



TECHNICAL BULLETIN No. 003

TITLE: **Procurement Compliance Reviews (PCR)**

REVISION: **Number 10**

DATE(s): Current Version: **August 27, 2021**

Previous Version: August 24, 2017

I. Authority

A. Applicable Arizona Revised Statute(s)

A.R.S. § 41-2511 Authority of the Director

A.R.S. § 41-2512 Delegation of authority or functions by the Director

B. Applicable Arizona Administrative Code

A.A.C. R2-7-201 State Procurement Administrator: Duties and Qualifications

A.A.C. R2-7-202 Delegation of Procurement Authority to State Governmental Units (SGUs)

A.A.C. R2-7-203 Agency Chief Procurement Officer

A.A.C. R2-7-206 Authorized Procurement Officers

II. Definitions

- A. Agency Chief Procurement Officer (ACPO) means the procurement officer within a State Governmental Unit, who is acting under specific written authority from the State Procurement Administrator in accordance with A.A.C. R2-7-202 or any person delegated that authority, in writing, under A.A.C. R2-7-203. The term does not include any other person within a SGU who does not have this written delegation of authority.
- B. State Governmental Unit (SGU) means any department, commission, council, board, bureau, committee, institution, agency, government corporation or other establishment or official of the executive branch or corporation of this state.
- C. State Procurement Administrator (SPA) means the individual appointed by the director as a chief procurement officer for a state, or a SPA's authorized designee. A different title may be used for this position.
- D. State Procurement Office (SPO) means an office that acts under the authority delegated to the SPA.
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III. Policy

A. Purpose

1. The SPA shall monitor compliance of SGUs with state procurement laws by establishing a Compliance Unit within the Arizona Department of Administration (ADOA) SPO to conduct Procurement Compliance Reviews (PCRs).
2. PCRs shall be conducted to ensure SGUs properly exercise procurement authority in accordance with delegation agreements, the Arizona Procurement Code, applicable Executive Orders, and SPO Technical Bulletins and Standard Procedures. PCRs may include recommendations for SGU staff training and/or the greater utilization of existing procurement resources at SPO.
3. PCRs shall assist SGUs in preparation for successful audit performance. A PCR may not detect, nor should it be relied upon to detect, all deficiencies that may exist or improvements that should be employed by SGUs.

B. Compliance Reviews

1. Control Self-Assessment (CSA)

SGUs with limited and unlimited procurement authority shall conduct CSAs annually based on the Fiscal Year, utilizing the assessment tool, SPO Form 207.

- a. SGUs with delegated procurement authority greater than \$100,000, including unlimited delegations, shall conduct a CSA that includes seven (7) sections, focusing on:
 1. Procurement Organization;
 2. Procurement Code Compliance;
 3. Agency Reporting Requirements;
 4. Procurement Personnel Training and Delegation;
 5. Procurement Internal Controls;
 6. Solicitations and Contracts:
 - 6.1 Request for Quotations (RFQ);
 - 6.2 Invitation for Bids (IFB); and
 - 6.3 Request for Proposals (RFP); and
 7. Limited Competition Procurements:

- 7.1 Sole Source (SS);
 - 7.2 Emergency Procurement (EP); and
 - 7.3 Competition Impracticable (CI).
- b. SGUs with delegated procurement authority greater than \$10,000 and equal to \$100,000 shall conduct a CSA that includes six (6) sections, focusing on:
1. Procurement Organization;
 2. Procurement Code Compliance;
 3. Agency Reporting Requirements;
 4. Procurement Personnel Training and Delegation;
 5. Procurement Internal Controls; and
 6. Solicitations and Contracts:
 - 6.1 Request for Quotations (RFQ).
- c. SGUs with delegated procurement authority less than or equal to \$10,000, shall conduct a CSA that includes five (5) sections, focusing on:
1. Procurement Organization;
 2. Procurement Code Compliance;
 3. Agency Reporting Requirements;
 4. Procurement Personnel Training and Delegation; and
 5. Procurement Internal Controls.
- d. SPO reserves the right to verify the accuracy and integrity of each SGU's response to a CSA.
- e. The completed CSA shall be kept on file by the SGU and provided to SPO Compliance upon request.
2. Procurement Compliance Review (PCR)
- a. SPO Compliance unit shall conduct PCRs for SGUs with unlimited delegated procurement authority at least once every four years. SPO Compliance unit will leverage results of the CSA and other related information to establish priorities for the PCR schedule.
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- b. SPO Compliance unit may conduct procurement compliance reviews for SGUs with limited delegated procurement authority as needed.

3. Continuous Monitoring

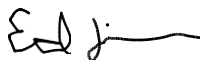
SPO Compliance unit shall monitor various procurement activities on an ongoing basis including, but is not limited to, limited competition procurements and agency delegation updates.

C. Reporting

1. Upon completion of the CSA, SGUs shall report non-compliance issues or procurement findings to SPO Compliance unit at SPOCompliance@azdoa.gov.
2. SPO Compliance unit shall report any non-compliance issues or procurement findings to the SPA.
3. SGUs shall be responsible for development and implementation of corrective action plans to resolve any non-compliance issues or procurement findings. The SPO Compliance unit can provide assistance, as necessary, to develop corrective action plans.
4. SGU procurement personnel shall report compliance violations, concerns or questions to their immediate supervisor. Personnel may also report compliance issues directly to the SPO Compliance unit at SPOCompliance@azdoa.gov. In addition, the Procurement Compliance Hotline is available on the SPO website for anonymous and confidential reporting.
5. The SPA shall confirm SGUs' compliance with state procurement laws and may:
 - a. Request corrective action be taken;
 - b. Suspend, revoke, or modify the SGU's delegation; or
 - c. Take other appropriate actions as deemed necessary.

IV. Effective

This Technical Bulletin is hereby authorized and effective on August 27, 2021, unless otherwise revised or repealed.



Ed Jimenez (Aug 27, 2021 15:20 PDT)

Ed Jimenez, State Procurement Administrator
