

Third Study Confirms Results of Earlier Studies – Cooperative Saves Public Schools Millions

Public and non-public schools in Arizona are saving over 13 percent on purchases, a third independent study of the Mohave Educational Services Cooperative (Mohave) shows.

The Phoenix accounting firm of Fester & Chapman P.C. (formerly Starkweather & Fester P.C.) conducted a half-year pricing study to determine the difference in prices paid by Mohave members compared to what vendors stated members would have paid had they ordered directly from the vendors. The study included a review of purchase orders for \$22.6 million, approximately one-fourth of the purchases made through Mohave during the study period.

The study covered the period from July 1, 2001, to December 31, 2001. Purchase orders were randomly selected for testing from three categories, using a statistical sampling method. Following are the results:

	Dollar Amount of POs Selected	Dollar Amount of Vendor Quotes	Savings	Percentage Savings
POs More Than \$40,000	\$20,278,257	\$23,475,002	\$3,196,745	13.62 %
POs \$10,000 to \$40,000	1,923,083	2,215,028	291,945	13.18 %
POs Less Than \$10,000	381,477	429,367	47,890	11.15 %
Study Totals	\$22,582,817	\$26,119,397	\$3,536,580	13.54 %

The previous study covering the period from January 1, 1999, to June 30, 1999, showed savings of 8.49%. The above savings do not include Mohave’s one percent processing charge.

In addition to the pricing study, a member satisfaction survey was conducted by Fester & Chapman P.C. Fifty public school and non-public school members were randomly selected to participate and thirty-seven responded. On a scale of 1 to 5, with five being strongly agree, the overall average was 4.1, which was the average in the study conducted in 1999. Mohave received the highest score, an average of 4.3, in support of the statement: We are satisfied with Mohave’s services and would recommend Mohave to other organizations.

Summary provided by Fester and Chapman P.C. April 15, 2003