



**ARIZONA SUPREME COURT  
ADMINISTRATIVE OFFICE OF THE COURTS  
JUVENILE JUSTICE SERVICES DIVISION**

**PRE-QUALIFICATION APPLICATION  
FOR  
QUALIFIED VENDOR STATUS**

**OPEN AND CONTINUOUS BEGINNING 2003**

**SEND APPLICATIONS TO:  
THE ARIZONA SUPREME COURT  
ADMINISTRATIVE OFFICE OF THE COURTS  
JUVENILE JUSTICE SERVICES DIVISION  
1501 W. WASHINGTON STREET, SUITE 337  
PHOENIX, AZ 85007-3231**

**PERSONS WITH DISABILITIES WHO REQUIRE  
ASSISTANCE CONTACT:  
GLORIA HURTADO (602) 452-3448  
TDD (602) 452-9545  
REGARDING AVAILABILITY OF INFORMATION IN ALTERNATIVE  
FORMATS.**

**Revision 1**

---

# Table of Contents

---

INTRODUCTION.....	Page 1
Qualified Vendor Status Pre-qualification Instructions.....	Page 1
Notice of Qualified Vendor Status .....	Page 1
Submission of Qualified Vendor Status Pre-qualification Applications .....	Page 1
Complaints.....	Page 2
Information.....	Page 2
PART ONE: GENERAL INFORMATION .....	Page 3
Part One, Section I: Introduction and Background .....	Page 3
A. Overview of Qualified Vendor Process.....	Page 3
B. Organization of this Pre-qualification Form.....	Page 3
C. Pre-qualification Policies.....	Page 4
D. ASC Role .....	Page 4
Part One, Section II: Pre-Qualification Process.....	Page 6
A. Responding to the Form.....	Page 6
B. Exemptions .....	Page 6
C. Pre-qualification Review Procedures.....	Page 6
D. Questions.....	Page 7
Part One, Section III: Pre-qualification Instructions .....	Page 8
Instructions for Filling-Out This Form.....	Page 8
Scope of Documentation.....	Page 8
PART TWO: VENDOR IDENTIFICATION & ACKNOWLEDGMENT. ....	Page 10
Part Two, Section I: Vendor Identification and Acknowledgments.....	Page 10
Vendor Identification and Acknowledgments Form.....	Page 10
Type of Organization Form.....	Page 10
PART THREE:	
PRE-QUALIFICATION STANDARDS & VENDOR RESPONSES .....	Page 12
Part Three, Section I: Power To Contract.....	Page 12
A. Type of Corporation .....	Page 12
Part Three, Section II: Insurance.....	Page 13
Part Three, Section III: Organizational Capacity.....	Page 14
1. Organizational Chart.....	Page 14
2. Executive Director/Administrator .....	Page 15
3. Administrative Oversight .....	Page 16
4. Personnel Policies .....	Page 16
5. Non-Discrimination Policy.....	Page 17

Part Three, Section IV: Accountability.....	Page 18
A.    Vendors with Governing Bodies .....	Page 19
1. Accountability Mechanism Description, Roles, Functions.....	Page 19
2. Governing Body Structure .....	Page 20
3. Active Involvement of the Governing Body .....	Page 21
B.    Vendors without Governing Bodies.....	Page 21
1. Accountability Mechanism Description, Roles, Functions.....	Page 21
2. Operations and Policies.....	Page 23
Part Three, Section V: Fiscal Capacity.....	Page 24
1.    Vendor’s Budget.....	Page 25
2.    Vendor’s Accounting System .....	Page 25
3.    Financial Policies and Procedures .....	Page 26
4.    Fiscal Personnel .....	Page 27
5.    External Audit .....	Page 28
6.    Internal Controls .....	Page 28
7.    Billing and Invoicing Procedures .....	Page 29
8.    Informed Governing Body or Person(s) .....	Page 30
9.    Fiscal Scrutiny.....	Page 31
10.   Identify each paragraph which does not apply. ....	Page 31
Part Three, Section VI: Management Capacity.....	Page 32
1.    Philosophy of Management.....	Page 32
2.    Management of Staff.....	Page 33
3.    Mission and Vision.....	Page 33
4.    Strategic Planning.....	Page 34
5.    Business Improvement Initiatives .....	Page 34
6.    Training for Managers .....	Page 35
7.    Issue Resolution.....	Page 35
PART FOUR: SUPPLEMENTAL FORMS .....	Page 36
Part Four, Section I: Supplemental Form A -Non-Discrimination Certificate.....	Page 36
NON-DISCRIMINATION CERTIFICATE.....	Page 36
Part Four, Section II: Supplemental Form B -Governing Body Membership .....	Page 37
Governing Body Membership Form.....	Page 37
PART FIVE: PRE-QUALIFICATION FORM CHECKLIST.....	Page 39
APPENDIX - MANAGEMENT & MONITORING OF NON-EMPLOYEES .....	Page 45

## INTRODUCTION

### **Qualified Vendor Status Pre-qualification Instructions:**

Please thoroughly review the enclosed Qualified Vendor Status Pre-qualification Form and instructions. Pre-qualification applications are received on an open and continuous process. It is the preference of the Arizona Supreme Court, Administrative Office of the Courts, **that you return your completed application within 30 days after your request for an application.**

### **Notice of Qualified Vendor Status:**

The ASC will provide written notice of an applicant's Qualified Vendor Status. Those applicants who fail to pass the Pre-qualification process must wait six months before reapplying. The ASC has changed the types of available Vendor Status to Pass / Fail. Applicants will no longer be pre-approved to use subcontractors in the delivery of any services placed under contract. Applicants will have to identify their desire to use subcontractors and demonstrate the capacity to manage and monitor those subcontractors at the time of application for the service.

### **Submission of Qualified Vendor Status Pre-qualification Applications:**

A. Completed hard copy of the application must be submitted and include the following or it will be rejected:

C Completed Application with all requested detail

B. Applications are received on an open and continuous process. Applications delivered by mail should be sent certified mail, return receipt requested to the Juvenile Justice Services Division, Arizona Supreme Court, 1501 W. Washington Street, Suite 337, Phoenix, Arizona 85007-3231, Attention: Stacia Nowinski. Delivered applications should be directed to the receptionist located on the fourth floor lobby.

**C. APPLICATIONS MUST BE SUBMITTED IN A SEALED ENVELOPE WITH "AOC JUVENILE SERVICES, PRE-QUALIFICATION FULL PROCUREMENT" AND THE OFFEROR'S NAME AND ADDRESS CLEARLY INDICATED ON THE OUTSIDE OF THE PACKAGE.**

All applications must be typewritten.

- D. The offeror must submit **one original** and **two (2) copies** of each application. The original must be clearly marked **Aoriginal@** and copies clearly marked as **Acopies@**.
- E. Erasures, interlineations, or other modifications in the application must be initialed by the person authorized to sign the application and contract.

**Complaints:**

Complaints regarding this application must be filed in writing to the Division Director, Juvenile Justice Services Division. Copies of this document may be obtained by contacting the Arizona Supreme Court, Administrative Office of the Courts, 1501 West Washington Street, Suite 337, Phoenix, Arizona 85007-3231.

**Information:**

For questions regarding this application, please call Stacia Nowinski at (602) 452-3544 or Jeanne Brandner at (602) 452-3537.

# **PART ONE: GENERAL INFORMATION**

---

## **Part One, Section 1: Introduction and Background**

### **A. Overview of Qualified Vendor Process**

The Arizona Supreme Court (ASC) uses a Qualified Vendor Status Pre-qualification process to screen the administrative capacity of vendors and to pre-qualify them as potential contractors for juvenile justice services contracts. No funds are allocated or contracts negotiated through this process.

The Pre-qualification process determines which vendors meet minimum standards in the following areas:

- Power to Contract
- Insurance Requirements
- Organizational Capacity
- Advisory/Oversight (Accountability) Functions
- Fiscal Structure and Stability
- General Management Capacity

### **B. Organization of this Pre-qualification Form**

This pre-qualification Form (Form) consists of the following:

#### **Part One: General Information**

Section I	Introduction and Background
Section II	Pre-qualification Process
Section III	Pre-qualification Instructions

#### **Part Two: Vendor Identification and Acknowledgments**

Section I	Vendor Identification and Acknowledgment Form
-----------	---

#### **Part Three: Pre-qualification Standards and Vendor Responses**

Section I	Power to Contract
Section II	Insurance
Section III	Organizational Capacity
Section IV	Accountability
Section V	Fiscal Capacity
Section VI	Management Capacity

#### **Part Four: Supplemental Forms**

#### **Part Five: Pre-qualification Checklist**

The Pre-qualification Standards are set forth in each of the sections of Part Three. They are the minimum acceptable standards and vendors must demonstrate compliance with each section that is applicable. **The Pre-qualification Standards and the vendor's response will be a part of any future contract that the ASC awards for juvenile services.**

### **C. Pre-qualification Policies**

1. Only those vendors on the Qualified Vendor List may submit applications for contract.
2. The ASC will pre-qualify vendors as Pass / Fail:
  - **Pass** / (Authorized to respond to service solicitations or propose services through the open and continuous process).
  - **Fail** / (not authorized to respond to contract service solicitations or propose services through the open and continuous process).
3. The Pre-qualification process is ongoing. The intent is to make the process flexible and responsive to the ASC's time lines. Once a vendor has submitted this Pre-qualification Form (Form) and accompanying documents, ASC staff may request different and additional information. Please note that any ASC technical assistance is limited to interpretation and clarification of ASC standards and does not alleviate the vendor from its responsibility to obtain professional expertise on how to develop fiscal and organizational systems.
4. Qualified vendor status expires after five (5) years unless the vendor is at that time, a current ASC juvenile services contractor and has passed an administrative review of their current qualified vendor status. The 5-year time period is based on one year calculated from October 1 to September 30, meaning that vendors that pass the process in August will have the same expiration as those that pass in the following January.
5. Pre-qualification is a pass/fail process.

### **D. ASC Role**

The Pre-qualification process is designed to allow for dialogue and feedback while still providing for closure of the process. Vendors which fail to obtain pre-qualified status may expect some information from the ASC about the reasons that they failed.

ASC staff is not responsible for:

- Making site visits to examine the vendor's systems.
- Developing or writing work plans, reports, analyses, or other forms of intensive technical assistance on how the Vendor should develop its system. It is the responsibility of the vendor to obtain these from outside professionals, if needed.
- Revising the vendor's Form or writing the original responses on the vendor's behalf.

## Part One, Section II: Pre-Qualification Process

### A. Responding to the Form

The information that the vendor must supply to be considered for pre-qualified status depends on the vendor's size and the nature of its organization to deliver services. The vendor should carefully read through the entire Form to ensure that it has answered every question which applies to it.

- Vendors, regardless of their size and the nature of their organization must respond to all questions and supply all documents. If the vendor does not believe that a question asked or document sought applies to it, it must note so in the space on the Form and indicate the reason for that belief.
- The pre-qualification data that the vendor provides on this Form must **reasonably relate to the range and type of services that the vendor intends to provide under an ASC contract**. In other words, the range and type of services that a vendor offers when submitting an Application for Programmatic Qualifications for contract award must be reasonably supported by the organizational, financial, legal, and managerial data that the vendor provides on this Form.
- The ASC has included as an attachment to this document, the types of questions regarding subcontractor management and monitoring that will be included with an Application for Programmatic Qualifications for contract award. Prospective vendors who desire to subcontract services will be required to answer similar questions to the ASC's satisfaction before being approved, on a service specific basis, to subcontract. This information is being provided as a courtesy to allow vendors the opportunity to prepare themselves in advance of the service solicitations. **Please do not complete or return the attachment with your Pre-Qualification Application.**

### B. Exemptions

Public agencies and any vendor with which the ASC must contract under emergency circumstances are exempt from the pre-qualification requirement. The exemption from pre-qualification for any vendor in emergency circumstances is limited to the emergency contract only.

### C. Pre-qualification Review Procedures

1. The ASC will rate each section of the Form on a pass/fail basis. All sections must meet the minimum standards set forth.

2. If the information provided on the Form is sufficient to pass the vendor, the ASC will notify the vendor that it has obtained Qualified Vendor Status.
3. The ASC will reject any Form which is incomplete, or which demonstrates that the vendor does not meet the Pre-qualification standards
4. The ASC may request that the vendor clarify information provided in its Form or supply additional supporting documents. If it does so, it will establish a deadline for submitting the clarification or supporting documents. If ASC does not receive the information or receives it after the stated deadline, ASC will notify the vendor by letter that the Form is incomplete and it has failed Pre-qualification.
5. If the vendor has submitted additional information by the stated deadline, the ASC will review and make a determination on the Form. If the documentation provided still does not meet standards, ASC will notify the vendor that it has failed the Pre-qualification.
6. Costs incurred by a vendor in preparing this Form are the responsibility of the vendor and will not be reimbursed by the ASC.

#### **D. Questions**

This Pre-qualification package includes the standards and review criteria used in the administrative qualifications process. Vendors are encouraged to use the Checklist at the back of the Form as a self-test, to assure them that they have collected and submitted all the relevant materials needed to document compliance with standards.

ASC staff may provide some assistance to organizations on the contents of the Form, as time permits. Assistance is limited to clarifications of the standards and expectations included in the Form, and how they might be implemented.

**NOTE:**

**Staff is not responsible for helping vendors develop their internal organizational systems or to respond to the Form. Vendors may need to obtain professional expertise for these functions through, for example, their own staff or their external auditors, or consultants.**

## Part One, Section III: Pre-qualification Instructions

### Instructions for Filling-Out This Form

1. Responses to this Form must be typewritten. If the vendor uses additional sheets, they must be typewritten or typed on a computer, single spaced, on 8.5" x 11" paper and on only one side of the paper. ***Handwritten responses will be rejected.***
2. The vendor should submit to the ASC: Part Two (Vendor Identification and Acknowledgments); Part Three (Pre-qualification Standards and Vendor Responses); Part Four (Supplemental Forms); and all requested and supporting documentation. The Checklist in Part Five is provided for the vendor's convenience to assist it in submitting all required information.
3. Title any documentation submitted with this Form, and any additional sheets, with the same headings and numbering and lettering sequence as in this Form. Identify on each document or additional sheet the number and title of the applicable Part and Section, and the number of each question, and restate the text of the question. Organize supporting documentation and additional sheets in the same sequence as in this Form.
4. Begin each section of any additional sheets ("Power to Contract", "Insurance", "Organizational Capacity", "Accountability", and "Fiscal Capacity") on a new page.
5. Submit one ***originally signed*** Form and two copies marked "copies".

### Scope of Documentation

***Vendors must submit documentation for the organizational entity wishing to do business with ASC for juvenile services.*** That organizational entity must have the management and fiscal controls to administer a contract.

Where an organizational entity is part of a larger organizational structure, the applicant should determine which entity manages the contract and fiscal structures, and submit documentation based on that determination. For example:

- A large conglomerate system may submit documents for the conglomerate or for the entity within that system that will actually provide services and contract for business. Documentation should consistently refer to the same organizational entity, if possible. Any contract with that organization will refer to the entity that is administratively qualified.
- A local or regional branch of a national organization must submit documents applicable to the local or regional branch, unless the national organization maintains all contract, budget, and financial

authority.

- An organization providing similar services in multiple areas around the region or state must submit documents for the full organization, including the full organization's budget. If this organization operates with different, autonomous branches, similar to the national organization model described above, the documents shall pertain to the regional or local @branch@ which has contracting and financial authority.
- The AOC will not consider an application from an Independent Practice Association. Practitioners involved in an IPA may request to be considered for contract as an Independent Practitioner.

## PART TWO: VENDOR IDENTIFICATION AND ACKNOWLEDGMENTS

### Part Two, Section I: Vendor Identification and Acknowledgments Form

Vendor Identification and Acknowledgments Form	
Vendor Name:	Vendor Address:
Telephone Number:	E-Mail:
Fax Number:	
Name of Executive Director, Chief Executive Officer, or Other Person-in-Charge:	Contact Person:  Telephone Number:

Type of Organization	
<input type="checkbox"/> Private, Non-Profit Corporation	<input type="checkbox"/> Private, For-Profit Corporation
<input type="checkbox"/> Professional Corporation	<input type="checkbox"/> General Partnership
<input type="checkbox"/> Limited Partnership	<input type="checkbox"/> Limited Liability Limited Partnership
<input type="checkbox"/> Limited Liability Partnership	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Sole Proprietor	<input type="checkbox"/> Professional Limited Liability Company
<input type="checkbox"/> Unincorporated Association	<input type="checkbox"/> Other (Please Identify):

Headquarters:  In Arizona     In Other State (Please Identify the State: \_\_\_\_\_).

Affiliates or Associations: The Vendor is \_\_\_ is not \_\_\_ affiliated or associated with or part of another organization. Name(s) of Affiliates or Associations: \_\_\_\_\_.

Please write a brief statement describing the type of juvenile services that the Vendor itself offers at present and check the appropriate descriptions (fit in this space; for information only - not to be rated):

\_\_\_\_\_ Out-of-Home Services  
\_\_\_\_\_ Intensive Outpatient Services

\_\_\_\_\_ Delinquency Prevention Services  
\_\_\_\_\_ General Outpatient Services

The undersigned acknowledges that:

1. S/he has the authority to submit a Pre-qualification Form (Form) and to represent the Vendor in all phases of this pre-qualification process;
2. The information provided is true and accurate to the best of her/his knowledge;
3. S/he understands any false statement may disqualify this Form from further consideration or be cause for termination of qualified vendor status or of any contract, and could subject the Vendor to civil or criminal proceedings;
4. S/he is the Person-in-Charge of the Vendor and authorizes the submission of this Form;
5. S/he agrees to notify ASC's Contract Officer within 30 days of any change in the above information.

---

Name of Person-In-Charge

Title

---

Signature

Date

# PART THREE: PRE-QUALIFICATION STANDARDS AND VENDOR RESPONSES

## Part Three, Section I: Power To Contract

### ASC STANDARD

The vendor must be legally authorized to do business in the State of Arizona.

**Instructions: Please provide the documents and information requested.**

### A. Type of Corporation:

If the vendor is a corporation, identify the type of corporation under applicable federal tax laws:

Subchapter S: \_\_\_\_\_

Subchapter C: \_\_\_\_\_

Tax-exempt: \_\_\_\_\_ (Submit evidence from the Internal Revenue Service of the vendor's tax-exempt status.)

**Documentation:** Please submit the following documentation showing the existence of the vendor's organization as a legal entity in good standing in the State of Arizona:

- C Corporations and Limited Liability Companies:** A certificate of good standing from the Arizona Corporation Commission
- C Limited Partnerships:** A certificate of existence from the Arizona Secretary of State's Office
- C Limited Liability Partnerships and Limited Liability Limited Partnerships:** A certificate of good standing from the Arizona Secretary of State's Office

**If this Section does not apply to the vendor, state the reasons below:**

## Part Three, Section II: Insurance

### ASC STANDARD

In order to provide legal protections to both the ASC and itself, the vendor must be able to obtain and maintain the insurance coverage as required by the ASC.

**Instructions: Please provide the documents and information requested.**

**Documentation:** Please provide a copy of the vendor's insurance coverage, as requested. Documentation must cover the date that this Form is filed. Insurance company statements must include the name of the insuring company, the name of the insured entity, dates of coverage, and coverage types and limits.

For vendors which do not have current coverage, please submit a statement from the insurance company that the vendor will be able to obtain the required coverage if awarded a contract.

- C **Commercial General Liability Insurance (including bodily injury, premises operations, and property damage):** Minimum \$1 million per occurrence and \$2 million in the aggregate.
- C **Workers' Compensation and Employer Liability Insurance:** Minimum limit of \$100,000.
- C **Comprehensive Automobile Liability Insurance (if the vehicle is used to transport clients for any purpose in the performance of a contract for ASC):** Minimum of \$1 million in the aggregate.
- C **Professional Liability Insurance:** Minimum limit of \$1 million for each claim (providing for coverage of professional misconduct or lack of ordinary skill in the performance of a professional act or service).
- C **The State of Arizona and the Arizona Supreme Court named as additional insured** on the Commercial General and Professional Liability policies.

**If any of the coverage identified above does not apply to the vendor, state the reasons below:**

### Part Three, Section III: Organizational Capacity

#### ASC STANDARDS

The vendor must have the capacity to manage and monitor administrative contract requirements.

- C The vendor must have a defined organizational structure, with clear supervisory and administrative relationships, which allows for decision-making and agency management.
- C The vendor must have someone in charge (e.g., executive director) locally, who is responsible for policy development, planning, decision-making, and local operations of the vendor.
- C The vendor must have designated staff to manage and oversee administrative functions (e.g., insurance, non-discrimination policy, personnel policies and procedures, etc.), who has reporting access to the person-in-charge.
- C The vendor must have a codified process for managing personnel, which includes, at a minimum, employee training and development, performance evaluations, and grievance procedures.
- C The vendor must have and be able to implement a non-discrimination policy.

**Instructions: Please provide the documents and information requested. If the vendor meets the standard but does not have the specific documentation requested, submit comparable documentation.**

#### 1. Organizational Chart:

**Documentation:** Please submit a current organizational chart that indicates lines of authority and communication for all of the vendor's programs in the State of Arizona, identifying at a minimum:

- C The person-in-charge (e.g., executive director)
  - C The Administrative and program management position(s)
- (See number 3 on Page 16)**

If the vendor has a regional/national structure, include organizational charts depicting the regional/national and the local structure and the lines of authority. Clearly identify where administrative contract management responsibilities lie.

**2. Executive Director / Administrator:**

Please identify below the name, title, and job description of the position-in-charge (e.g., executive director) of the vendor. If the vendor's headquarters are not in the State, include also the name, title, and job description of the state area administrator, including the degree of authority for making local organizational decisions.

<b>Executive Director / Administrator Information</b>	
Name:	Title:
Job Description:	
Arizona Area Administrator (Name):	Title:
Job Description:	
Decisions Over Which Administrator has Authority:	
Person to whom Administrator Reports:	Title:

### 3. Administrative Oversight:

Please identify the name(s) and title(s) of the employee(s) responsible for meeting administrative contract requirements (e.g. insurance, non-discrimination, property management) and overseeing contract corrective action, and describe their job duties as they relate to these functions. Do not use standard job classification descriptions to identify job duties.

Administrative Contract Requirements - Employee Information	
Name:	Title:
Specific Contract Administration Duties:	
Name:	Title:
Specific Contract Administration Duties:	

### 4. Personnel Policies:

**Documentation:** Please submit a copy of the Table of Contents for the vendor's personnel policies/procedures manual and copies of the following specific policies and procedures:

- a. Employee Orientation, Training and Development
- b. Employee Performance Evaluations
- c. Employee Grievance Procedures

**Vendors which do business through non-employees must submit their contract language regarding the above three issues. Do not submit copies of the entire agency personnel policies.**

## 5. Non-Discrimination Policy:

**Documentation:** Please submit a copy of the vendor's non-discrimination policy stating that it will not discriminate against any individual with respect to employment or provision of services based on that individual's race, color, religion, sex, national origin, age, disability, or sexual orientation.

*Please also submit Supplemental Form A (Non-Discrimination Certificate), Part III, Section I, or similar statement that the vendor is willing and able to comply with the non-discrimination policies required by ASC contracts.*

## Part Three, Section IV: Accountability

### ASC STANDARD

The vendor must have an established mechanism for setting or overseeing policy, planning, and budget, and for assuring accountability of the vendor's local operations.

#### *Vendors with Governing Bodies*

- L If the mechanism is a governing body (a group of two or more persons), such as a board of directors, that body must be structured to assure performance of a checks and balances function:
  - | It must operate independently of management. The management staff must comprise less than 50% of members and shall not constitute a quorum.
  - | It must assure periodic opportunity for new representation and input while maintaining a balance between stability and new perspectives.
  - | Its membership must have diverse representation to provide for different perspectives and skills.
  - | It must assure that members have knowledge about the vendor's business and clarity about their responsibilities as governing body members.
- L The vendor must have established a policy or procedure honoring cultural diversity and have made good faith efforts to implement the policy/procedure in the governing body.
- L The governing body must be actively involved in providing oversight and setting policy:
  - | A quorum of the governing body must have met regularly during the past year. For vendors in operation less than a year, there must have been regular meetings where a significant number or quorum of organizing body members has been present.
  - | The governing body must regularly evaluate and provide feedback on the performance of the person-in-charge of the vendor's operations (e.g. executive director).

#### *Vendors without Governing Bodies*

- L The vendor must have sufficient systems/mechanisms in place to demonstrate sound business practices and assure the necessary stability to manage finances in order to provide contracted services.
  - | It must have standards and guidelines for its daily operation and finances.
  - | It must have a plan to achieve business goals and objectives.
- L The person(s) responsible for accountability must perform, and be structured or positioned to assure performance of, a checks and balances function:
  - | The person(s) must be qualified and experienced with the knowledge to exercise sound judgment and perform the necessary services/tasks.
- L *The person responsible for accountability must be actively and demonstrably involved in providing oversight and setting policy regularly during the year.*

**Instructions: Please answer the appropriate questions below and submit the required descriptions and documents. If the vendor submits a complete document which contains the information requested, it must mark that information.**

**A. Vendors with Governing Bodies**

**1. Accountability Mechanism Description, Roles, and Functions:**

Please identify the name of the governing body and generally describe its purpose, functions, responsibilities, and structure.

- C If the vendor is a national organization with local branches or is a conglomerate business, describe the governing structure for the portion of the vendor that is seeking to become a Qualified Vendor and how that structure relates to the structure of the larger organization.

Describe the role and function of the governing body in the following areas:

- C Setting and overseeing business planning (guiding future direction) and policy development (setting the philosophy and values).
  
- C Overseeing the vendor's budget, both its development and the vendor's ongoing financial position.

- C Overseeing operations of the vendor. This includes involvement with policies and procedures which affect the delivery of services and the selection and retention of personnel.
  
- C Assuring the accountability of the vendor's business and operations to the vendor's funding sources, and to the vendor's clientele, and compliance with all legal requirements (e.g., tax laws).

## 2. Governing Body Structure:

**Documentation:** Please submit the following documents. If the materials do not completely address the standards, include supplemental descriptions:

- C List of Membership and Representation: Please complete Supplemental Form B, Governing Body Membership. Identify who is currently a member of the governing body, their terms, and who or what they are representing. If any members are staff or owners of the vendor, identify their number and positions.
  
- C New Membership Policy/Procedure: Submit the written policy or a description of the actual procedure used for seeking new membership on the governing body. Subjects addressed may include, but are not limited to: term limits, turnover reviews, committee rotations.

Description of new membership policies and procedures  
(if no written policy):

**Training:** Submit a copy of the governing body member's job description and documentation that shows the content of training provided to new members to orient them to the vendor's business and to their roles and responsibilities.

**3. Active Involvement of the Governing Body:**

Please submit the following to indicate active involvement in the vendor’s policy, planning, and operations.

**C Meeting Dates:** Submit a list of the dates of governing body’s meetings during the last year, indicating fiscal or calendar year.

DATE of Meeting	Fiscal Year	Calendar Year

**C Performance Evaluation of Person-in-Charge:**

**Documentation:** Submit the policy and procedure for the governing body's evaluation of the performance of the person-in-charge of the vendor’s operations. Indicate below the schedule for this review and the date of the last review.

**Schedule for review:** \_\_\_\_\_

**Date of last review:** \_\_\_\_\_

**B. Vendors without Governing Bodies**

**1. Accountability Mechanism Description, Roles, and Functions:**

Identify the person(s) responsible for accountability and their purpose, function and their responsibilities. Also, describe each person’s qualifications to perform his or her functions and responsibilities, including relevant experience.

Describe the role and function of the person(s) responsible for accountability in the following areas (if the person(s) listed above are not responsible for the areas listed on the next page, identify the person(s) responsible):



## 2. Operations and Policies

**Documentation:** Submit documentation demonstrating or, if documentation is unavailable, describe:

C Standards and procedures for the daily operations of the vendor:

C The vendor's plans to achieve business goals and objectives:

C Any plan to achieve cultural diversity among the vendor's employees:

## Part Three, Section V: Fiscal Capacity

### ASC STANDARDS

The vendor must have the fiscal capability, including financial stability, to manage a contract.

- 5 The vendor must maintain an organizational budget that is clear, well organized, arithmetically accurate, comprehensible, and appropriately detailed in terms of cost centers and revenue and expense line items for the size and nature of the organization.
- 5 The vendor must have a fiscal management system that is appropriate to the size and nature of the organization, complies with Generally Accepted Accounting Principles (GAAP) and governmental regulations, assures sound fiscal accountability, and has the ability to comply with applicable laws pertaining to the use and maintenance of records, books, accounts, and other documents.
- 5 The vendor must have competent, qualified fiscal leadership.
- 5 The vendor's governing body or person(s) responsible for accountability must receive timely and appropriate fiscal information.
- 5 The vendor must have prudent internal controls to assure sound fiscal management.
- 5 The vendor must routinely follow procedures that assure accurate tracking and invoicing of services provided.
- 5 The vendor must routinely follow procedures that assure the timely invoicing of services provided.
- 5 The vendor must meet and pass regular outside fiscal scrutiny by government entities such as the Internal Revenue Service, the Arizona Department of Revenue, the Arizona Corporation Commission, and the Arizona Attorney General's Office, and, if applicable, professional auditors.
- 5 The vendor must be on stable financial footing, as indicated by a lack of excessive losses or liabilities.
- 5 *If the requested information does not apply, please identify in Paragraph 10 of this Section which of Paragraphs 1 through 9 do not apply, the reasons, and an explanation of the alternative procedure within your organization that fulfills the same function.*

**Instructions: Submit the requested documents. Be sure fiscal and budget reports are for the same organizational unit and the same time period; they should be for the most current time period possible.**

## **1. Vendor's Budget:**

**Documentation - Current Budget:** Please submit the vendor's current year budget. The budget should include separate columns for all cost center line item budgets, totaling across to a column for total organization budget. All columns should itemize individual revenue and expense line items. If the vendor does not have separate cost centers, please explain why not and how the vendor's system could include them if necessary.

Explanation regarding cost centers:

## **2. Vendor's Accounting System:**

Please describe the vendor's accounting system, in terms of the following:

**C Method of Accounting:** Describe the vendor's method of accounting (accrual, modified accrual, cash) and how it conforms to accounting standards for that type of organization. Also acceptable is a statement from an independent auditor that the method of accounting used does not differ materially from that required by industry accounting standards.

**C** Has the vendor changed from one method of accounting to another in the last two (2) years? \_\_\_\_\_ Yes \_\_\_\_\_ No. If yes, explain the reasons that the change was made, and the impact that the change had on any vendor assets, liabilities, and cash flow.

C **Basis of Accounting:** Describe the vendor's basis of accounting (e.g., fund, financial, etc.)

**NOTE:**

**The ASC wants as assurances that the vendor has the accounting system most appropriate for the type of organization, and that the system complies with Generally Accepted Accounting Principles.**

C **Balance Sheet:**

**Documentation:** Submit a copy of the vendor's most recent balance sheet. If current assets to liability ratio are less than 1:1, please submit balance sheets for the past three (3) years to ascertain upward or downward trends and a written explanation about those trends.

C **Revenue/Expense Statement:**

**Documentation:** Submit a copy of the vendor's most recent revenue / expense statement, showing cost centers, preferably for the most recent month. Acceptable is a revenue/expense statement for the most recent quarter. Also submit an income/expense statement for the most recently completed fiscal year, if it exists. If budget to actual comparisons are available, submit them too.

**3. Financial Policies and Procedures:**

**Documentation:** Please submit the vendor's written policies and procedures for the items listed below. If they are included in a fiscal management manual, submit the appropriate pages and highlight or mark the relevant sections.

C **Fiscal Management:**

**Documentation:** Submit policy and procedure documents for:

- 1) Budgeting
- 2) Cash flow management
- 3) Cost containment
- 4) Revenue maximization
- 5) Updating written procedures, including schedule for review, i.e. annually or more frequently.

**NOTE:**

- \* **Cost Containment** refers to the vendor's policies and procedures related to the controlling of costs and expenditures. Please describe the policies and procedures for identifying and managing expenses, such as supplies, personnel, training, etc.
- \* **Revenue Maximization** refers to the vendor's efforts to increase revenues, including fund raising efforts, use of savings accounts or other interest accruing methods, and timely billing for services rendered.
- \* **Updating Written Procedures** refers to the vendor's process for evaluating and changing fiscal procedures.

**C Accountability:**

**Documentation:** Submit policy and procedure documents describing the vendor's:

- 1) Lines of authority and responsibility
- 2) Reporting functions

**C Contract and Grant Accounting and Reporting:**

**Documentation:** Submit policy and procedure documents describing the vendor's method to identify and segregate direct service program expenses relating to specific grants or contracts from:

- 1) Administration and overhead costs
- 2) Costs related to other revenue sources

**4. Fiscal Personnel:**

**Documentation:** Please submit a job description showing specific responsibilities and qualifications required of the fiscal oversight position and a current professional resume of person(s) with fiscal oversight responsibilities.

**NOTE:**

**All vendors, regardless of size, need to have trained, professional oversight of financial systems. These people will generally be fiscal managers, accountants, or contract CPAs; in some cases, the treasurer of the Board of Directors may carry the appropriate credentials and serve the management function of fiscal oversight. In order to avoid a conflict of interest, a contract CPA hired to manage the financial system cannot be the agency's independent auditor. Question 4 refers to information about the day-to-day management responsibilities concerning financial systems.**

**5. External Audit:**

**Documentation:** Please submit the most recent external audit performed by an independent certified auditor, including the management letter and report on internal control, if they exist. If they do not exist, please indicate below and state the reasons why each does not exist.

**NOTE:**

**Audit Periods for Annual Audits: For audits for vendors which normally produce annual audited financial statements, submission must be for a period ending no earlier than 18 months prior to the submission date of this Form.**

**6. Internal Controls:**

Please describe the internal controls that the vendor has in place to assure sound fiscal management.

- C **Signature Authority:** Identify the person(s) in the vendor's organization, by name and job title, who are authorized to sign checks.
  
- C **Purchasing Authority:** Identify the person(s) in the vendor's organization, by name and job title, who are authorized to approve expenditures or make purchases.
  
  
  
  
  
  
  
  
  
  
- C **Accountability:** If a person in the vendor's organization is authorized to sign checks and approve expenditures or make purchases, identify the procedures in place to assure the proper expenditure of vendor funds.

## 7. Billing and Invoicing Procedures:

**Documentation:** Please provide a copy of each internal form the vendor uses to track the services provided, and to prepare invoices.

- C Describe the routine procedures followed and the documentation maintained to track the billable services provided. If the vendor provides more than one type of service, or provides services under more than one contract or subcontract, describe the manner in which the vendor allocates the time spent providing the various types of services or under the various contracts and subcontracts.

C Describe the vendor's customary invoicing procedures, including the manner in which the time spent and the services provided are identified and calculated for billing purposes, and whether the vendor customarily issues invoices within a set time each month.

C Does the vendor use the services of a bookkeeper or a certified public accountant? \_\_\_\_\_ Yes  
\_\_\_\_\_ No (If yes, the vendor uses a \_\_\_\_\_bookkeeper \_\_\_\_\_certified public accountant.  
Please describe the specific services that the bookkeeper or certified public accountant provides.)

**8. Informed Governing Body or Person(s):**

C Describe the methods and procedures that the vendor has in place to keep the governing body or person(s) responsible for accountability, identified in Part Three, Section IV, timely and fully informed of the vendor's financial condition.

**9. Fiscal Scrutiny:**

- C Has the vendor been audited in the last five (5) years by either the United States Internal Revenue Service, the Arizona Department of Revenue, or the revenue department of any other state? \_\_\_\_\_Yes \_\_\_\_\_No. If yes, identify each instance in which the vendor was audited, the governmental entity conducting each audit, the date of each audit, the finding of each audit, and the final disposition of each audit (such as whether the vendor paid additional taxes, and the amount paid, or the vendor successfully contested the audit, and paid no additional, or reduced, taxes, and the amount paid).
- C Has the vendor's fiscal affairs been the subject of any action initiated by the Arizona Corporation Commission, by the Arizona Attorney General's Office, or by the equivalent in any other state of those entities, or by any other governmental entity within the last five (5) years? \_\_\_\_\_Yes \_\_\_\_\_No. (If yes, identify each action, the governmental entity conducting each action, the date of each action, the finding of the governmental entity in each action, and the final disposition of each action.)

**10. Identify each paragraph which does not apply, the specific reasons each does not apply, and the alternative procedures in the vendor's organization for achieving the same function.**

## Part Three, Section VI: Management Capacity

*(Not applicable to Individual Providers as defined in Part One, Section II-A)*

### ASC STANDARDS

The vendor must have the capacity to manage its operations in a businesslike and professional manner.

- 1 The vendor must have a cohesive approach to managing its operations and staff that supports the vendor's business and service-delivery goals and objectives.
- 1 The vendor's mission and vision must result from a process that is consistent with the vendor's approach to managing its operations and staff.
- 1 The vendor must exhibit a commitment to long-range planning and to continuously improving its business and service-delivery operations.
- 1 The vendor must exhibit a commitment to improving the management skills of those persons managing its operations and staff.
- 1 The vendor must have a process or approach for addressing or resolving issues or disputes that arise during contract performance.

### 1. Philosophy of Management:

- C Describe the vendor's general philosophy of managing its internal operations. Include, for instance, where decision-making authority resides for key issues, how internal policies are established, and whether the management philosophy is based on a particular management theory or approach. Explain how that philosophy supports the vendor's business and service-delivery goals and objectives.



#### **4. Strategic Planning:**

- C Describe the process by which the vendor establishes its strategic plan.

#### **5. Business Improvement Initiatives:**

- C Describe any business improvement initiatives that the vendor has instituted in the last five (5) years. Explain the process by which the vendor conducted each business improvement initiative, the recommendations that resulted from the initiative, whether the recommendations were implemented, and how they were implemented.

- C Does the vendor plan any business improvement initiatives within the next year?  
\_\_\_\_\_ Yes \_\_\_\_\_ No. If yes, explain the initiatives that the vendor intends to take.

## 6. Training for Managers:

- c Does the vendor require its managers to attend any management training annually?
- a. \_\_\_\_\_ Yes. If yes, please identify the type and amount of training required annually, and the managers who are required to attend. Also explain the training that managers have attended over the last five (5) years including the source and title of the training, the managers attending, and the date of the training.
- b. \_\_\_\_\_ No. If no, does the vendor encourage, and pay for, managers to attend management training annually? \_\_\_\_\_ Yes \_\_\_\_\_ No. If yes, explain the training that its managers have attended over the last five (5) years including the source and title of the training, the managers attending, and the date of the training.

## 7. Issue Resolution:

- c Describe the process that the vendor will use to address issues that may arise between it and the ASC under any contract for services. For instance, if the ASC indicated in a monitoring report to the vendor that the vendor had failed to meet a particular contract requirement, what steps and time lines would the vendor follow to resolve the matter?

# PART FOUR: SUPPLEMENTAL FORMS

## Part Four, Section I: Supplemental Form A -Non-Discrimination Certificate

NON-DISCRIMINATION CERTIFICATE	
Vendor: _____	
Address: _____ Phone: _____	
<p>On behalf of the above-referenced vendor, I certify that the vendor will not discriminate against any individual concerning employment or the provision of services based on that individual's race, color, religion, sex, national origin, age, disability, or sexual orientation; and will comply with all applicable laws, regulations and rules, and executive and administrative orders prohibiting discrimination.</p>	
_____ Signature and Title of Authorized Representative	_____ Date

**Part Four, Section II: Supplemental Form B - Governing Body Membership**

<b>Supplemental Form B - Governing Body Membership</b>	
Vendor:	
Person Completing This Form:	
Number of Governing Body Positions:	Quorum of Governing Body:

**To indicate diversity below, use the following:**

- W** = Woman
- M** = Minority: African-American, Asian-American, Native American, Hispanic
- O** = Other: Please specify: \_\_\_\_\_

**To indicate whether a governing body or entity member is an owner or staff of the vendor, use the following:**

- O** = Owner
- S** = Staff

NAME (INDICATE ANY VACANT POSITIONS)	REPRESENTING WHICH COMMUNITY INTERESTS, (IF APPLICABLE)	TERM	DIVERSITY	OWNER OR STAFF

## PART FIVE: PRE-QUALIFICATION FORM CHECKLIST

*Note: This checklist is for the Applicant's convenience only. It summarizes, but does not completely restate, all the Pre-qualification requirements. Applicants are cautioned to ensure that their Forms meet the complete requirements.*

<b>SECTION Of FORM</b>	<b>TYPE Of VENDOR Required To Provide</b>	<b>DOCUMENTS REQUIRED To Be Submitted With Form</b>	<b>DESCRIPTION REQUIRED ON FORM</b>
PART TWO, SECTION I -VENDOR IDENTIFICATION AND ACKNOWLEDGMENTS	All Vendors		Type of organization; Affiliations; number of employees; types of services provided; specified acknowledgments
PART THREE, SECTION I - POWER TO CONTRACT	All Vendors	<ul style="list-style-type: none"> <li>\$ For non-profits, evidence of IRS tax exemption</li> <li>\$ For corporations and limited liability companies, a certificate of good standing from the ACC</li> <li>\$ For limited partnerships, a certificate of existence from the Secretary of State</li> <li>\$ For limited liability and limited liability limited partnerships, a certificate of good standing from the Secretary of State</li> </ul>	<ul style="list-style-type: none"> <li>\$ Type of corporation</li> <li>\$ Reasons that the section does not apply</li> </ul>
PART THREE, SECTION II - INSURANCE	All Vendors	<ol style="list-style-type: none"> <li>1. Copy of insurance coverage showing it meets required minimums (including insurance company name, dates of coverage, coverage types and limits) OR</li> <li>2. Statement from insurance company that coverage will be obtained if contract awarded</li> </ol>	A statement of the Reasons that the Coverage does not Apply

<b>SECTION Of FORM</b>	<b>TYPE Of VENDOR Required To Provide</b>	<b>DOCUMENTS REQUIRED To Be Submitted With Form</b>	<b>DESCRIPTION REQUIRED ON FORM</b>
PART THREE, SECTION III - ORGANIZATIONAL CAPACITY	All Vendors		
1. Vendor must have a defined organizational structure with clear supervisory and administrative relationships		<p>\$ Organizational chart indicating lines of authority and communication, identifying at least person in charge, administrative and program managers.</p> <p>\$ (Regional/national organizations submit for both that structure and local ones.)</p>	
2. Executive director/administrator: The vendor must have someone in charge locally			Describe as required on the Form
3. Administrative oversight: The vendor must have staff to manage and oversee administrative functions			Identify contract administrators as required on the Form
4. Personnel policies		\$ Table of Contents for personnel policies manual, and copies of policies for employee orientation, training and development; performance evaluations; and grievances.	
5. Non-discrimination policy: The vendor must have and be able to implement policy		\$ Non-discrimination policy for both employment and providing services covering race, color, religion, sex, national origin, age or disability.	Submit Supplemental Form A

<b>SECTION Of FORM</b>	<b>TYPE Of VENDOR Required To Provide</b>	<b>DOCUMENTS REQUIRED To Be Submitted With Form</b>	<b>DESCRIPTION REQUIRED ON FORM</b>
PART THREE, SECTION IV- ACCOUNTABILITY	All Vendors		
A-1. Governing body description, roles, functions	Vendors with Governing Bodies		Describe as required on the Form
A-2. Governing body structure	Vendors with Governing Bodies	<ol style="list-style-type: none"> <li>1. Membership list and representation: Any additional statement needed to address standards. If staff or owners on body, statement of assurance they do not constitute a quorum AND</li> <li>2. Policy for obtaining new members AND</li> <li>3. Member job description AND documentation showing content of training provided to new members</li> </ol>	<ol style="list-style-type: none"> <li>1. Submit Supplemental Form B</li> <li>2. If no policy, describe as required on Form</li> </ol>
A-3. Active involvement of governing body	Vendors with Governing Bodies	Policy/procedure for governing body evaluation of performance of person in charge of vendor	Submit list of dates of meetings and reviews as required on the Form
B-1. Persons responsible for accountability, functions, responsibilities, qualifications	Vendors without Governing Bodies	Documentation demonstrating the Content of training provided to orient the persons accountable	Describe as required on the Form
B-2. Operations and policies	Vendors without Governing Bodies	Documentation demonstrating standards and procedures for daily operation, plans to achieve Business goals and objectives, plans to achieve cultural diversity among employees	If requested documentation is not available, describe on the Form

<b>SECTION Of FORM</b>	<b>TYPE Of VENDOR Required To Provide</b>	<b>DOCUMENTS REQUIRED To Be Submitted With Form</b>	<b>DESCRIPTION REQUIRED ON FORM</b>
PART THREE, SECTION V - FISCAL CAPACITY	All Vendors		
1. Budget		Submit current budget which complies with description on Form	Explanation on Form if vendor does not have separate cost centers
2. Accounting system		<p>\$ Most recent balance sheet. (If current assets/liability ratio is less than 1:1, balance sheets for last three years) AND</p> <p>\$ Most recent revenue/expense statement</p>	Describe as required on Form: accounting method (or submit independent auditor statement); basis of accounting
3. Financial policies and procedures		<p>\$ Policies and procedures addressing budgeting, cash flow management, cost containment, revenue maximization, updating procedures AND</p> <p>\$ Policies and procedures describing lines of authority and responsibility, and reporting function (accountability) AND</p> <p>\$ Policies and procedures describing the method of identifying and segregating direct service program expenses relating to specific grants/contracts from administration and overhead costs, and costs related to other revenue sources</p>	
4. Fiscal personnel		<p>\$ Job description showing specific responsibilities and qualifications of fiscal oversight position AND</p> <p>\$ Resume of person currently in position</p>	

<b>SECTION Of FORM</b>	<b><i>TYPE Of VENDOR Required To Provide</i></b>	<b><i>DOCUMENTS REQUIRED To Be Submitted With Form</i></b>	<b><i>DESCRIPTION REQUIRED ON FORM</i></b>
5. External audit		Most recent external audit performed by an independent auditor, including management letter and report on internal controls	If unavailable, describe the reasons they do not exist
6. Internal controls			Describe as required on the Form
7. Billing and invoicing procedures		Documentation used to track services provided and to prepare invoices	Describe procedures as required on the Form
8. Informed governing body or person responsible for accountability			Describe as required on the Form
9. Fiscal scrutiny			Provide information required on the Form
10. Identification of paragraphs of the Form which do not apply			Describe as required on the Form
<b>PART THREE, SECTION VI - MANAGEMENT CAPACITY</b>	All Vendors		
1. Philosophy of management			Describe as required on the Form
2. Management of staff			Describe as required on the Form
3. Mission and vision			Describe as required on the Form
4. Strategic planning			Describe as required on the Form
5. Business improvement initiatives			Describe as required on the Form
6. Training for managers			Describe as required on the Form
7. Issue resolution			Describe as required on the Form

<b><i>SECTION Of FORM</i></b>	<b><i>TYPE Of VENDOR Required To Provide</i></b>	<b><i>DOCUMENTS REQUIRED To Be Submitted With Form</i></b>	<b><i>DESCRIPTION REQUIRED ON FORM</i></b>
PART FOUR, SECTION I: SUPPLEMENTAL FORM A	All Vendors		Complete and submit as required
PART FOUR, SECTION II: SUPPLEMENTAL FORM B	All Vendors		Complete and submit as required

# AOC Full Procurement Vendor Pre-Qualification Application

## APPENDIX

### Management and Monitoring of Non-employees

*For Informational Purposes Only - Do Not Complete and Return*

- C **Selection Criteria:** Describe the vendor's criteria for selecting the non-employees that will be used to deliver the proposed service.
- C **ASC Contract Compliance:** Demonstrate the vendor's ability to manage and monitor non-employees and assure each one's compliance with ASC contract requirements by answering the following questions:
1. Identify the vendor personnel assigned the management/monitoring responsibilities and specify their specific job duties related to this function.
  2. Identify the procedures for monitoring. Include schedules for monitoring and the subject areas (such as non-employee professional qualifications and file maintenance) to be monitored. Please also identify and include copies of the forms which will be used in the monitoring process.
  3. Indicate if the monitoring procedures include preparation of compliance reports and, if so, the circumstances under which the vendor prepares those reports.
  4. Identify compliance and enforcement procedures that may be used with non-employees.
- C **Documentation:** Please include copies of any policy and procedure which apply to the management and monitoring of non-employees and a copy of the subcontract that will be used.

## Standards

At a minimum, the following standards will be used as evaluation criteria for vendors who propose to use subcontractors in the delivery of services.

- The vendor must have specific identified staff, which is responsible for the management of non-employees.
- The vendor must have a codified process for the management of non-employees.
- The vendor shall have written policy, procedure and forms which apply to the management and monitoring of non-employees.
- The vendor's policy and procedure for monitoring the compliance of non-employees shall ensure that non-employees are monitored at least annually.
- The vendor must have written criteria for the selection of non-employees which includes at a minimum; professional qualifications and verification of credentials.
- The vendor must have a written subcontract which satisfies the ASC contract requirements.
- The vendor's policy, procedure, forms and subcontract must provide the ASC with confidence that the subcontracted service will be provided with adequate oversight.