<i>Comment: Bonfire Submissions Report</i>	
If a multiple award was made for a solicitation, did the cooperative: (Questions 6 through 9)	
6. Include in the solicitation(s) notification that multiple contracts may be awarded, the cooperative’s basis for determining whether to award multiple contracts, and the criteria for selecting vendors for the multiple contracts? R7-2-1031(C) and R7-2-1050(B)	N/A
<i>Comment:</i>	
7. Determine, with the specific reason(s) in writing, that a single award was not advantageous to the cooperative’s members and retained documentation that supported the basis for a multiple award? R7-2-1031(D) and R7-2-1050(C)	N/A
<i>Comment:</i>	
8. Establish and communicate to the cooperative’s members the procedures for the use of multiple award contracts? R7-2-1031(D) and R7-2-1050(C)	N/A
<i>Comment:</i>	

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	YES/NO
9. Limit contract awards to the least number of suppliers necessary to meet the requirements of the members? R7-2-1031(D) and R7-2-1050(C)	N/A
<i>Comment:</i>	
10. For contracts where only 1 responsive bid or proposal was received, did the cooperative determine that the price submitted was fair and reasonable, and that either other prospective offerors had reasonable opportunity to respond or there was not adequate time for resolicitation, and retain documentation that supported the basis for the determination? R7-2-1032 or R7-2-1046(A)(1)	Yes
<i>Comment: October 2021 Information Sheet</i>	
11. For (___) contracts awarded through competitive sealed bidding, did the cooperative award the 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 bid (IFB)? (Note: If the answer is "No," the "Comments" should specifically indicate which requirements were not complied with.) R7-2-1031	N/A
<i>Comment:</i>	
12. For (___) contracts awarded through competitive sealed proposals, did the cooperative award the contract to the offeror whose proposal was determined, with the specific reason(s) in writing, to be most advantageous to the cooperative's members based on the factors set forth in the request for proposal (RFP) and retain documentation that supported the determination? (Note: If the answer is "No," the "Comments" should specifically indicate which requirements were not complied with.) R7-2-1050	Yes
<i>Comment: Bid Results and April 2021 Equalis Bid Results Information Sheet</i>	
13. If the cooperative procured construction contracts that used construction-manager-at-risk, design-build, job-order-contracting, or qualified select bidders list to procure those services, did the cooperative comply with the requirements of R7-2-1100 through R7-2-1115? (Note: If the answer is "No," the "Comments" should specifically indicate which requirements were not complied with.)	N/A
<i>Comment:</i>	
14. If the cooperative contracted for goods and services using reverse auctions or electronic bidding, did the cooperative comply with the requirements of R7-2-1018, R7-2-1021, or R7-2-1041? (Note: If the answer is "No," the "Comments" should specifically indicate which requirements were not complied with.)	N/A
<i>Comment:</i>	
15. Did the cooperative obtain signed procurement disclosure statements for all employees with job responsibilities related to each procurement and for all nonemployee consultants or technical advisors involved in each procurement process? R7-2-1008 and R7-2-1015	Yes
<i>Comment: Evaluation Committee Member Statements</i>	
16. Based on type of procurement tested, did the cooperative prepare applicable written determinations as required throughout the procurement rules and specify the reasons for the determination and how the determination was made. R7-2-1004.	Yes
<i>Comment: Notification to Principals</i>	
17. If the cooperative used multi-term contracts for any of the contracts tested:	
a. Were the terms and conditions of renewal or extension, if any, included in the IFB or RFP? A.R.S. §15-213(L) and R7-2-1093	Yes
b. For materials or services and contracts for job-order-contracting construction services that were entered into for more than 5 years, did the cooperative determine in writing that a contract of longer duration would be advantageous to its members before the procurement solicitation was issued? A.R.S. §15-213(L) and R7-2-1093	N/A
<i>Comment: RFP General Terms and Conditions Article 2</i>	

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		YES/NO
18. If the cooperative procured contracts for specified professional services, consistent with R7-2-1117 through R7-2-1123 did it provide guidance for use of those contracts to cooperative member districts?		N/A
<i>Comment:</i>		
19. The cooperative's procurement files included the information required by R7-2-1001(96), as applicable, and were the files available to cooperative members for due diligence purposes? If the answer is "No," specifically indicate which document listed in R7-2-1001(96) was not included in the file. Do not include items already cited on another question.		Yes
<i>Comment:</i>		
20. The cooperative provided training and guidance related to restrictions on soliciting, accepting, or agreeing to accept any personal gift or benefit with a value of \$300 or more to employees and vendors? A.R.S. §15- 213 (N) and R7-2-1003		Yes
<i>Comment: Committee Member Statement and RFP Instructions to Bidders</i>		
21. Did the cooperative have a procedure to prevent additional purchases by new members that would materially change the volume of goods or services estimated in the original solicitation? R7-2-1011		Yes
<i>Comment: RFP Estimated Quantities</i>		
22. Did the cooperative have a procedure to verify districts using the cooperative's contracts had an active cooperative purchasing agreement on file? R7-2-1191 through R7-2-1195		Yes
<i>Comment: Equalis Membership Agreements</i>		
This questionnaire was completed in accordance with guidelines established by the Arizona Auditor General and as set forth in the instructions on page 1.		
Audit Firm:		Date:
Preparer (audit firm representative):		Title: