



# STATE OF OKLAHOMA

## DEPARTMENT OF CENTRAL SERVICES

### SW71101 AUTOMATED FUELING MANAGEMENT SYSTEM— BULK FUEL PORTION

Special Audit

*Report Released  
June 25, 2008*

JOHN S. RICHARD  
Director



BRAD HENRY  
Governor

STATE OF OKLAHOMA  
DEPARTMENT OF CENTRAL SERVICES

June 25, 2008

**TO BETTY CAIRNS, STATE PURCHASING DIRECTOR OF THE STATE OF OKLAHOMA:**

With this letter, we transmit the report of the Bulk Fuel Portion of Statewide Contract 101 Special Audit for the audit period January 15, 2008 through February 15, 2008.

We performed our audit in accordance with professional auditing standards to ensure that programs administered by the Department of Central Services are conducted in accordance with the laws and regulations and used in an ethical, effective and efficient manner.

The accompanying report presents our findings and recommendations, as well as management's responses and corrective action plans. This report is available to the public on the Department of Central Services website, [www.dcs.ok.gov](http://www.dcs.ok.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "John S. Richard".

John S. Richard  
Director of the Department of Central Services

*"Committed to Quality"*

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## **PURPOSE, OBJECTIVE AND SCOPE**

The Department of Central Services (DCS) has completed a special audit of the Automated Fleet Fueling Management System SW71101, Bulk Fuel Portion, for the period January 15, 2008 through February 15, 2008. Through the process of analyzing the effectiveness and efficiency of SW71101 in conjunction with data from the Oklahoma Department of Transportation (ODOT), the purpose of this report is to present the possible costs or savings associated with the statewide contract in relation to soliciting bids from vendors other than the Statewide Contract Vendor, Mansfield Oil Company. To do this, the cost associated with ODOT's bid practices over an audit period of January 15, 2008 through February 15, 2008 will be compared to the alternate bid values versus Statewide Contractor's bid values.

The objective of this audit was:

- Based on a vendor complaint issued to Central Purchasing by ODOT, the audit objective is to determine if the Statewide Contract SW71101, awarded December 1, 2007, is the most cost effective way for State Agencies to purchase bulk fuel.

This audit was performed pursuant to 74 O.S. § 85.5.E. in accordance with generally accepted Government Auditing Standards.

## **METHODOLOGY**

- Interviews were conducted with staff members from Central Purchasing, the Statewide Contract Fuel Vendor, ODOT, and other Agencies who use the bulk fuel portion of SW71101.
- Internal controls regarding Central Purchasing, ODOT, and the Statewide Fuel Vendor were documented.
- Cost benefit analysis was performed based on the bulk fuel transactions for the audit period, made by ODOT, along with other research and information

## **BACKGROUND**

**History of Statewide Contracts:** In the Oklahoma Central Purchasing Act Title 74 Section 85.2, statewide contracts are defined as "a contract for specific acquisitions entered into by state agencies during a specified period with a provision allowing the agencies to place orders as the acquisitions are needed for delivery during the period specified."

**History of Automated Fleet Fueling Management System SW71101- Bulk Fuel Portion:** This contract is a mandatory statewide contract. The purpose this section of this contract is to provide bulk fuel to state agencies across the state.

**Previous Studies:** Previous studies have not been performed in relation to the Oklahoma statewide contract program, specifically related to the bulk fuel statewide contract. However, a previous study is the RPMG 2005 Purchasing Card Benchmark Survey Report estimate of the

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cost to complete a purchase order from requisition to final payment. This estimate is \$89.00 per transaction which includes sourcing, purchasing and payment activities based on “responses from Purchasing Card end-users representing public and private corporations, state and federal government, city and county government, public and private universities and colleges, school districts, and more” (The 2005 Purchasing Card Benchmark Survey Results). Other data that is helpful in reviewing benchmarks for cost per employee work hour is from the State of Oklahoma Office of Personnel Management (OPM) 2007 Annual Compensation Report to estimate hourly cost. This report estimated that the average hour with benefits costs \$33.57 per hour based on OPM Pay Band L.

For clarification purposes, this section will define two terms used frequently in this report.

**Cost:** Actual or administrative costs to the Agency

**Savings:** Actual or administrative savings to the Agency

### **CONCLUSIONS and RECOMMENDATIONS**

Based on the analysis and calculations performed in relation to this special audit, the DCS Audit Unit concludes and recommends the following:

- The bid tabs collected were used to compare the prices of Mansfield Oil Company to other vendors used for bulk fuel purchases. Price comparison of the 22 out of the 39 applicable purchase orders (56 percent) showed that Mansfield Oil Company prices were higher than the competitors. The total variance during the review period was \$1,349.23. This amount is 0.6% of the total purchase order amount with competitive bids.
- The estimated cost for the period reviewed to solicit bids for each load in lieu of using the Statewide Contract, was \$1,963.80 for 18 purchase orders with bid tabs in the threshold of \$0 to \$10,000. The estimated cost of the bid process in the threshold of \$10,000.01 to \$25,000 was \$4,229.82 for the 21 purchase orders with bid tabs. For the period reviewed the estimated cost of using the bid process was calculated as \$6,193.62. The individual bidding process is estimated to cost the Agency \$6,193.62 to save \$1,349.23 on bulk fuel.
- If all sixty-nine bulk fuel purchases were individually bid during the audit period, the estimated administrative cost for the bid process would have been \$10,389.82.
- The bids provided by Mansfield Oil Company for ODOT Division Five have been exceptionally higher than the competitors bid. We recommend the DCS contracting officer to review this abnormality to determine the cause for the price variance and carry out any necessary modifications.
- The exemption granted by Central Purchasing required ODOT to continue to solicit Mansfield Oil Company during the exemption period. It was found that Mansfield Oil Company was a “NO BID”, 12 times out of 39 bid tabs (31 percent), due to no response by the vendor.

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- When asked about how to determine bulk fuel expenditures, pricing in accordance with the contract and freight costs, the state contracting officers were unable to answer these vital questions. However, during the completion of the audit the state contracting officers did obtain a complete or partial understanding of the information noted in the questions asked.

The DCS Audit Unit conditionally recommends that the Statewide Contract remain mandatory for all State Agencies and that the possibility of Central Purchasing allowing State Agencies to use the Statewide Purchase Card for their bulk fuel needs be explored to obtain additional savings. However, we make our recommendation based on the anticipation that future continuous monitoring of the Statewide Contract by Central Purchasing staff to ensure that all prices associated therein are fairly represented and charged is performed. These prices would include the actual cost, actual freight, applicable fees or taxes, and the per gallon margin. This monitoring should include a review of ODOT Division 5 pricing abnormalities. Furthermore, to ensure that this process is carried out, we recommend formal oversight from the State Purchasing Director.

As strongly recommended before this report was issued the appropriate Central Purchasing staff, ODOT officials and representatives from Mansfield Oil Company met and discussed the purchasing process, training possibilities and began to resolve outstanding vendor issues.

The bulk fuel portion of the statewide contract should provide competitive pricing and not solely rely on administrative cost saved by reducing the bidding process as justification for having a statewide contract. The state should benefit from both combining commodities to increase purchasing leverage and reduce duplicated purchasing processes.

**COST/BENEFIT ANALYSIS CALCULATIONS**  
**BID PROCESS and STATEWIDE CONTRACT VENDOR USE**

All of the calculations are applicable for the audit period of January 15, 2008 through February 15, 2008. For this section of the report, it is not appropriate for the DCS Audit Unit to project the values calculated below over the Calendar Year 2008 (CY 2008) due to the lack of competitive prices during the audit period. This report focuses solely on the audit period and the monetary values associated with this time period.

The summation of the variance between the lowest competitor's price and Mansfield Oil Company's price was calculated. Only 22 purchase orders out of the 69 in the audit period were applicable.

The value was calculated as a cost of \$1,349.23 for the 22 applicable purchase orders. This value should not be projected over the audit period since these purchase orders only represent about 32 percent of the population. **Appendix 3**

We also noted during our review a majority of the bulk fuel cost over competitors was noted within ODOT's Division Five. Division Five bulk fuel cost over competitors was over 5 times greater than the closest division comparison. The December 2007 ODOT spreadsheet indicated the same outcome.

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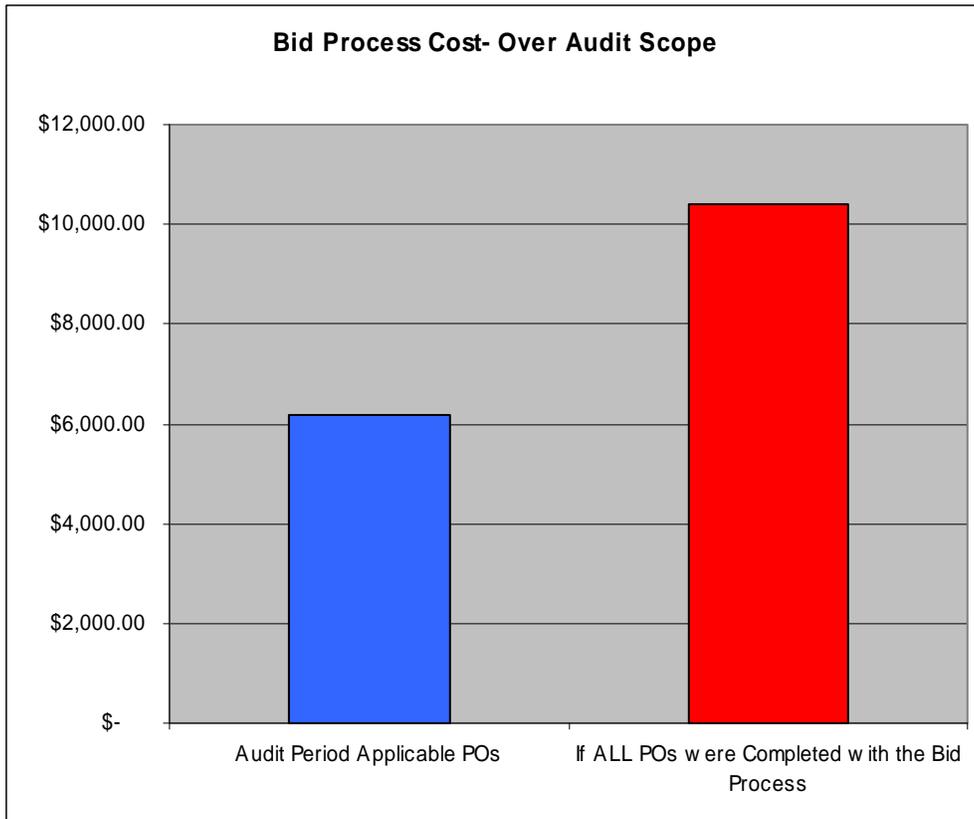
In contrast, the bid process costs are a better representation of the actual costs associated with the exemption versus using the statewide contract. Out of the 69 bid tabs reviewed, 39 of the purchase orders were calculated through the bid process. This constitutes 56 percent of the audit period purchase orders. However, even though this percentage is higher, we did not make any projections over CY 2008. The value associated with the bid process costs were broken down into thresholds to represent the different time values associated with different purchasing values.

For the \$0 to \$10,000 threshold, the bid process cost for the 18 purchase orders completed in this category totaled \$1,963.80. The time estimate for this process was 3.25 hours.

For the \$10,000.01 to \$25,000 threshold, the bid process cost for the 22 purchase orders completed in this category totaled \$4,226.82. The time estimate for this process was 6 hours.

The total estimated cost associated with the bid process with the applicable purchase orders is \$6,193.62. **Appendix 7**

If the state did not have a statewide contract for bulk fuel, the administrative bid process cost for the Agency to bid all 69 purchases during the one month review period would be estimated at \$10,389.82. **Appendix 7**



The chart above presents the data described above in a visual form.

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**COST/BENEFIT ANALYSIS DATA**

**Resources:** The resources used to calculate items were OPM web resources, specifically the 2007 Annual Compensation Report, the Central Purchasing Act (Oklahoma Statutes Title 74) for procurement rules and regulations, ODOT and other agency purchasing staff, and Mansfield Oil Company staff. DCS contracting officers in Central Purchasing were consulted for data inquiries and calculations.

**Assumptions and Data:** Below is a list of data collected by the DCS Audit Unit used to evaluate the costs associated with ODOT bulk fuel purchases and their current bulk fuel purchasing practices from January 15, 2008 through February 15, 2008.

*Bid Solicitation Process - Estimated Value*

- **Item Calculated** – The items calculated are the dollar values associated with completing the bid process in two thresholds:
  - \$0 to \$10,000
  - \$10,000.01 to \$25,000
  
- **Estimated Time (in hours)** – Purchasing rules (580:15-6-6) require that three suppliers be solicited for bids between \$2,500 and \$10,000 and ten suppliers be solicited for bids between \$10,000.01 and \$25,000. Obtained comments from various agencies about their purchasing practices for the two thresholds listed above. The average of the values for these types of purchases were taken and the result was 3.25 hours for purchases from \$0 to \$10,000 and 6.0 hours for purchases from \$10,000.01 to \$25,000 to complete the bid process.
  
- **Hourly Pay** – There is an incremental list of salary bands on the OPM website. The annual median value was used to evaluate the average per hour pay with benefits estimate. The benefits include longevity pay, as well. These values were based on the OPM 2007 Annual Compensation Report.  
**See Appendix 6**
  
- **Number of Purchase Orders Completed in Time Period** – This was the summation of all the purchase order copies the DCS Audit Unit has received from ODOT in a time period of January 15, 2008 through February 15, 2008. The number of purchase orders completed in the time period totaled 69. Thirty-nine out of sixty-nine purchase orders were accompanied by bid tabs.  
**See Appendix 2**
  
- **Estimated Savings or Cost (per time period tested based on bid process cost)** – These values are based on hourly pay and the number of purchase orders completed through the bidding process.
  
- **Estimated Savings or Cost (based on fuel cost alone)** – This value could only be calculated from a limited number of purchase orders in the audit period. Out of the 69 purchase orders in the audit period, only 22 (32 percent) were applicable for this calculation. These purchase orders made up 30 percent of the audit period's

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expenditures. The value was calculated by summing the variance between the bid tab quote or invoice amount from the next lowest vendor price or the bid tab quote and the invoice price from Mansfield Oil Company.

**See Appendix 3**

**ADDITIONAL FINDINGS AND CONTRACT BENEFITS**

During our review of purchase orders and invoices sent in the original exemption request documentation, a freight overcharge for \$996.67 was found. Mansfield Oil Company has corrected this overcharge.

Mansfield Oil Company offers training in fuel purchasing for all agencies involved in with SW71101's Bulk Fuel Portion. The training would offer advice on fuel industry practices and using the online system for order and payment tracking. Staff members would demonstrate the best practices for fuel purchasing as well as complying with environmental standards. To date, none of the state agencies have taken advantage of this training that is included in the statewide contracted price.

**Mansfield Oil Company No Bids:**

To comply with the request of the State Purchasing Director, the Oklahoma Department of Transportation (ODOT) solicited bids from Mansfield Oil Company but did not receive a bid for the load. The bid tabs documented these instances as "NO BID."

Based on our review, 12 out of 39 bid tabs (31 percent) have a no bid for Mansfield Oil Company. Below is a list of the Request for Quotes (RFQs) where Mansfield Oil did not answer the solicitation.

<b>Request Quote ID Number</b>	<b>Date Quote Opened/Closed</b>	<b>Time Quote Opened (CST)</b>	<b>Time Quote Closed (CST)</b>	<b>Time to submit quote (in hours)</b>
3450002668	1/18/2008	7:51 AM	9:00 AM	1.15
3450002669	1/18/2008	7:59 AM	9:00 AM	1.02
3450002667	1/17/2008 / 1/18/2008	3:56 PM	9:30 AM	17.56
3450002683	1/25/2008	8:55 AM	10:15 AM	1.33
3450002684	1/28/2008	8:56 AM	9:45 AM	0.82
3450002686	1/28/2008	3:18 PM	4:30 PM	1.20
3450002685	1/28/2008	3:13 PM	4:30 PM	1.28
3450002688	1/29/2008	8:06 AM	9:30 AM	1.40
3450002687	1/29/2008	8:03 AM	9:30 AM	1.45
3450002703	1/24/2008	8:32 AM	9:30 AM	0.96
3450002705	2/8/2008	9:09 AM	10:00 AM	0.85
3450002706	2/8/2008	9:12 AM	10:00 AM	0.80

A Mansfield Oil Representative (MOR) stated that the contract was not drafted to enable agencies to call daily for price quotes that would require same day delivery. During the time

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reviewed, Mansfield Oil was not staffed to address daily quoting and daily or next day delivery. The contract was set for Mansfield Oil to take orders from the agencies, but not everyday.

An issue with the bid process between Mansfield Oil and ODOT was the time difference between Oklahoma and Colorado (where MOR's office is located). The RFQs are addressed to Georgia where the home office is located; but MOR works out of Colorado, which is in the Mountain Time Zone rather than Central Time Zone. This means that MOR would receive some solicitation requests before the office in Colorado was open. The 12 RFQs with bid times that were less than an hour and a half were actually less than half an hour due to the time difference. MOR stated that this time difference would give them a shorter time to respond with a bid.

Also, MOR stated that there were times when Mansfield Oil did not bid due to market volatility. Usually unit prices are set from 18:00 to 18:00; however, since the market was extremely volatile during the time of the DCS Audit Unit review, by mid-day refineries would change their prices. Since the contract was not set up to give daily price quotes, it was not prudent for Mansfield Oil to give quotes daily that would change by the end of the day.

The effect of not having bids from Mansfield Oil for every load purchase alters the true calculation of the monetary variance between the purchase order price of another vendor and Mansfield Oil Company during the audit period. Without the bids from both the vendor chosen and Mansfield Oil Company, the determination of how often the statewide contract vendor provided a price higher or lower than another vendor is not possible.

**Response from Mansfield Oil:**

Mansfield has provided options to cure the problems with pricing. There are no delivery problems, no lack of communication problems and everyone that orders their fuel gets their fuel almost always on the date and time requested. The only problem that consistently occurs is the pricing and PO issue. Mansfield has requested that a blanket PO be issued, as the State can audit Mansfield for compliance at any time. The DOT has indicated that it is not willing to consider this. A no bid does not occur in a contract scenario, but may in a spot pricing scenario whereby you bid a price for \$.02 cent margin, yet take a risk of \$.08 loss.

Actually, Mansfield is well equipped to take and dispatch all deliveries everyday. As we currently handle up to 1000 per day throughout the U.S. Mansfield was not staffed to provide immediate spot pricing in a volatile market, specifically at 7 AM. This contract was modified from its original program during the exemption and reverted to spot quoting with immediate responses and same day deliveries. As the contract did not provide the revenue it was intended to produce due to DOT's conflicts, staffing additional people for a temporary bidding process was not practical.

Inconsistently requesting a quote within an hour for delivery on the same day or next requires staffing to support this method of bidding. The requirement to print out the lengthy RFQ, PDF files, fill them out, price them, refax them and wait for an answer was not a practical use of labor or time.

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**State Contracting Officers' Inquiry:**

We determined during the audit that the state contracting officers for this contract did not have a complete answering of the four questions listed below. We consider the information within these four questions to be vital for monitoring contract activity throughout the contract period and to provide assistance to agencies that use the statewide contract.

- What are the yearly (fiscal or calendar) expenditures for ODOT and for the whole state under the bulk fuel contract?
- What are the state's bulk fuel expenditures since the new contract has been in place?
- How do you determine that the prices received by Mansfield Oil are in accordance with the contract and market pricing?
- How is freight determined on an order from Mansfield Oil?

At the time of the audit completion, the state contracting officers did obtain a complete or partial understanding of the information noted in the four questions stated.

**ADDITIONAL OPPORTUNITIES FOR SAVINGS  
THE STATEWIDE CONTRACT PURCHASE CARD**

The State of Oklahoma Purchase Card Program was created to reduce time and cost associated with the procurement processes. Of the three types of purchase cards, the statewide contract card is meant to be used with statewide contracts administered by DCS. This card has increased spending capabilities in order for agencies to purchase from the contracts easier and be able to provide an agency with the goods and services that statewide contracts provide.

Currently, agencies do not use the statewide contract purchase card with this contract. However, after further discussion with JPMorgan Chase Bank, there is the possibility, through JPMorgan Chase Bank and Mansfield Oil Company, to create a system of payment with the Statewide Contract Purchase Card for bulk fuel.

If the Statewide Contract Purchase Card was used during the periods reviewed, the below calculations would represent the savings that would have been received by ODOT. All of these calculations were performed for the January 15, 2008 through February 15, 2008 period.

- **Rebate** – The value is calculated based on the percentage set by the State of Oklahoma Purchase Card Program. The rebate received for large purchases by using the statewide purchase card is estimated to be 0.5% of purchase card expenditures.
- **Transaction Fee** – In order for purchase orders to be processed, there is a fee assessed by the Office of State Finance (OSF) in the amount of \$0.772 per transaction. In order to complete the process, agencies are charged 2 transactions per purchase order completed.

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- **Office of the State Treasurer (OST) Warrant Processing** – Another fee that would be saved by using the Statewide Contract Purchase Card instead of the purchase order system is about \$0.07 per transaction.

For the audit period reviewed, the savings that can be measured for the Statewide Contract Purchase Card system based solely on rebates and fees associated with the purchase card program are estimated to be \$3,965.52. The savings could also be translated to approximately \$57.47 per transaction (\$3,965.52 / 69).

**See Appendix 8**

In sum, additional savings could be realized if Agencies could use the Statewide Contract Purchase Card in lieu of completing the current process. This type of process offers administrative savings and using the purchase card would provide further savings with the rebate to Agencies as well as savings of fees associated with processing purchase orders. We recommend that Central Purchasing further explore options to make this possible.

### **RECALCULATION OF ODOT FUEL COST ESTIMATES**

When applying for an exemption to the bulk fuel portion of SW71101, ODOT submitted email documentation and a spreadsheet for the review of DCS contract officers and the State Purchasing Director. After review, ODOT was granted a two month exemption and the DCS Audit Unit was asked to further review the documentation for this exemption. The spreadsheet indicated that for the month of December 2007, the cost of using the statewide contract could be calculated to \$6,795.79. While this number was a true calculation of the column summed, the spreadsheet total was not a clear representation. The value presented was the summation of the variance amount when Mansfield Oil Company, the mandatory statewide contract vendor, had a higher price for fuel than the competitor(s) solicited. We performed a recalculation of the spreadsheet, values when Mansfield Oil Company was actually lower than the other vendor solicited must be added to the positive variances to create a net total. Our recalculated net total of the variance for December 2007 was \$4,667.76.

**See Appendix 1**

In addition to the estimated monthly cost of using the statewide contract, ODOT estimated that yearly, using the statewide contract “could potentially cost ODOT in excess of \$330,000 per year.”

Based on our recalculation of the ODOT submitted spreadsheet of the price variance and projection calculations, the projected yearly value of the cost to the state could be calculated as \$56,624.28. Note that this will be the only projected cost in this report.

**See Appendix 4**

To evaluate the support sent by ODOT solely for correctness rather than to use it as an accurate representation of cost or savings, the values in Appendix 1 were computed. While the values estimated are mathematically correct, we were unable to determine the validity of the values stated.

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ODOT estimated that their possible cost to use the Statewide Contract versus soliciting alternate vendors could be in excess of \$330,000 per year based their past fuel usage. Based on price variance and projection calculations, the projected yearly value of the cost to the state could be calculated instead, to \$56,624.28 using ODOT's spreadsheet. ODOT also indicated that using the Statewide Contract had cost them \$6,795.78 in December alone, which was presented in a spreadsheet. The cost was miscalculated in the submission. The actual cost represented in the spreadsheet submitted, based on fuel cost alone was \$4,667.76 out of \$287,620.90 (1.6%) in total cost. In conclusion, the DCS Audit Unit performed an independent cost analysis noted previously in the report.

### **ODOT MANAGEMENT RESPONSE**

#### **Audit Findings**

Under the purpose, objective and scope of this audit it is stated:

“...the purpose of this report is to present the possible costs or savings associated with the statewide contract in relation to soliciting bids from vendors other than the Statewide Contract Vendor, Mansfield Oil Company. To do this, the cost associated with ODOT's bid practices over an audit period of January 15, 2008 through February 15, 2008 will be compared to the alternate bid values versus Statewide Contractor's bid values.”

The audit further states that . . .

“ . . . the bulk fuel portion of the statewide contract should provide competitive pricing and not solely rely on administrative cost saved by reducing the bidding process as justification for having a statewide contract.”

Under the conclusions and recommendations it is stated that Mansfield Oil Company was .6% higher on the total purchases for this period.

#### **Response by the OK Department of Transportation**

In response to the latter statement that Mansfield was *only* .6% higher on total purchases, ODOT strongly believes this is not an accurate variance since Mansfield refused to submit bids for 17 of the 39 bids. Mansfield also notified ODOT in April, 2008 that they had not included Oklahoma State Excise tax in their previous invoices. The number of gallons purchased on the 22 purchase orders included in the audit comprises only 2.68% of ODOT's average annual fuel purchases.

The estimated cost for the period reviewed to solicit bids was \$1,963.80 for 18 purchase orders and \$ 4,229.82 for 21 purchase orders with bid tabs. The Auditors stated they had obtained comments from various agencies about their purchasing practices for the two thresholds. They did not, however, consult ODOT, the only agency that has an extensive history of bidding their own fuel. The auditor may have drawn another conclusion if they had solicited the input of the experienced ODOT buyers instead of other agencies. Our fuel bid process closes at 9:30-10:00 a.m. each day fuel is ordered, the bid(s) is awarded and a PO issued. This process was

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typically complete by 10:00-10:30 am. While waiting for the bids, the fuel buyer completes other purchasing tasks. This process has become very streamlined after years of bidding fuel. This audit report uses 3.25 hours for bids \$0 - \$10,000 and 6 hours for bids \$10,000.01 to \$25,000. The table on page 7 of the audit shows the timeline from an open quote to a closed quote. None of the quotes listed show any timeframes exceeding 3 hours.

ODOT also noted that the audit does not compare time expended purchasing from the statewide contract versus time expended bidding fuel. The hourly rate plus benefits for the ODOT fuel buyer is \$24.78 not \$33.57 as used in the audit. ODOT has documented time spent on contract purchases and problem resolution is significantly higher than time spent bidding fuel.

Before ODOT received the January two month exemption from the statewide fuel contract we provided a spreadsheet showing the cost of fuel purchased from the contract vendor versus what we would have paid if the fuel was bid. In April Mansfield re-invoiced to include additional tax charges they alleged were left off their billing. The additional billings for that time frame will approximately double Mansfield cost difference. Under the previous fuel contract ODOT bid their fuel but always included the contract vendor. The bid was awarded to the lowest bidder. We based our spreadsheet and report on this history. The auditor revised our spreadsheet and deducted the instances where Mansfield prices were lower from the instances their prices were higher than other vendors. If ODOT were still bidding their fuel, including the contract vendor, and accepting the lowest bid, the saving would be on all purchases. Because we were mandated to use only the contract vendor we spent \$ 6,795.79 additional on fuel for that time frame.

The total gallons of fuel purchased for this report was 109,675 gallons. This only represents approximately 3.32% of ODOT's annual fuel purchases. Our peak usage is during the warmer months. Based on our annual fuel purchase history we projected the cost of using the Statewide contract with Mansfield Oil Company would exceed \$330,000. Now, with the additional billings for tax from Mansfield we realize that the projection was low.

### **Conclusion**

In conclusion ODOT does consider even the .06% higher contract price stated in the audit report significant. Even Mansfield acknowledges in their response to the vendor complaint that ODOT would gain from not using the statewide contract.

**APPENDIX 1  
RECALCULATED ODOT SPREADSHEET**

ODOT ORDER INFORMATION				COMPETITOR VENDORS			SW CONTRACT VENDOR			COMPARISON CALCULATIONS		
DATE	DIVISIONS	TYPE	# of GALLON	LOW BID quoted per gallon	TOTAL BID	COMPANY NAME	MANSFIELD quoted per gallon	MANSFIELD TOTAL BID	MANSFIELD BILLED	DIFFERENCE Bid vs. Mansfield Bid	DIFFERENCE Total Bid vs. Total Billed	VARIANCE Bid vs. Contract
6-Dec-07	Division 4 (Kingfisher)	#2 Dyed	3,515	\$ 2.5545	\$ 8,979.07	Paul Penley	\$ 2.60510	\$ 9,156.93	\$ 9,156.93	\$ 0.05	\$ 0.00	\$ 177.86
6-Dec-07	Division 4 (Kingfisher)	Unleaded	805	\$ 2.4230	\$ 1,950.52	Paul Penley	\$ 2.29640	\$ 1,848.60	\$ 1,848.60	\$ (0.13)	\$ (0.00)	\$ (101.91)
6-Dec-07	Division 2 (Idabel)	#2 Dyed	7,375	\$ 2.5475	\$ 18,787.81	Paul Penley	\$ 2.63000	\$ 19,396.25	\$ 19,370.85	\$ 0.08	\$ (25.40)	\$ 608.44
11-Dec-07	Division 5 (Mangum)	Unleaded	501	\$ 2.4842	\$ 1,244.58	Paul Penley	\$ 2.34000	\$ 1,172.34	\$ 1,172.55	\$ (0.14)	\$ 0.21	\$ (72.24)
11-Dec-07	Division 5 (Mangum)	#2 Dyed	7,026	\$ 2.6210	\$ 18,415.15	Fleetcor	\$ 2.64000	\$ 18,548.64	\$ 18,580.32	\$ 0.02	\$ 31.68	\$ 133.49
12-Dec-07	Division 5 (Cheyenne)	#2 Dyed	5,423	\$ 2.6713	\$ 14,486.46	Paul Penley	\$ 2.76000	\$ 14,967.48	\$ 14,977.90	\$ 0.09	\$ 10.42	\$ 481.02
12-Dec-07	Division 5 (Cheyenne)	Unleaded	2,009	\$ 2.4214	\$ 4,864.59	Fleetcor	\$ 2.44000	\$ 4,901.96	\$ 4,908.56	\$ 0.02	\$ 6.60	\$ 37.37
13-Dec-07	Division 5 (Clinton)	#2 Dyed	7,541	\$ 2.6325	\$ 19,851.68	Fleetcor	\$ 2.73000	\$ 20,586.93	\$ 20,614.00	\$ 0.10	\$ 27.07	\$ 735.25
13-Dec-07	Dvision 5 (Clinton)	Unleaded	8,556	\$ 2.4189	\$ 20,696.11	Fleetcor	\$ 2.43000	\$ 20,791.08	\$ 20,759.36	\$ 0.01	\$ (31.72)	\$ 94.97
14-Dec-07	Dvision 7 (Anadarko)	Unleaded	4,002	\$ 2.4508	\$ 9,808.10	Fleetcor	\$ 2.38840	\$ 9,558.38	\$ 9,558.38	\$ (0.06)	\$ 0.00	\$ (249.72)
14-Dec-07	Dvision 7 (Anadarko)	#2 Dyed	3,004	\$ 2.6491	\$ 7,957.90	Paul Penley	\$ 2.71580	\$ 8,158.26	\$ 8,158.26	\$ 0.07	\$ (0.00)	\$ 200.37
14-Dec-07	Division 2 (Talihina)	Unleaded	2,418	\$ 2.4970	\$ 6,037.75	Paul Penley	\$ 2.41000	\$ 5,827.38	\$ 5,838.65	\$ (0.09)	\$ 11.27	\$ (210.37)
14-Dec-07	Division 2 (Talihina)	#2 Dyed	2,022	\$ 2.6370	\$ 5,332.01	Paul Penley	\$ 2.72000	\$ 5,499.84	\$ 5,499.85	\$ 0.08	\$ 0.01	\$ 167.83
21-Dec-07	Division 4 (Guthrie)	#2 Dyed	7,038	\$ 2.5215	\$ 17,746.32	Lionel Harris	\$ 2.58225	\$ 18,173.88	\$ 18,715.98	\$ 0.06	\$ 542.10	\$ 427.56
21-Dec-07	Division 4 (Perry)	Unleaded	7,522	\$ 2.4100	\$ 18,128.02	Lionel Harris	\$ 2.28773	\$ 17,208.31	\$ 17,208.30	\$ (0.12)	\$ (0.01)	\$ (919.71)
21-Dec-07	Division 4 (Medford)	#2 Dyed	7,543	\$ 2.6642	\$ 20,096.06	Paul Penley	\$ 2.71849	\$ 20,505.57	\$ 20,505.53	\$ 0.05	\$ (0.04)	\$ 409.51
21-Dec-07	Division 4 (Ripley)	Unleaded	1,407	\$ 2.4325	\$ 3,422.53	Lionel Harris	\$ 2.19600	\$ 3,089.77	\$ 3,089.77	\$ (0.24)	\$ (0.00)	\$ (332.76)
21-Dec-07	Division 4 (Ripley)	Bio-Diesel	3,131	\$ 2.5670	\$ 8,037.28	Lionel Harris	\$ 2.55980	\$ 8,014.73	\$ 8,014.73	\$ (0.01)	\$ (0.00)	\$ (22.54)
21-Dec-07	Division 4 (Tonkawa)	Unleaded	812	\$ 2.6255	\$ 2,131.91	Lionel Harris	\$ 2.44890	\$ 1,988.51	\$ 1,988.51	\$ (0.18)	\$ 0.00	\$ (143.40)
21-Dec-07	Division 4 (Tonkawa)	#2 Dyed	5,523	\$ 2.6875	\$ 14,843.06	Lionel Harris	\$ 2.69590	\$ 14,889.46	\$ 14,889.46	\$ 0.01	\$ 0.00	\$ 46.39
27-Dec-07	Division 5 (Sayre)	#2 Dyed	6,001	\$ 2.5700	\$ 15,422.57	Paul Penley	\$ 2.71000	\$ 16,262.71	\$ 16,262.53	\$ 0.14	\$ (0.18)	\$ 840.14
27-Dec-07	Division 5 (Sayre)	Unleaded	2,000	\$ 2.5100	\$ 5,020.00	Paul Penley	\$ 2.49000	\$ 4,980.00	\$ 4,984.11	\$ (0.02)	\$ 4.11	\$ (40.00)
27-Dec-07	Division 5 (Fredrick)	#2 Dyed	7,001	\$ 2.7250	\$ 19,077.73	Paul Penley	\$ 2.95000	\$ 20,652.95	\$ 20,669.68	\$ 0.23	\$ 16.73	\$ 1,575.23
27-Dec-07	Dvision 5 (Fredrick)	Unleaded	7,500	\$ 2.6700	\$ 20,025.00	Paul Penley	\$ 2.78000	\$ 20,850.00	\$ 20,848.09	\$ 0.11	\$ (1.91)	\$ 825.00

**SUM OF MANSFIELD  
FUEL EXPENDITURES**

**\$ 287,620.90**

**COST OF USING  
CONTRACT VENDOR**

**\$ 4,667.76**

APPENDIX 2  
ALL ODOT PURCHASE ORDERS  
FOR THE PERIOD JANUARY 15, 2008 THROUGH FEBRUARY 15, 2008

#	Site	Vendor	Purchase Order Number	Purchase Order Date	Purchase Order Price	Bid Tab or SW Contract Purchase?	Unit Price	Mansfield Bid?	Average Bid	Mansfield Bid Only	Difference (Unit Price v. Average Bid)	Difference (Unit Price v. Mansfield Price)	Mansfield v. Next Lowest Price	Mansfield PO Value v. Next Lowest Value	Invoice Number	Invoice Date	Invoice Price	Invoice Unit Price	Difference btw. PO and Inv Unit Price
1	Dist 5-Hydro	Mansfield	3459018529	1/10/2008	\$1,918.27	SW Contract	\$2.3711								342674	1/15/2008	\$1,918.27	\$2.3703	\$0.00
2	Dist 7-Davis	Mansfield	3459018687	1/31/2008	\$2,690.92	SW Contract	\$2.6669								338652	1/31/2008	\$2,690.92	\$2.6671	(\$0.00)
3	Dist 6-Woodward	Garnett Oil	3459018562	1/14/2008	\$21,462.75	Bid Tab	\$2.8617	no	no other bids						399624	1/15/2008	\$4,292.55	\$2.8617	\$0.00
4	Dist 7-Chickasha	Mansfield	3459018594	1/17/2008	\$3,307.78	SW Contract	\$2.3627								342608	1/15/2008	\$2,610.75	\$2.3076	\$0.06
5	Dist 6-Woodward	Garnett Oil	3459018562	1/15/2008	\$21,462.75	Bid Tab	\$2.8617	no	no other bids						399625	1/15/2008	\$17,098.66	\$2.8617	\$0.00
6	Dist 8-Nowata	Mansfield	3459018575	1/15/2008	\$3,398.20	SW Contract	\$2.3847								343504	1/15/2008	\$3,398.09	\$2.3840	\$0.00
7	Dist 6-Buffalo	Garnett Oil	3459018585	1/16/2008	\$21,666.75	Bid Tab	\$2.8890	no	no other bids						394406	1/17/2008	\$4,333.35	\$2.8889	\$0.00
8	Dist 4-Guthrie	Lionel Harris	3459018607	1/23/2008	\$3,473.40	Bid Tab	\$2.4810	no	no other bids						210413	1/18/2008	\$3,446.11	\$2.4827	(\$0.00)
9	Dist 2-Hugo	Fleetcor	3459018658	1/25/2008	\$3,743.62	SW Contract	\$2.3769								323406	1/25/2008	\$3,743.62	\$2.3770	(\$0.00)
10	Dist 4-Guthrie	Lionel Harris	3459018608	1/23/2008	\$15,711.00	Bid Tab	\$2.6185	no	no other bids						210412	1/18/2008	\$15,635.06	\$2.6171	\$0.00
11	Dist 7-Duncan	Glenn Oil	3459018609	1/23/2008	\$19,588.24	Bid Tab	\$2.4470	no	no other bids						3699	1/18/2008	\$19,588.24	\$2.4470	\$0.00
12	Dist 7-Marietta	Mansfield	3459018690	1/31/2008	\$4,857.28	SW Contract	\$2.4183								343840	1/22/2008	\$4,857.28	\$2.4178	\$0.00
13	Dist 8-Pawhuska	Mansfield	3459018637	1/24/2008	\$15,519.00	Bid Tab	\$2.5865	yes	no other bids						357502	1/31/2008	\$15,618.09	\$2.5832	\$0.00
14	Dist 8-Pawhuska	Mansfield	3459018638	1/24/2008	\$3,514.20	Bid Tab	\$2.3428	yes	\$2.57	\$2.34	(\$0.22)	\$0.00	(\$0.13)	(\$197.55)	353627	1/28/2008	\$3,566.90	\$2.3429	(\$0.00)
15	Dist 7-Davis	Mansfield	3459018596	1/17/2008	\$5,108.28	SW Contract	\$2.5427								338645	1/17/2008	\$5,108.28	\$2.4630	\$0.08
16	Dist 2-Idabel	Mansfield	3459018639	1/24/2008	\$8,628.90	Bid Tab	\$2.4654	yes	\$2.58	\$2.47	(\$0.11)	\$0.00	(\$0.05)	(\$157.85)	352884	1/28/2008	\$8,363.18	\$2.4642	\$0.00
17	Dist 7-Marietta	Mansfield	3459018689	1/31/2008	\$5,505.67	SW Contract	\$2.7515								343841	1/16/2008	\$5,505.67	\$2.7503	\$0.00
18	Dist 2-Durant	Mansfield	3459018656	1/25/2008	\$6,607.96	SW Contract	\$2.3599								324557	1/25/2008	\$6,607.96	\$2.3765	(\$0.02)
19	Dist 1-Sallisaw	Mansfield	3459018566	1/14/2008	\$7,136.77	SW Contract	\$2.7449								345974	1/14/2008	\$7,136.77	\$2.7356	\$0.01
20	Dist 3-Ada	Mansfield	3459018649	1/25/2008	\$19,156.09	Bid Tab	\$2.3340	yes	\$2.52	\$2.33	(\$0.19)	(\$0.00)	(\$0.18)	(\$1,495.26)	353545	1/25/2008	\$19,156.09	\$2.3335	\$0.00
21	Dist 3-Tecumseh	Fleetcor	3459018650	1/25/2008	\$19,643.80	Bid Tab	\$2.5847	yes	\$2.59	\$2.59	(\$0.01)	(\$0.01)	\$0.01	\$50.08	229680	1/30/2008	\$19,548.16	\$2.5847	(\$0.00)
22	Dist 2-Durant	Mansfield	3459018654	1/25/2008	\$7,591.00	SW Contract	\$2.7111								367179	2/1/2008	\$7,591.00	\$2.7244	(\$0.01)
23	Dist 7-Ardmore	Glenn Oil	3459018651	1/25/2008	\$16,020.00	Bid Tab	\$2.6700	no	no other bids						03723	1/25/2008	\$15,937.23	\$2.6700	\$0.00
24	Dist 4-Perry	Lionel Harris	3459018666	1/29/2008	\$17,935.36	Bid Tab	\$2.5600	no	\$2.62		(\$0.06)		no Mansfield bid		211247	1/28/2008	\$17,935.36	\$2.5600	\$0.00
25	Dist 1-Checotah	Mansfield	3459018569	1/14/2008	\$7,713.54	SW Contract	\$2.5108								359759	1/14/2008	\$7,713.54	\$2.5108	\$0.00
26	Dist 8-Tulsa	Fleetcor	3459018667	1/29/2008	\$15,280.04	Bid Tab	\$2.5117	no	no other bids						230524	1/29/2008	\$15,106.32	\$2.5177	(\$0.01)
27	Dist 6-Boise City	Mansfield	3459018647	1/25/2008	\$7,768.80	SW Contract	\$2.5896								355809	1/29/2008	\$7,846.45	\$2.5914	(\$0.00)
28	Dist 6-Buffalo	Mansfield	3459018598	1/17/2008	\$7,915.10	SW Contract	\$2.6192								335703	1/11/2008	\$7,915.10	\$2.6192	\$0.00
29	Dist 8-Tulsa	Fleetcor	3459018668	1/29/2008	\$3,857.40	Bid Tab	\$2.5716	no	no other bids						230524	1/29/2008	\$3,857.40	\$2.5716	\$0.00
30	Dist 2- McAlester	Mansfield	3459018685	1/31/2008	\$8,154.51	SW Contract	\$2.7127								385762	2/1/2008	\$8,154.51	\$2.7116	\$0.00
31	Dist 6-Woodward	Mansfield	3459018688	1/31/2008	\$8,159.85	SW Contract	\$2.6948								33484 and 33494	1/8/2008	\$8,159.85	\$2.6947	\$0.00

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#	Site	Vendor	Purchase Order Number	Purchase Order Date	Purchase Order Price	Bid Tab or SW Contract Purchase?	Unit Price	Mansfield Bid?	Average Bid	Mansfield Bid Only	Difference (Unit Price v. Average Bid)	Difference (Unit Price v. Mansfield Price)	Mansfield v. Next Lowest Price	Mansfield PO Value v. Next Lowest Value	Invoice Number	Invoice Date	Invoice Price	Invoice Unit Price	Difference btw. PO and Inv Unit Price
32	Dist 6-Guymon	Mansfield	3459018613	1/28/2008	\$8,193.64	SW Contract	\$2.7042								334020	1/11/2008	\$8,193.64	\$2.7048	(\$0.00)
33	Dist 5-Elk City	Fleetcor	3459018669	1/29/2008	\$19,946.25	Bid Tab	\$2.6595	no	no other bids						230342	1/29/2008	\$20,049.97	\$2.6595	\$0.00
34	Dist 1-Sallisaw	Mansfield	3459018567	1/14/2008	\$8,892.03	SW Contract	\$2.5406								345972	1/14/2008	\$8,892.03	\$2.5146	\$0.03
35	Dist 8-Nowata	Mansfield	3459018576	1/15/2008	\$9,309.45	SW Contract	\$2.6500								343505	1/15/2008	\$9,308.54	\$2.6487	\$0.00
36	Dist 1-Checotah	Mansfield	3459018568	1/14/2008	\$9,428.50	SW Contract	\$2.7730								359757	1/14/2008	\$9,428.50	\$2.7604	\$0.01
37	Dist 5-Hobart	Fleetcor	3459018670	1/29/2008	\$18,804.41	Bid Tab	\$2.6745	no	\$2.70		(\$0.02)		no Mansfield bid		229796	1/31/2008	\$18,804.41	\$2.6745	\$0.00
38	Dist 2-Talihina	Mansfield	3459018700	2/4/2008	\$5,097.80	Bid Tab	\$2.5489	yes	\$2.76	\$2.55	(\$0.21)	\$0.00	(\$0.13)	(\$251.20)	368032	2/14/2008	\$5,120.68	\$2.5969	(\$0.05)
39	Dist 7-Ardmore	Mansfield	3459018597	1/17/2008	\$10,197.20	SW Contract	\$2.5493								339489	1/17/2008	\$10,197.20	\$2.4920	\$0.06
40	Dist 6-Alva	Mansfield	3459018701	2/4/2008	\$7,445.70	Bid Tab	\$2.4819	yes	\$2.65	\$2.48	(\$0.17)	\$0.00	(\$0.17)	(\$501.30)	364151	2/6/2008	\$8,076.05	\$2.6754	(\$0.19)
41	Dist 4-Stillwater	Mansfield	3459018599	1/17/2008	\$11,410.95	SW Contract	\$2.5195								325488	1/17/2008	\$11,410.95	\$2.5200	(\$0.00)
42	Dist 3-Ada	Fleetcor	3459018713	2/5/2008	\$20,670.27	Bid Tab	\$2.6661								229679	2/5/2008	\$20,669.88	\$2.6661	\$0.00
43	Dist 2-Atoka	Mansfield	3459018655	1/25/2008	\$12,950.36	SW Contract	\$2.8778								368607	2/1/2008	\$12,950.36	\$2.8675	\$0.01
44	Dist 7-Chickasha	Mansfield	3459018595	1/17/2008	\$13,265.40	SW Contract	\$2.6462								342609	1/15/2008	\$13,265.42	\$2.6451	\$0.00
45	Dist 1-Muskogee	Mansfield	3459018581	1/16/2008	\$14,575.05	SW Contract	\$2.6500								344740	1/14/2008	\$14,575.13	\$2.6441	\$0.01
46	Dist 3-Purcell	Fleetcor	3459018734	2/7/2008	\$11,489.40	Bid Tab	\$2.5532	yes	\$2.61	\$2.56	(\$0.05)	(\$0.01)	\$0.01	\$31.50	231031	2/12/2008	\$11,599.18	\$2.5532	\$0.00
47	Dist 3-Pauls Valley	Fleetcor	3459018735	2/7/2008	\$15,699.00	Bid Tab	\$2.6165	yes	\$2.62	\$2.63	\$0.00	(\$0.01)	\$0.01	\$51.60	cannot read	2/12/2008	\$15,777.50	\$2.6165	\$0.00
48	Dist 1-Eufaula	Fleetcor	3459018768	2/12/2008	\$7,646.24	Bid Tab	\$2.7308	yes	\$2.80	\$2.79	(\$0.07)	(\$0.06)	\$0.06	\$166.60	231409	2/15/2008	\$7,679.00	\$2.7308	\$0.00
49	Dist 1-Eufaula	Fleetcor	3459018769	2/12/2008	\$5,213.00	Bid Tab	\$2.6065	yes	\$2.63	\$2.61	(\$0.02)	(\$0.01)	\$0.01	\$15.80	231408	2/15/2008	\$5,283.38	\$2.6065	\$0.00
50	Dist 7-Anadarko	Mansfield	3459018771	2/12/2008	\$15,364.80	Bid Tab	\$2.7936	yes	\$2.80	\$2.79	(\$0.01)	\$0.00	(\$0.00)	(\$9.90)	371830	2/13/2008	\$15,471.09	\$2.7927	\$0.00
51	Dist 7-Anadarko	Mansfield	3459018772	2/12/2008	\$7,758.90	Bid Tab	\$2.5863	yes	\$2.60	\$2.59	(\$0.01)	\$0.00	(\$0.01)	(\$29.70)	371829	2/13/2008	\$7,833.88	\$2.5855	\$0.00
52	Dist 6-Shattuck	Fleetcor	3459018780	2/8/2008	\$7,482.16	Bid Tab	\$2.6722	yes	\$2.68	\$2.68	(\$0.01)	(\$0.01)	\$0.01	\$32.20	cannot read	2/11/2008	\$7,546.30	\$2.6722	\$0.00
53	Dist 5-Hydro	Mansfield	3459018527	1/10/2008	\$17,217.37	SW Contract	\$2.6529								342675	1/15/2008	\$17,217.37	\$2.6518	\$0.00
54	Dist 2-Atoka	Fleetcor	3459018781	2/8/2008	\$5,008.40	Bid Tab	\$2.6360	no	\$2.65		(\$0.01)		no Mansfield bid		232090	2/20/2008	\$5,008.40	\$2.6360	\$0.00
55	Dist 1-Stigler	Fleetcor	3459018782	2/8/2008	\$3,847.50	Bid Tab	\$2.5650	no	\$2.68		(\$0.11)		no Mansfield bid		231175	2/13/2008	\$3,891.11	\$2.5640	\$0.00
56	Dist 2-Madill	Fleetcor	3459018783	2/8/2008	\$7,655.70	Bid Tab	\$2.5519	yes	\$2.61	\$2.57	(\$0.06)	(\$0.02)	\$0.02	\$61.80	234699	3/11/2008	\$7,524.18	\$2.6737	(\$0.12)
57	Dist 5-Cheyenne	Fleetcor	3459018784	2/8/2008	\$18,734.80	Bid Tab	\$2.6764	yes	\$2.88	\$3.00	(\$0.21)	(\$0.33)	\$0.33	\$2,296.70	231032	2/12/2008	\$18,815.10	\$2.6764	\$0.00
58	Dist 4-Perry	Fleetcor	3459018785	2/13/2008	\$19,296.90	Bid Tab	\$2.7567	yes, but late with bid	\$2.85	\$2.78	(\$0.09)	(\$0.02)	\$0.02	\$138.35	231888	2/13/2008	\$19,385.11	\$2.7567	\$0.00
59	Dist 7-Walters	Fleetcor	3459018790	2/14/2008	\$3,364.79	Bid Tab	\$2.5883	yes	\$2.64	\$2.64	(\$0.05)	(\$0.05)	\$0.05	\$61.88	cannot read	2/19/2008	\$3,390.67	\$2.5883	\$0.00
60	Dist 4-Kingfisher	Fleetcor	3459018791	2/14/2008	\$2,728.85	Bid Tab	\$2.5989	yes	\$2.64	\$2.65	(\$0.05)	(\$0.05)	\$0.05	\$53.76	231890	2/19/2008	\$2,734.04	\$2.5989	\$0.00
61	Dist 3-Ada	Mansfield	3459018648	1/25/2008	\$19,889.87	CANCELLED	\$2.6026								CANCELLED	1/25/2008	\$19,889.87		
62	Dist 7-Walters	Fleetcor	3459018792	2/14/2008	\$15,878.49	Bid Tab	\$2.7857	yes	\$2.84	\$2.84	(\$0.06)	(\$0.06)	\$0.06	\$334.02	23190	2/19/2008	\$15,928.63	\$2.7857	\$0.00
63	Dist 1-Muskogee	Mansfield	3459018572	1/15/2008	\$20,150.94	SW Contract	\$2.3706								342039	1/14/2008	\$20,072.61	\$2.3375	\$0.03

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64	Dist 2-Antlers	Mansfield	3459018686	1/31/2008	\$20,260.09	SW Contract	\$2.7013								367655	1/31/2008	\$20,260.09	\$2.7778	(\$0.08)
65	Dist 4-Kingfisher	Fleetcor	3459018793	2/14/2008	\$11,388.16	Bid Tab	\$2.7776	yes	\$2.82	\$2.82	(\$0.04)	(\$0.05)	\$0.05	\$184.91	231889	2/19/2008	\$11,407.61	\$2.7776	\$0.00
66	Dist 6-Cherokee	Garnett Oil	3459018794	2/14/2008	\$22,176.75	Bid Tab	\$2.9569	no	no other bids						401229 2/14/08	2/14/2008	\$17,478.24	\$2.9500	\$0.01
67	Dist 6-Cherokee	Garnett Oil	3459018794	2/14/2008	\$22,176.75	Bid Tab	\$2.9569	no	no other bids						401230 2/14/08	2/14/2008	\$4,435.35	\$2.9500	\$0.01
68	Dist 1-Sallisaw	Fleetcor	3459018802	2/15/2008	\$9,629.28	Bid Tab	\$2.6748	yes	\$2.72	\$2.72	(\$0.04)	(\$0.04)	\$0.04	\$154.08	2139	2/19/2008	\$9,741.62	\$2.6748	\$0.00
69	Dist 2-Antlers	Mansfield	3459018574	1/15/2008	\$22,119.07	SW Contract	\$2.5810								367655	1/14/2008	\$21,254.98	\$2.7779	(\$0.20)
70	Dist 1-Sallisaw	Fleetcor	3459018803	2/15/2008	\$9,628.46	Bid Tab	\$2.8319	yes	\$2.85	\$2.85	(\$0.02)	(\$0.02)	\$0.02	\$73.78	2138	2/19/2008	\$9,801.20	\$2.8319	\$0.00
71	Dist 1-Stigler	Fleetcor	3459018820	2/8/2008	\$7,980.60	Bid Tab	\$2.6602	no	\$2.91		(\$0.25)		no Mansfield bid		cannot read	2/13/2008	\$8,020.51	\$2.6602	\$0.00

Please note that 69 POs are applicable as two PO numberx are listed twice with two different invoice numbers.

**Sum of Purchase Order Price \$770,831.01**

See #3, #5, #66, and #67

**APPENDIX 3**  
**ODOT PURCHASE ORDERS WITH BID TABS WHERE MANSFIELD IS INCLUDED**  
**FOR THE PERIOD JANUARY 15, 2008 THROUGH FEBRUARY 15, 2008**

#	Purchase Order Date	Site	VENDOR USED					COMPETITOR VALUES FOR EACH PO							SW CONTRACT VENDOR ONLY		DIFFERENCE		
			Vendor	Submitted Bid	Purchase Order Price	Invoice Unit Price	Gallons Ordered	*Invoice Unit Price X Gallons Ordered	Next Lowest Price	Next Bid v. Winning Bid	Next Lowest Price X Gallons Ordered	Company Name	Average Bid	Average Bid X Gallons Ordered	Mansfield Bid Only	Mansfield Unit Price X Gallons Ordered	Bid V. Mansfield Bid	VARIANCE Competitor V. SW Contractor	VARIANCE Average Bid V. Contract
1	1/24/2008	Dist 8-Pawhuska	Mansfield	\$2.3428	\$3,514.20	\$2.3429	1,500	\$3,514.35	\$2.4745	\$0.1317	\$3,711.75	Paul Penley	\$2.57	\$3,849.50	\$2.34	\$3,514.20	\$0.00	\$197.40	\$335.30
2	1/24/2008	Dist 2-Idabel	Mansfield	\$2.4654	\$8,628.90	\$2.4642	3,500	\$8,624.70	\$2.5105	\$0.0451	\$8,786.75	Fleetcor	\$2.58	\$9,030.58	\$2.47	\$8,628.90	\$0.00	\$162.05	\$401.68
3	1/25/2008	Dist 3-Ada	Mansfield	\$2.3344	\$18,908.64	\$2.3335	8,100	\$18,901.35	\$2.5190	\$0.1846	\$20,403.90	Fleetcor	\$2.52	\$20,403.90	\$2.33	\$18,908.64	\$0.00	\$1,502.55	\$1,495.26
4	1/25/2008	Dist 3-Tecumseh	Fleetcor	\$2.5847	\$19,643.80	\$2.5847	7,600	\$19,643.80	\$2.5913	\$0.0066	\$19,693.88	Mansfield	\$2.59	\$19,693.88	\$2.59	\$19,693.88	(\$0.01)	(\$50.08)	\$0.00
5	2/4/2008	Dist 2-Talihina	Mansfield	\$2.5489	\$5,097.80	\$2.5969	2,000	\$5,193.80	\$2.6745	\$0.1256	\$5,349.00	Fleetcor	\$2.76	\$5,521.30	\$2.55	\$5,097.80	\$0.00	\$155.20	\$423.50
6	2/4/2008	Dist 6-Alva	Mansfield	\$2.4819	\$7,445.70	\$2.6754	3,000	\$8,026.32	\$2.6490	\$0.1671	\$7,947.00	Garnett Oil	\$2.65	\$7,947.00	\$2.48	\$7,445.70	\$0.00	(\$79.32)	\$501.30
7	2/7/2008	Dist 3-Purcell	Fleetcor	\$2.5532	\$11,489.40	\$2.5532	4,500	\$11,489.40	\$2.5602	\$0.0070	\$11,520.90	Mansfield	\$2.61	\$11,735.70	\$2.56	\$11,520.90	(\$0.01)	(\$31.50)	\$214.80
8	2/7/2008	Dist 3-Pauls Valley	Fleetcor	\$2.6165	\$15,699.00	\$2.6165	6,000	\$15,699.00	\$2.6251	\$0.0086	\$15,750.60	Mansfield	\$2.62	\$15,699.00	\$2.63	\$15,750.60	(\$0.01)	(\$51.60)	(\$51.60)
9	2/12/2008	Dist 1-Eufaula	Fleetcor	\$2.7308	\$7,646.24	\$2.7308	2,800	\$7,646.24	\$2.7903	\$0.0595	\$7,812.84	Mansfield	\$2.80	\$7,843.92	\$2.79	\$7,812.84	(\$0.06)	(\$166.60)	\$31.08
10	2/12/2008	Dist 1-Eufaula	Fleetcor	\$2.6065	\$5,213.00	\$2.6065	2,000	\$5,213.00	\$2.6144	\$0.0079	\$5,228.80	Mansfield	\$2.63	\$5,259.40	\$2.61	\$5,228.80	(\$0.01)	(\$15.80)	\$30.60
11	2/12/2008	Dist 7-Anadarko	Mansfield	\$2.7936	\$15,364.80	\$2.7927	5,500	\$15,359.85	\$2.7954	\$0.0018	\$15,374.70	Fleetcor	\$2.80	\$15,398.90	\$2.79	\$15,364.80	\$0.00	\$14.85	\$34.10
12	2/12/2008	Dist 7-Anadarko	Mansfield	\$2.5863	\$7,758.90	\$2.5855	3,000	\$7,756.35	\$2.5962	\$0.0099	\$7,788.60	Fleetcor	\$2.60	\$7,796.70	\$2.59	\$7,758.90	\$0.00	\$32.25	\$37.80
13	2/8/2008	Dist 6-Shattuck	Fleetcor	\$2.6722	\$7,482.16	\$2.6722	2,800	\$7,482.16	\$2.6837	\$0.0115	\$7,514.36	Mansfield	\$2.68	\$7,514.36	\$2.68	\$7,514.36	(\$0.01)	(\$32.20)	\$0.00
14	2/8/2008	Dist 2-Madill	Fleetcor	\$2.5519	\$7,655.70	\$2.6737	3,000	\$8,021.10	\$2.5725	\$0.0206	\$7,717.50	Mansfield	\$2.61	\$7,831.80	\$2.57	\$7,717.50	(\$0.02)	\$303.60	\$114.30
15	2/8/2008	Dist 5-Cheyenne	Fleetcor	\$2.6764	\$18,734.80	\$2.6764	7,000	\$18,734.80	\$2.7610	\$0.0846	\$19,327.00	Paul Penley	\$2.88	\$20,179.25	\$3.00	\$21,031.50	(\$0.33)	(\$2,296.70)	(\$852.25)
16	2/13/2008	Dist 4-Perry	Fleetcor	\$2.7567	\$19,296.90	\$2.7567	7,000	\$19,296.90	\$2.7754	\$0.0187	\$19,427.80	Lionel Harris	\$2.85	\$19,926.38	\$2.78	\$19,427.80	(\$0.02)	(\$130.90)	\$498.58
17	2/14/2008	Dist 7-Walters	Fleetcor	\$2.5883	\$3,364.79	\$2.5883	1,300	\$3,364.79	\$2.6359	\$0.0476	\$3,426.67	Mansfield	\$2.64	\$3,426.67	\$2.64	\$3,426.67	(\$0.05)	(\$61.88)	\$0.00
18	2/14/2008	Dist 4-Kingfisher	Fleetcor	\$2.5989	\$2,728.85	\$2.5989	1,050	\$2,728.85	\$2.6390	\$0.0401	\$2,770.95	Lionel Harris	\$2.64	\$2,776.78	\$2.65	\$2,782.61	(\$0.05)	(\$53.76)	(\$5.83)
19	2/14/2008	Dist 7-Walters	Fleetcor	\$2.7857	\$15,878.49	\$2.7857	5,700	\$15,878.49	\$2.8443	\$0.0586	\$16,212.51	Mansfield	\$2.84	\$16,212.51	\$2.84	\$16,212.51	(\$0.06)	(\$334.02)	\$0.00
20	2/14/2008	Dist 4-Kingfisher	Fleetcor	\$2.7760	\$11,388.16	\$2.7776	4,100	\$11,388.16	\$2.8175	\$0.0415	\$11,551.75	Lionel Harris	\$2.82	\$11,562.41	\$2.82	\$11,573.07	(\$0.05)	(\$184.91)	(\$10.66)
21	2/15/2008	Dist 1-Sallisaw	Fleetcor	\$2.6748	\$9,629.28	\$2.6748	3,600	\$9,629.28	\$2.7176	\$0.0428	\$9,783.36	Mansfield	\$2.72	\$9,783.36	\$2.72	\$9,783.36	(\$0.04)	(\$154.08)	\$0.00
22	2/15/2008	Dist 1-Sallisaw	Fleetcor	\$2.8319	\$9,628.46	\$2.8319	3,400	\$9,628.46	\$2.8536	\$0.0217	\$9,702.24	Mansfield	\$2.85	\$9,702.24	\$2.85	\$9,702.24	(\$0.02)	(\$73.78)	\$0.00

**SUM OF PURCHASE ORDER PRICE**  
  
**\$232,197.97**

\* - Gallons ordered was used as a common denominator to compare pricing.

<b>SW CONTRACT VENDOR VALUES EXCEEDED COMPETITOR</b> <b>(\$1,349.23)</b>	<b>AVERAGE BID VALUE EXCEEDED THE SW CONTRACT VENDOR</b> <b>\$3,197.96</b>
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**APPENDIX 4**  
**PROJECTED COST FOR DECEMBER 2007**

To calculate the yearly estimated cost for using SW71101, the data provided by ODOT in addition to basic projection equations were used.

Corrected Estimated Cost from ODOT Spreadsheet = \$4,718.69

Sum of Bulk Fuel Expenditures (December 2007) = \$287,620.90

Projected Value = \$4,718.69 x 12 months

Projected Value = \$56,624.28

## APPENDIX 5

**TABLE 1: ESTIMATED COST TO COMPLETE BID PROCESS- DECEMBER 2007**

Item Calculated	Time	Hourly Pay	Subtotal	POs Completed	Total
<i>Bid Process (\$0-\$10000)</i>	3.25	\$33.57	\$109.10	12	<b>\$1,309.20</b>
<i>Bid Process (\$10000-\$25000)</i>	6.00	\$33.57	\$201.42	12	<b>\$2,417.04</b>
				<b>TOTAL</b>	<b>\$3,726.24</b>

To calculate the items within Table 1, the following equation was used in each row:

Time value (in hours) x Hourly Pay = Subtotal

Subtotal x POs Completed (based on PO expenditure) = Total

**TABLE 2: COST TO USE SW71101- DECEMBER 2007 (Based on ODOT Calculations)**

Item Calculated	Value
Corrected ODOT Estimate (using SW71101 in December 2007)	\$4,718.69
Subtracted Average Bid Process Cost (December 2007)	(\$3,726.24)
<b>ACTUAL COST TO USE SW CONTRACT- (DECEMBER 2007)</b>	<b>\$992.45</b>

## APPENDIX 6

**TABLE 3: PAY BAND L**

Salary Increment (L)	Minimum Value	Median Value
Annual	\$33,021.00	\$44,028.00
Monthly	\$2,751.75	\$3,669.00
Hourly	\$15.88	\$21.17

Source: [http://www.ok.gov/opm/HR\\_and\\_Employee\\_Services/Salary\\_Schedule.html](http://www.ok.gov/opm/HR_and_Employee_Services/Salary_Schedule.html)

### **530:10-7-1.3. Calculation of rates of pay**

(a) The basis for expressing base rates of pay shall be the annualized salary. Annualized salary shall be computed by multiplying the monthly rate of pay by **12** months or by multiplying the hourly rate of pay by **2,080** hours.

(b) Before calculating any changes in monthly or hourly rates of pay, the base rate of pay shall be converted to an annualized salary.

(c) In making multiple calculations to arrive at a final figure, five decimal places shall be retained throughout all intermediate calculations: only the final figure shall be rounded.

(d) In mathematical calculations of rates of pay, calculations to convert remainders to cents shall be carried five decimal places and rounded to two decimal places (cents). Any number greater than or equal to **0.005** shall be rounded to the next higher cent.

(1) Example 1:  $\$22,718.00 \div 12 = 1,893.16666$  or  $\$1,893.17$

(2) Example 2:  $\$25,432.00 \div 12 = 2119.33333$  or  $\$2,119.33$

(e) The formula for converting an annualized salary to a monthly rate of pay shall be: Monthly Rate of Pay = Annualized Salary  $\div$  12. Example: Monthly Rate of Pay =  $\$22,718.00 \div 12 = 1,893.16666$  or  $\$1,893.17$

(f) The formula for converting an annualized salary to an hourly rate of pay shall be: Hourly Rate of Pay = Annualized Salary  $\div$  2080. Example: Hourly Rate of Pay =  $\$23,241.00 \div 2080 = 11.17355$  or  $\$11.17$

[Source: Added at 17 Ok Reg 153, eff 11-1-99 (emergency); Added at 17 Ok Reg 2571, eff 7-1-00]

**APPENDIX 7**

**TABLE 4: BID PROCESS, ESTIMATED COST- AUDIT PERIOD**

<b>Item Calculated</b>	<b>Estimated Time (in hours)</b>	<b>Hourly Pay (includes benefits)</b>	<b>Subtotal</b>	<b># of applicable POs completed</b>	<b>Total Estimated COST</b>
<i>Bid Process (\$0-\$10000)</i>	3.25	\$33.57	\$109.10	18	\$1,963.80
<i>Bid Process (\$10000-\$25000)</i>	6.0	\$33.57	\$201.42	21	\$4,229.82
<b>TOTAL</b>					<b>\$6,193.62</b>

To calculate the items within Table 4, the following equation was used in each row:

Time value (in hours) x Hourly Pay = Subtotal

Subtotal x POs Completed (based on PO expenditure) = Total

**TABLE 5: BID PROCESS, ESTIMATED COST IF ALL POs WERE COMPLETED WITH THE BID PROCESS – AUDIT PERIOD**

<b>Item Calculated</b>	<b>Estimated Time (in hours)</b>	<b>Hourly Pay (includes benefits)</b>	<b>Subtotal</b>	<b># of applicable POs completed</b>	<b>Total Estimated COST</b>
<i>Bid Process (\$0-\$10000)</i>	3.25	\$33.57	\$109.10	38	\$4,145.80
<i>Bid Process (\$10000-\$25000)</i>	6.0	\$33.57	\$201.42	31	\$6,244.02
<b>TOTAL</b>					<b>\$10,389.82</b>

## APPENDIX 8

**TABLE 6: STATEWIDE CONTRACT PURCHASE CARD ESTIMATED SAVINGS  
(WITHOUT HOURLY SALARY CALCULATIONS)- PERIOD REVIEWED**

Item Calculated	Total Transactions	Expenditure for period	Rebate	OSF Transaction Fee	OST Warrant Processing	Total Savings Using SW Card
<i>SW Contract Savings</i>	69	\$770,830.50	\$3,854.15	\$106.54	\$4.83	<b>\$3,965.52</b>

To calculate the rebate using the statewide purchase card, the equation was based on the expenditures for bulk fuel in the December time period. Please refer to Table 8 above.

Bulk Fuel Expenditure in Period Reviewed x 0.5% = Rebate

\$0.772 x 2 x 69 POs completed = OSF Transaction Fee Saved

\$0.07 x 69 POs completed = OST Warrant Fee Saved

Rebate + OSF Transaction Fee Saved + OST Warrant Fee Saved = Total