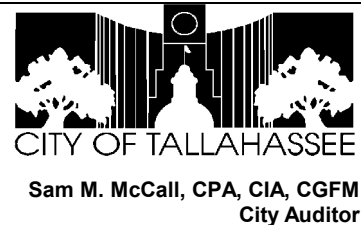


Final Follow up

As of September 30, 2000



“Taltran Acquisition of Bulk Oil” (Report #0015, Issued March 3, 2000)

Report #0109

January 18, 2001

Summary

On March 3, 2000, we responded to a request from a Commissioner to review the bidding process for bulk oil to determine compliance with City policies and procedures, Report #0015.

In that report we identified three areas where Taltran, Fleet Management Parts, and Procurement Services could improve the acquisition of petroleum products. Subsequently, Fleet Management Parts, in concert with Taltran, developed specifications for petroleum products. Procurement Services issued a bid for an annual price agreement, and five responses were received. A vendor was selected, and a new contract was approved by the City Commission on September 27, 2000.

Based on the new bid prices for oil and estimated usage under the new contract, the City should save approximately \$7,000 annually on the purchase of 15W40 oil.

Scope, Objectives, and Methodology

Report #0015

The scope of Report #0015 was to review the bidding process for bulk oil by Taltran in February – March of 1999 to determine compliance with City policies and procedures.

Report #0109

This follow up focuses on the actions taken by Taltran, Fleet Management Parts, and Procurement Services to address the issues we identified in the report. We reviewed the subsequently issued Request for Bids and the responses received to determine if policies and procedures were followed.

Previous Conditions and Current Status

In Report #0015, we identified three areas in the acquisition of petroleum products that needed improvement. Table 1 summarizes all conditions identified in Report #0015. Our current review shows that all previous conditions have been addressed and resolved.

**Table 1
Conditions Identified in Report #0015 and Current Status**

Previous Conditions	Current Status
<ul style="list-style-type: none"> • Requests for Bid should include specifications to ensure that petroleum products requested meet all requirements for the purposes intended. 	<ul style="list-style-type: none"> ✓ Fleet Management Parts developed the specifications for a petroleum bid.

<ul style="list-style-type: none"> • Taltran and Fleet Management Parts need to work together to develop specifications to better define the requested petroleum products. 	<ul style="list-style-type: none"> ✓ Fleet Management Parts worked with Taltran to ensure that specifications met the needs of both departments.
<ul style="list-style-type: none"> • Taltran and Fleet Management Parts should work with Procurement Services to establish a price agreement for petroleum products for the City. 	<ul style="list-style-type: none"> ✓ A Request for Bids was issued to 48 vendors; 5 responded. An Annual Price Agreement was approved by the City Commission on September 27, 2000.

Table Legend:

- Issue addressed in the original audit
- ⇒ Issue sub-components

- ✓ Issue addressed and resolved
- x Issue not resolved

As a result of the above actions, we estimate that the City should save approximately \$7,000 annually on the purchase of 15W40 oil under the new contract.

We appreciate the cooperation of Fleet Management Parts, Taltran, and Procurement Services and thank them for their assistance in this Follow Up.

Appointed Official Response

City Manager Response: We appreciate the Auditing staff's assistance in identifying opportunities for the City to save money, and we are glad to have an annual price agreement that will insure continued savings in the purchase of bulk oil. Many thanks to the staff of Purchasing, Fleet Management and Taltran for their assistance in resolving this matter.

Copies of this Final Follow Up or report #0015 may be obtained via request by telephone (850 / 891-8397), by FAX (850 / 891-0912), by mail or in person (City Auditor, 300 S. Adams Street, Mail Box A-22, Tallahassee, FL 32301-1731), or by e-mail (dooley@mail.ci.tlh.fl.us).

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