

**Government of Guam  
Gas Fleet Card Program**

**Performance Audit  
October 1, 2008 through September 30, 2011**

**OPA Report No. 12-07  
December 2012**

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**EXECUTIVE SUMMARY**  
Government of Guam Gas Fleet Card Program  
Report No. 12-07, December 2012

In the first audit of the Government of Guam (GovGuam) Gas Fleet Card Program, we found that (1) nearly 50% of GovGuam agencies do not reconcile fuel billings to actual fuel receipts in order to ensure accuracy of payment; (2) GovGuam paid an average of \$0.25 more per gallon of regular fuel and \$0.05 more per gallon of diesel fuel in fiscal year (FY) 2011 as compared to GovGuam agencies that procure fuel on their own; resulting in lost savings of \$144 thousand (K) in FY 2011, (3) GovGuam purchased \$10,739 of unauthorized premium fuel; and (4) the University of Guam (UOG) has an undocumented contract with its current fuel vendor that has been in place for an undetermined period of time, therefore we question \$174K in fuel purchased between FY 2010 and 2011. These conditions occurred because no one at the Department of Administration (DOA), the General Services Agency (GSA), or any of the agencies is fully monitoring and analyzing fuel purchases.

We also found that GovGuam consumed 2.8 million (M) gallons of fuel between FY 2009 and 2011, amounting to \$8.7M in fuel purchases, or an annual average of \$2.9M. While total GovGuam fuel costs over the last three years have increased by 37%, or \$908,696 from \$2.5M in 2009 to \$2.8M in 2010 to \$3.4M in FY 2011, fuel consumption declined by 18% from 951,138 gallons in FY 2009 to 923,733 in 2010 to 878,823 gallons in 2011.

**Fuel Purchases Should Be Reconciled**

DOA relies on the participating agencies to ensure the accuracy of fuel charges, but this was not communicated to the agencies. DOA's Accounts Payable Division is responsible for the accounting and payment for fuel purchases of all executive line agencies, and twelve autonomous agencies including: Port Authority of Guam, Department of Education (DOE), and Guam International Airport Authority (GIAA).

We found that majority of the line agencies do not reconcile fuel billings to actual fuel purchase receipts because DOA directly charges line agencies for monthly fuel purchases through the AS400 system. Of the top five agencies, the Department of Public Works (DPW), the largest consumer of fuel, was the only one that reconciles fuel billings from DOA to actual receipts. DPW should be applauded for doing this basic reconciliation. In contrast, because the autonomous agencies receive a monthly invoice from DOA and have to write a check to the Treasurer of Guam, they reconcile fuel billings to actual receipts on a monthly basis.

**GovGuam Should Monitor Monthly Fuel Prices**

Although GovGuam receives a discount for unit price per gallon compared to market price, it appears it pays more per gallon when compared to the Guam Power Authority (GPA), which procures fuel on its own. In FY 2011, GovGuam paid an average of \$0.25 more per gallon of regular fuel compared to GPA. Because GovGuam paid \$3.48 for regular fuel versus the \$3.23 GPA paid, there was a lost savings of \$126K. With regards to diesel fuel, GovGuam paid an average of \$0.05 more per gallon compared to GPA. Because GovGuam paid \$3.42 for diesel fuel versus the \$3.37 GPA paid in FY 2011, there was a lost savings of \$18K. Altogether, GovGuam's lost savings for regular and diesel fuel was \$144K.

The Guam Waterworks Authority (GWA) also procures fuel on its own, and also had lost savings of \$21K because GWA paid an average of \$3.49 versus the \$3.23 paid by GPA for unleaded fuel. Likewise GWA paid an average of \$3.60 while GPA paid \$3.37 for diesel fuel, which led to lost savings of \$2K. Total lost savings for GWA was \$23K.

GPA generally receives the lowest unit price per gallon of both regular and diesel fuel because it has an in-house engineer who continuously monitors fuel prices based on industry standards, and ensures the accuracy of fuel prices charged to GPA. While DOA, GSA, and GWA may not have the same fuel expertise in house, they should seek assistance and coordinate with GPA on how to monitor fuel prices.

DOA charges an administrative fee to all GovGuam agencies that participate in the Gas Fleet Card Program which is deposited into the GSA Revolving Fund. The administrative fee is in addition to the vendor's charges, and is calculated at 10% of vendor's fuel charges.

In addition, we could not determine the rationale for the evaluation and selection of fuel vendors for GovGuam. In reviewing GSA's Invitation for Bid (IFB), specifically, we found that while there is a methodology to determine the unit price for gallons; there was no documentation in the procurement file as to the rationale of how the awarded vendors were selected. We attempted to meet with the two fuel vendors to ascertain how fuel price is calculated and charged to GovGuam. However, only a response letter was received from the secondary fuel vendor. The primary fuel vendor did not provide a response to our inquiry and refused to meet with OPA.

#### **UOG Should Issue an IFB for Procurement of Fuel**

While GPA and GWA issued IFBs for the procurement and have documented contracts for fuel purchases, UOG did not provide evidence that it underwent the procurement process. It currently has an undocumented contract with its current fuel vendor that has been in place for an undetermined period of time, and therefore we question all fuel purchases between FY 2009 and 2011. In addition, the lack of procurement has caused UOG to pay the highest unit price per gallon of fuel compared to the other agencies. UOG paid on average \$3.80 for regular fuel and \$4.24 for diesel fuel in FY 2011. Because UOG was paying \$0.57 more for unleaded and \$0.87 more for diesel fuel compared to GPA, there was a lost savings of \$14K for unleaded and \$2K for diesel fuel.

#### **Premium Fuel Should Not Be Purchased**

While GovGuam is only allowed to purchase regular and diesel fuel, we found that 15,904 gallons of premium fuel was purchased between FY 2009 to 2011 which amounted to \$52,498.

- FY 2009: 3,395.51 gallons or \$9,260
- FY 2010: 5,632.39 gallons or \$17,499
- FY 2011: 6,876.39 gallons or \$25,739

Majority of the agencies noted that these premium fuel purchases were due to an oversight, and several of them have taken corrective action to prevent the unauthorized purchases of premium fuel. However, there were also several agencies that stated their agency is authorized to purchase premium fuel. GPD was the only agency confirmed to receive authorization for premium fuel charges, however, we could not determine if all their premium fuel charges were

valid. Removing all GPD premium fuel charges would leave total questioned costs for premium fuel purchases at \$10,739.

**Recommendations**

In a time of rising costs and minimized budgets, GovGuam agencies should be more mindful of fuel costs. We found GovGuam did not procure the lowest annual fuel costs resulting in lost savings totaling \$144K. GovGuam should implement more stringent controls over fuel purchases to mitigate the risk for abuse and fraud. We recommend the following: (1) All agencies conduct monthly reconciliation of fuel billings to actual receipts to ensure accuracy of fuel charges; (2) DOA, GSA, GWA, and UOG coordinate with GPA in providing assistance on monitoring fuel prices; (3) DOA and GSA require all agencies to re-evaluate and assess the need to purchase premium fuel and work with fuel vendors to improve controls to prevent unauthorized premium fuel purchases; and (4) UOG comply with procurement regulations and issue an IFB for fuel immediately.



Doris Flores Brooks, CPA, CGFM  
Public Auditor



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## Introduction

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This report presents the results of our audit of the Government of Guam's (GovGuam) Gas Fleet Card Program between October 1, 2008 and September 30, 2011 (Fiscal Year (FY) 2009 to 2011). The audit was conducted as part of our annual work plan. Our objectives were to:

- 1) Calculate the cost of fuel for GovGuam for FY 2009 through 2011;
- 2) Determine whether GovGuam is obtaining the best possible price per gallon of fuel; and
- 3) Determine whether the gas fleet card program is administered in an economical and cost effective manner.

The audit objective, scope, methodology, and prior audit coverage are detailed in Appendix 2.

### Background

The General Services Agency (GSA), a division under the Department of Administration (DOA) and headed by a Chief Procurement Officer (CPO), is responsible for providing centralized procurement and warehousing activities of GovGuam in accordance with Public Law 16-24. The Chief Procurement Officer has the authority and responsibility to procure goods and services on behalf of GovGuam at the lowest cost possible and for the best use of the Government.

GSA issues the Invitation for Bid (IFB) for fuel purchase on behalf of GovGuam line agencies and several autonomous agencies every three years, with an option to renew for two additional years. The autonomous agencies are the Port Authority of Guam (PAG), Department of Education (DOE), Guam Memorial Hospital Authority (GMHA), Guam Economic Development Authority (GEDA), Guam Community College (GCC), Guam Housing Corporation (GHC), Department of Education (DOE), Judiciary of Guam (Judiciary), Office of Public Accountability (OPA), Guam Housing and Urban Renewal Authority (GHURA), Government of Guam Retirement Fund (GGRF), and the Guam International Airport Authority (GIAA). Agencies that do not participate in the GovGuam Gas Fleet Card Program include the Guam Power Authority (GPA), the Guam Waterworks Authority (GWA), and the University of Guam (UOG). The IFB is split based on fuel type (unleaded, premium, and diesel) and by zone location. There are two fuel providers that service GovGuam. There is a separate fuel card for vehicles and for containers. DOA Accounts Payable Division processes the payments for the fuel purchases. Refer to Appendix 3 for the Gas Fleet Card Program Standard Operating Procedures.

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## Results of Audit

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This is our first audit of the GovGuam Gas Fleet Card Program. We found that:

- 1) Nearly 50% of GovGuam agencies do not reconcile fuel billings to actual fuel receipts in order to ensure accuracy of payment;
- 2) GovGuam paid an average of \$0.25 more per gallon of regular fuel and \$0.05 more per gallon of diesel fuel as compared to the GPA which procures fuel on its own; resulting in lost savings of \$144 thousand (K) in fiscal year (FY) 2011<sup>1</sup>;
- 3) GovGuam purchased \$10,739 of unauthorized premium fuel; and
- 4) UOG has an undocumented contract with its current fuel vendor that has been in place for an undetermined period of time, therefore we question \$175K in fuel purchased between FY 2010 and 2011. FY 2009 data was not provided as of the release of this report.

These conditions occurred because no one at the Department of Administration (DOA), the General Services Agency (GSA), or any of the agencies is fully monitoring and analyzing fuel purchases.

We also found that GovGuam consumed 2.8 million (M) gallons of fuel between FY 2009 and 2011, amounting to \$8.7M in fuel purchases, or an annual average of \$2.9M. While total GovGuam fuel costs have increased by an overall 37%, or \$908,696 from \$2.5M in 2009 to \$2.8M in 2010 to \$3.4M in FY 2011, fuel consumption declined by 18% from 951,138 gallons in FY 2009 to 923,733 in 2010 to 878,823 gallons in 2011.

### **Fuel Purchases Should Be Reconciled**

Of the eight line agencies tested, we found that while several of them have an internal process for reviewing fuel receipts, nearly 50% of the agencies reviewed do not reconcile fuel billings to actual fuel purchase receipts. Agencies with high volume consumption like the Guam Police Department (GPD), Guam Fire Department (GFD), and Department of Public Health and Social Services (DPHSS), did not assign anyone to review monthly fuel billings to ensure actual fuel purchases are billed correctly and that only authorized government vehicles are being fueled. These agencies stated they rely on DOA to review the monthly fuel billings. However, DOA claims agencies are responsible to review their fuel purchases as they are the ones that hold actual fuel receipts.

While several line agencies do not reconcile, the Department of Public Works (DPW), a line agency and the agency with the highest fuel consumption overall conducts monthly reconciliations between fuel billings. Staff noted that they have identified several discrepancies with fuel charges that were eventually credited back to the department. DPW should be applauded for doing this basic reconciliation. In addition, DPW is also taking steps beyond monthly reconciliations and performing analysis of their fuel consumption. DPW plans to use this analysis when generating the department's annual budget.

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<sup>1</sup> We only computed lost savings for FY 2011 on the basis of identifying average annual fuel costs comparison.

For three decentralized agencies tested (GIAA, GHURA and PAG), we found that because they receive a monthly invoice from DOA and have to write a check to the Treasurer of Guam, they reconcile fuel billing to actual receipts on a monthly basis. OPA also reconciles fuel billings. We recommend all agencies conduct monthly reconciliation of fuel billings to actual receipts to ensure accuracy of fuel charges

### **GovGuam Should Monitor Monthly Fuel Prices**

Three GovGuam agencies do not participate in the Gas Fleet Card Program: GPA, GWA, and UOG. All three agencies stated that there was a period where they participated in GSA’s Gas Fleet Card Program, but opted out of the program due to concerns with reconciliation and payments with DOA.

While GovGuam receives a discount in fuel purchases compared to market price, it appears to pay more per gallon when compared to GPA, which procures on its own. GPA had the lowest per unit cost for both regular and diesel fuel for each month during FY 2011. See Appendix 5 for FY 2011 Fuel Price Comparison. GPA is able to get the lowest unit price per gallon because it has an in-house engineer who continuously monitors fuel prices based on industry standards, and ensures the accuracy of fuel prices charged to the authority.

### **GovGuam Lost Savings of \$144K**

In FY 2011, GovGuam paid on average \$0.25 more per gallon of regular fuel when compared to GPA. If GovGuam paid the same average unit price per gallon of regular fuel as GPA at \$3.23 versus the average \$3.48 it paid in FY 2011, there wouldn’t have been a lost savings of \$126K, as shown below:

<b>Average per Gallon (Unleaded)</b>	
GovGuam Vendor 1	\$ 3.48
GPA	\$ 3.23
<b>Variance</b>	<b>\$ 0.25</b>

$$\$0.25 \times 503,188 \text{ (FY 2011 gallons of unleaded fuel consumed)} = \mathbf{\$125,797 \text{ lost savings}}$$

With regards to diesel fuel, GovGuam was paying on average \$0.05 more per gallon when compared to GPA. If GovGuam was paying the same average unit price per gallon as GPA of \$3.37 versus the \$3.42 it paid for diesel fuel in FY 2011, there wouldn’t have been lost savings of \$18K, as shown below:

<b>Average per Gallon (Diesel)</b>	
GovGuam Vendor 2	\$ 3.42
GPA	\$ 3.37
<b>Variance</b>	<b>\$ 0.05</b>

$$\$0.05 \times 368,759 \text{ (FY 2011 gallons of diesel fuel consumed)} = \mathbf{\$18,438 \text{ lost savings}}$$



### **GWA Lost Savings of \$23K**

If GWA paid the same average unit price per gallon of regular fuel as GPA at \$3.23 versus the average \$3.49 it paid in FY 2011, there wouldn't have been a lost savings of \$21K, as shown below:

<b>Average per Gallon (Unleaded)</b>	
GWA	\$ 3.49
GPA	\$ 3.23
<b>Variance</b>	<b>\$ 0.26</b>

$$\$0.26 \times 79,802 \text{ (FY 2011 gallons of unleaded fuel consumed)} = \mathbf{\$20,748 \text{ lost savings}}$$

GWA paid on average \$0.23 more per gallon for diesel fuel when compared to GPA. If GWA was paying the same average unit price per gallon as GPA of \$3.37 versus the \$3.60 it paid for diesel fuel in FY 2011, there wouldn't have been lost savings of almost \$2K, as shown below:

<b>Average per Gallon (Diesel)</b>	
GWA	\$ 3.60
GPA	\$ 3.37
<b>Variance</b>	<b>\$ 0.23</b>

$$\$0.23 \times 7,374 \text{ (FY 2011 gallons of diesel fuel consumed)} = \mathbf{\$1,696 \text{ lost savings}}$$

### **Unable to Verify Vendor Pricing Methodology**

OPA contacted the fuel vendors to inquire how the fuel price charged to GovGuam is calculated and to determine whether their calculation is in compliance with the methodology specified in the GovGuam IFB for fuel. While one vendor provided a written response to our inquiry, the other vendor refused to meet with OPA or provide a response.

### **DOA Administrative Fee**

DOA charges an administrative fee to all GovGuam agencies that participate in the Gas Fleet Card Program which gets deposited into the GSA Revolving Fund. The administrative fee is calculated at 10% of vendor's fuel charges. In FY 2011, our analysis revealed that majority of the administrative fees were calculated at 10%. However, the administrative fee was at 11% for premium fuel in November 2010 and January 2011. See Appendix 6 for DOA Administrative Fee Comparison.

### **Unable to Determine Rationale for Vendor Selection**

We could not determine the rationale for the evaluation and selection of fuel vendors for GovGuam. In reviewing GSA's IFB, specifically, we found that while there is a methodology to determine the unit price for gallons; there was no documentation in the procurement file as to the rationale of how the awarded vendors were selected. Fuel is a commodity where price continuously fluctuates, and because this is a multimillion dollar contract, there should be a full summary as to the rationale for award to the selected vendors.

In order to ensure that all government agencies obtain the lowest unit price per gallon, we recommend DOA, GSA, and GWA seek assistance from GPA to monitor monthly fuel prices. GPA management has acknowledged that they are open to assisting other GovGuam agencies with monitoring fuel prices.

### **UOG Should Issue and IFB for Procurement of Fuel**

Although GWA and GPA have issued IFBs for the procurement and have documented contracts for fuel purchases, UOG does not. UOG currently has an undocumented contract with its current fuel vendor that has been in place for an undetermined period of time. UOG noted that they are aware of the procurement issue and plan to release a procurement solicitation for fuel shortly. As of the release of this report, UOG has not issued an IFB for the procurement of fuel. Therefore, we question all fuel expenses between FY 2010 and FY 2011 of \$174K. FY 2009 data was not provided as of the release of this report. We recommend UOG comply with procurement regulations and issue an IFB for fuel immediately.

### **UOG Lost Savings of \$16K**

The lack of procurement has caused UOG to pay the highest unit price per gallon of fuel compared to the other agencies. In FY 2011, UOG paid an average of \$3.80 per gallon of unleaded and \$4.24 per gallon of diesel fuel. If UOG had paid the same average unit price per gallon of regular fuel as GPA at \$3.23 versus the average \$3.80 it paid in FY 2011, there wouldn't have been a lost savings of \$14K, as shown below:

<b>Average per Gallon (Unleaded)</b>	
UOG	\$ 3.80
GPA	\$ 3.23
<b>Variance</b>	<b>\$ 0.57</b>

$\$0.57 \times 24,315$  (FY 2011 gallons of unleaded fuel consumed) = **\$13,860 lost savings**

UOG paid on average \$0.87 more per gallon for diesel fuel when compared to GPA. If UOG was paying the same average unit price per gallon as GPA of \$3.37 versus the \$4.24 it paid for diesel fuel in FY 2011, there wouldn't have been lost savings of almost \$2K, as shown below:

<b>Average per Gallon (Diesel)</b>	
UOG	\$ 4.24
GPA	\$ 3.37
<b>Variance</b>	<b>\$ 0.87</b>

$\$0.87 \times 1,228$  (FY 2011 gallons of diesel fuel consumed) = **\$1,730 lost savings**

## Premium Fuel Should Not Be Purchased

Despite the fact that GovGuam should only purchase regular and diesel fuel, we found that 15,904 gallons of premium fuel was purchased between FY 2009 to 2011 which amounted to \$52,498:

- FY 2009: 3,395.51 gallons or \$9,260
- FY 2010: 5,632.39 gallons or \$17,499
- FY 2011: 6,876.39 gallons or \$25,739

See Appendix 4 for complete breakdown of Premium Fuel.

Majority of the agencies noted that these premium fuel purchases were due to an oversight, and several of them have noted they have taken corrective action to prevent the unauthorized purchase of premium fuel. These agencies include the GCC, GFD, Department of Land Management, Department of Corrections, Customs & Quarantine Agency, and DOE. It should be noted that OPA also had one premium fuel purchase transaction in FY 2009 for 18.49 gallons amounting to \$54.73. Just like the other agencies, this transaction was due to an oversight.

There were also several agencies that stated their agency is authorized to purchase premium fuel to include the GPD, GIAA, GHURA, and Department of Military Affairs. GPD was the only agency confirmed to receive authorization for premium fuel charges. While GPD received authorization, we could not determine if all their premium fuel charges were valid. Removing all GPD premium fuel charges would leave total questioned costs for premium fuel purchases at \$10,739.

Unless agencies have vehicles or equipment that require premium fuel, all agencies should re-evaluate and assess the need to purchase premium fuel. We recommend GSA work with the vendors to improve controls preventing the unauthorized purchase of premium fuel.

## GovGuam Gas Consumption

In the three year period, GovGuam consumed a total of 2.8M gallons, expending \$8.7M in fuel purchases. While total GovGuam fuel consumption over the last three years has decreased, the cost of fuel has increased. This is primarily due to the increase in cost per gallon of fuel. For example the average cost per gallon of unleaded fuel went from \$2.59 in FY 2009 to \$3.07 in FY 2010 to \$3.87 in FY 2011. See table 1 for further breakdown.

**Table 1: Government of Guam Fuel Cost Summary for FY 2009 to FY 2011**

Fuel Type	FY 2009			FY 2010			FY 2011			Total	
	Gallons	Amount	Average Cost Per Gallon	Gallons	Amount	Average Cost Per Gallon	Gallons	Amount	Average Cost Per Gallon	Gallons	Amount
Unleaded	486,232	\$ 1,259,201	\$ 2.59	467,044	\$ 1,435,548	\$ 3.07	503,188	\$ 1,948,742	\$ 3.87	1,456,465	\$ 4,643,491
Diesel	461,511	\$ 1,207,140	\$ 2.62	451,057	\$ 1,357,849	\$ 3.01	368,759	\$ 1,409,816	\$ 3.82	1,281,326	\$ 3,974,805
Premium	3,396	\$ 9,260	\$ 2.73	5,632	\$ 17,499	\$ 3.11	6,876	\$ 25,739	\$ 3.74	15,904	\$ 52,497
<b>Total</b>	<b>951,138</b>	<b>\$ 2,475,601</b>		<b>923,733</b>	<b>\$ 2,810,896</b>		<b>878,823</b>	<b>\$ 3,384,297</b>		<b>2,753,695</b>	<b>\$ 8,670,794</b>

The top five agencies identified for high fuel consumption remained constant between FY 2009 and 2011, consuming 77% of the total fuel purchases totaling \$6.7M, the remaining 37 entities accounting for 23% or \$2M. The top five agencies were DPW with 1.2M gallons totaling \$3.8M, GPD with 369K gallons totaling \$1.2M, DOE with 200K gallons totaling \$631K, MCOG with 169K gallons totaling \$544K, and GFD with 168K gallons totaling \$534K. See Table 2 for fuel cost summary for the top five agencies and Appendix 4 for further breakdown by agencies for each fiscal year.

**Table 2: Fuel Cost Summary of the Top 5 Government of Guam Agencies**

		FY 2009 - 2011								
No.	Agency	Unleaded		Diesel		Premium		Overall Total		% of total fuel cost
		Gallons	Fuel Cost	Gallons	Fuel Cost	Gallons	Fuel Cost	Gallons	Fuel Cost	
1	DPW	174,560	\$ 587,803	1,030,663	\$ 3,196,878	1,123	\$ 3,417	1,206,346	\$ 3,788,098	43.7%
2	GPD	348,062	\$ 1,094,926	8,464	\$ 27,204	12,549	\$ 41,758	369,076	\$ 1,163,888	13.4%
3	DOE	119,349	\$ 385,634	80,360	\$ 243,521	486	\$ 1,698	200,195	\$ 630,853	7.3%
4	MCOG	155,146	\$ 499,485	14,118	\$ 44,357	170	\$ 503	169,434	\$ 544,345	6.3%
5	GFD	56,359	\$ 182,983	111,378	\$ 349,966	376	\$ 1,277	168,113	\$ 534,226	6.2%
<b>Top 5 Subtotal</b>		<b>853,476</b>	<b>\$ 2,750,830</b>	<b>1,244,984</b>	<b>\$ 3,861,926</b>	<b>14,704</b>	<b>\$ 48,653</b>	<b>2,113,164</b>	<b>\$ 6,661,409</b>	<b>76.8%</b>
<b>37 Agencies Subtotal</b>		<b>602,988</b>	<b>\$ 1,892,661</b>	<b>36,343</b>	<b>\$ 112,879</b>	<b>1,201</b>	<b>\$ 3,845</b>	<b>640,531</b>	<b>\$ 2,009,384</b>	<b>23%</b>
<b>Overall Total</b>		<b>1,456,465</b>	<b>\$ 4,643,491</b>	<b>1,281,326</b>	<b>\$ 3,974,805</b>	<b>15,904</b>	<b>\$ 52,497</b>	<b>2,753,695</b>	<b>\$ 8,670,794</b>	<b>100%</b>

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## Conclusion and Recommendations

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This is our first audit of GovGuam Gas Fleet Card Program, and we found that: (1) nearly 50% of GovGuam agencies do not reconcile fuel billings to actual fuel receipts in order to ensure accuracy of payment; (2) GovGuam paid an average of \$0.25 more per gallon of regular fuel and \$0.05 more per gallon of diesel fuel in FY 2011 as compared to GPA, which procure fuel on its own; resulting in lost savings of \$144 thousand (K) in fiscal year (FY) 2011, (3) GovGuam purchased \$10,739 of unauthorized premium fuel; and (4) UOG has an undocumented contract with its current fuel vendor that has been in place for an undetermined period of time, therefore we question \$174K in fuel purchased between FY 2010 and 2011. These conditions occurred because no one at DOA, GSA, or any of the agencies is fully monitoring and analyzing fuel purchases.

In a time of rising costs and minimized budgets, GovGuam agencies should be more mindful of fuel costs. GovGuam should implement more stringent controls over fuel purchases to mitigate the risk for abuse and fraud. Therefore, we recommend the following:

1. All agencies conduct monthly reconciliation of fuel billings to actual receipts to ensure accuracy of fuel charges;
2. DOA, GSA, GWA, and UOG coordinate with GPA in providing assistance on monitoring fuel prices;
3. DOA and GSA require all agencies to re-evaluate and assess the need to purchase premium fuel and work with fuel vendors to improve controls to prevent unauthorized premium fuel purchases; and
4. UOG comply with procurement regulations and issue an IFB for fuel immediately.

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## **Management Response & OPA Reply**

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A draft report was transmitted to DOA, GSA, GPA, GWA, and UOG in December 2012, for their official responses. In December 2012, we met individually with officials from these agencies to discuss the audit findings and recommendations.

DOA and GSA agreed to two of the three audit findings and recommendations. However, they disagreed with the finding that GovGuam Should Monitor Fuel Prices:

- GSA responded to Bid Analysis Missing asserting that a bid analysis was completed in October 2006. However, we are still unable to determine the rationale for award based on the bid analysis provided which indicates fixed fuel prices and is contrary to the methodology indicated in the bid package.
- GSA responded to Gasoline price offered to GPA is lower than price offered to GSA stating that we cannot compare the price paid by GPA to the price paid by GSA because of the differing terms and conditions. However, we disagree with this perspective as it is incumbent that GSA negotiates the best possible price for GovGuam.

See Appendix 10 for DOA & GSA's management response.

GPA, GWA, and UOG generally concurred with OPA's findings and recommendations, and are taking steps to implement the recommendations. See Appendix 7 to 9 for their management responses.

The legislation creating OPA requires agencies to prepare a corrective action plan to implement audit recommendations, to document the progress of the implementation of the recommendations, and to endeavor to have implementation completed no later than the beginning of the next fiscal year. Accordingly, our office will be contacting DOA and GSA, to establish target dates and titles of officials responsible for implementing the recommendations. We appreciate the cooperation and assistance shown by GSA and DOA, GPA, GWA, and UOG.

OFFICE OF PUBLIC ACCOUNTABILITY

Doris Flores Brooks, CPA, CGFM  
Public Auditor

**Appendix 1:**  
**Classification of Monetary Amounts**

<b>Results of Audit</b>	<b>Lost Savings</b>	<b>Questioned Costs</b>
<b>Fuel Purchases Should Be Reconciled</b>	\$ -	\$ -
<b>GovGuam Should Monitor Monthly fuel Prices</b>		
Lost Savings		
GovGuam - Unleaded fuel.....	\$ 125,797	\$ -
GovGuam - Diesel fuel.....	\$ 18,438	\$ -
	\$ 144,235	\$ -
GWA - Unleaded fuel.....	\$ 20,748	\$ -
GWA - Diesel fuel.....	\$ 1,696	\$ -
	\$ 22,444	\$ -
<b>UOG Should Issue an IFB for Procurement of Fuel</b>		
UOG Fuel Charges		
FY 2009.....	\$ -	\$ -
FY 2010.....	\$ -	\$ 98,236
FY 2011.....	\$ -	\$ 75,337
	\$ -	\$ 173,573
Lost Savings		
UOG - Unleaded fuel.....	\$ 13,860	\$ -
UOG - Diesel fuel.....	\$ 1,730	\$ -
	\$ 15,590	\$ -
<b>Premium Fuel Should Not Be Purchased</b>		
Premium Charges		
FY 2009.....	\$ -	\$ 3,410
FY 2010.....	\$ -	\$ 3,203
FY 2011.....	\$ -	\$ 4,127
	\$ -	\$ 10,739
<b>*TOTAL</b>	<b>\$ 166,679</b>	<b>\$ 184,312</b>

Notes:

\*We only computed lost savings for FY 2011 on the basis of identifying average annual fuel costs comparison.

\*Total does not include the lost savings for UOG, as we are questioning all the fuel charges between FY 2009 and 2011. (UOG did not provide FY 2009 data as of the release of this report.)

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**Appendix 2:****Objective, Scope, Methodology, and Prior Audit Coverage**

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Our audit objectives were to:

- 1) Calculate the cost of fuel for the Government of Guam for FY 2009 through 2011;
- 2) Determine whether GovGuam is obtaining the best possible price per gallon of fuel; and
- 3) Determine whether the Gas Fleet Card Program is administered in an efficient and cost effective manner.

Our scope included reviewing the pertinent procurement laws, policies, procedures and regulations relative to fuel purchases in the period between October 1, 2008 and September 30, 2011. Identifying and reviewing prior OPA audits and hotline tips relevant to this issue were included.

To accomplish our objectives, we performed the following:

1. Interviewed key GSA, DOA, GWA, GPA, and UOG officials as to their fuel purchase procurement and payments process.
2. Conducted walkthroughs of the fuel procurement and payment process at DOA and GSA
3. Interviewed GSA and DOA officials as to their responsibilities and monitoring over the Gas Fleet Card Program.
4. Sent questionnaires to BSP, DOE, DMHSA, DPHSS, DPW, GFD, GHURA, GIAA, GPD, MCOG, and PAG to as to their responsibilities and monitoring over fuel purchases.
5. Tested 331 fuel transactions at BSP, DOE, DMHSA, DPHSS, DPW, GFD, GHURA, GIAA, GPD, MCOG, and PAG to verify fuel receipts to actual payment data.
6. Sent letters with questionnaire to fuel vendors to get a better understanding of the process for procuring fuel.

**Prior Audit Coverage**

We reviewed prior Office of Public Accountability audits and the Government of Guam financial audits, and did not identify any audits related to GovGuam Gas Fleet Card Program.

We conducted this audit in accordance with the standards for performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. These standards require that we plan our audit objectives and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



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**Appendix 3:****Gas Fleet Card Program Standard Operating Procedures**

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**GENERAL SERVICES AGENCY  
DEPARTMENT OF ADMINISTRATION  
GOVERNMENT OF GUAM  
FLEET GAS CARD AND/OR CONTAINER GAS CARD**

**PROCEDURE:**

- Utilize whichever pump is **visually accessible** to the Cashier.
- Notate your complete **Official License Plate Number** and the **Odometer Reading** before you enter the building for the **Mandatory Authorization Pre-Check**.
- Do not fuel your vehicle or gas container until you have completed the **Mandatory Authorization Pre-Check**:
  1. State your intention – Vehicle Fuel Purchase? Container Fuel Purchase?
  2. Present your Gas Card, Work Identification Card, Official License Plate No. and Odometer Reading.
  3. Cashier will swipe your gas card and key in your Official Vehicle License Plate No. into the GSA Terminal and inform you whether your card/vehicle is approved or declined.
- Pass Authorization/Validation? – Then proceed to fuel vehicle/container. **Fuel vehicle or container only upon approval by the Cashier.**
- Go back into the Service Station where the Cashier will perform a **final gas card swipe** – to run the gas purchase transaction.
- **Sign the receipt** along with the Cashier (print/sign/date all three **ORIGINAL RECEIPTS**), retrieve your gas card and work identification card.
- **Turn in your receipt** to your agency's designated personnel (Administrative Officer) that same day for log and payment purposes. Failure to turn in your receipt(s) may constitute agreement as signed on your Gas Card Acknowledgement of Receipt, that you understand that you will pay for the gas yourself. (If you are problematic with your receipts – you risk audit, disciplinary action and/or your card may be retrieved/deactivated.)

**PROBLEMS ENCOUNTERED @ THE SERVICE STATION:**

- **Contact your agency's designated gas card personnel** with the following important information:
  1. What station you are at.
  2. Your card no.
  3. Your license plate no.
  4. The problem.

(Your designated agency personnel will advise you of further action and will contact GSA for assistance. If you cannot contact your department POC, you may contact Marissa Leon Guerrero directly @ GSA, 475-1710/07/20.)

**RESTRICTIONS:**

- Gas cards not transferable. (Only cardholder can transact purchases.)
- Each transaction must be accompanied by a fleet gas cardholder. (One card per transaction – one vehicle @ a time. Cardholder must complete one transaction before fueling the next vehicle.)
- There is a separate card for Container fuel purchases. (Primarily for maintenance personnel.)
- Gas/diesel containers must have a decal or be labeled/stenciled w/Agency name.
- **Daily Limit** on Container fuel purchases: **two 5-gallon containers per day per cardholder.**
- Container Cards: 4.1. Name on Govt. I.D. must match the name in the Container Card. No exceptions. 4.2. The last 7-digits of the Govt. Container Card number will be used/keyed in (instead of using vehicle #) on MCB GSA terminal.
- Gas cards are for Regular Gas and/or Diesel Fuel purchases. (No brake fluid, gas treatment, coolants, food or other store item purchases permitted.)
- No one using the Government of Guam Fleet Gas Card or Container Gas Card for payment is eligible for bonuses or promotional products offered by the providing Gas Station.

**SURRENDER OF FUEL PURCHASE CARDS FOR DEACTIVATION:**

- Upon transfer to another government department/entity.
- Employment separation from the Government of Guam. (Retirement, Resignation, Death, etc.)
- To be included on the Employee Separation Clearance process.

Print Name & Sign: \_\_\_\_\_ Dept/Agency: \_\_\_\_\_  
Fleet Gas Card or Container Card No. \_\_\_\_\_ Date: \_\_\_\_\_

**Appendix 4:**

**GovGuam Fuel Consumption by Agencies**

No.	Agency	FY 2009							
		Unleaded		Diesel		Premium		Overall Total	
		Gallons	Fuel Cost	Gallons	Fuel Cost	Gallons	Fuel Cost	Gallons	Fuel Cost
1	DPW	45,231.56	\$ 117,590.09	368,903.37	\$ 965,694.39	443.63	\$ 1,154.34	414,578.56	\$ 1,084,438.82
2	GPD	122,864.21	\$ 317,729.94	2,578.06	\$ 6,775.62	2,140.65	\$ 5,850.13	127,582.93	\$ 330,355.69
3	DOE	36,490.38	\$ 94,470.01	34,545.46	\$ 89,532.46	56.25	\$ 135.13	71,092.09	\$ 184,137.60
4	GFD	16,099.86	\$ 41,877.76	37,116.54	\$ 96,571.05	69.40	\$ 192.79	53,285.80	\$ 138,641.60
5	MCOG	46,335.14	\$ 120,460.03	5,133.69	\$ 13,524.50	103.80	\$ 279.98	51,572.63	\$ 134,264.51
6	DPHSS	43,401.07	\$ 111,444.11	54.50	\$ 117.49	92.33	\$ 250.03	43,547.91	\$ 111,811.63
7	GIAA	23,323.67	\$ 60,590.44	6,323.11	\$ 16,865.19	103.31	\$ 283.72	29,750.09	\$ 77,739.35
8	GHURA	16,645.50	\$ 43,487.74	44.52	\$ 111.44	12.39	\$ 30.14	16,702.41	\$ 43,629.32
9	DOAG	16,667.60	\$ 43,059.44	42.96	\$ 147.80	37.22	\$ 98.27	16,747.77	\$ 43,305.51
10	CQA	15,881.96	\$ 41,337.89	451.46	\$ 1,156.53	24.82	\$ 80.02	16,358.24	\$ 42,574.44
11	DOC	14,515.92	\$ 37,849.33	665.10	\$ 1,648.60	20.74	\$ 65.94	15,201.76	\$ 39,563.87
12	DOL	12,998.11	\$ 33,399.87	692.20	\$ 1,842.67			13,690.31	\$ 35,242.54
13	PAG	13,369.81	\$ 34,858.90	5.00	\$ 11.61	19.24	\$ 64.85	13,394.05	\$ 34,935.36
14	Judiciary	9,875.01	\$ 25,512.25	85.14	\$ 228.25	40.86	\$ 104.09	10,001.01	\$ 25,844.59
15	GOV	5,168.40	\$ 13,493.61	2,575.51	\$ 6,782.55	15.09	\$ 37.78	7,759.00	\$ 20,313.94
16	DYA	7,860.83	\$ 20,175.06					7,860.83	\$ 20,175.06
17	GEPA	6,891.44	\$ 17,813.47					6,891.44	\$ 17,813.47
18	OAG	5,367.31	\$ 13,665.79			22.47	\$ 58.00	5,389.78	\$ 13,723.79
19	GMHA	2,605.70	\$ 6,719.85	2,006.25	\$ 5,317.49	28.54	\$ 74.54	4,640.48	\$ 12,111.88
20	DMHSS	4,432.83	\$ 11,421.07	24.59	\$ 78.75	12.62	\$ 40.11	4,470.04	\$ 11,539.93
21	DRT	3,925.06	\$ 10,144.63			16.00	\$ 50.87	3,941.07	\$ 10,195.50
22	GCC	2,544.59	\$ 6,578.52	70.21	\$ 209.42			2,614.80	\$ 6,787.94
23	DLM	2,478.31	\$ 6,417.54			15.88	\$ 33.17	2,494.19	\$ 6,450.71
24	DMA	2,254.71	\$ 5,834.71	15.00	\$ 36.21	27.99	\$ 80.28	2,297.70	\$ 5,951.20
25	DOA	1,905.81	\$ 4,976.19	177.97	\$ 487.97	13.34	\$ 39.47	2,097.12	\$ 5,503.63
26	GHC	1,584.47	\$ 4,079.68					1,584.47	\$ 4,079.68
27	DCA	947.29	\$ 2,484.83					947.29	\$ 2,484.83
28	CAHA	587.32	\$ 1,513.44					587.32	\$ 1,513.44
29	CLTC	554.18	\$ 1,443.11					554.18	\$ 1,443.11
30	DISID	481.61	\$ 1,263.41					481.61	\$ 1,263.41
31	BSP	489.69	\$ 1,243.84					489.69	\$ 1,243.84
32	CME	448.32	\$ 1,074.71			45.87	\$ 165.10	494.18	\$ 1,239.81
33	GPLS	475.29	\$ 1,214.92					475.29	\$ 1,214.92
34	GGRF	424.10	\$ 1,097.18			14.59	\$ 36.51	438.69	\$ 1,133.69
35	GEO	396.81	\$ 1,036.91					396.81	\$ 1,036.91
36	AHRD	374.87	\$ 981.31					374.87	\$ 981.31
37	GEDA	240.24	\$ 626.82					240.24	\$ 626.82
38	OPA	93.29	\$ 232.55			18.49	\$ 54.73	111.78	\$ 287.28
39	DPR								
40	GEC								
41	GRTA								
42	Public Defender								
	<b>Total</b>	<b>486,232.25</b>	<b>\$ 1,259,200.95</b>	<b>461,510.63</b>	<b>\$ 1,207,139.99</b>	<b>3,395.51</b>	<b>\$ 9,259.99</b>	<b>951,138.38</b>	<b>\$ 2,475,600.93</b>

Appendix 4:

GovGuam Fuel Consumption by Agencies

No.	Agency	FY 2010							
		Unleaded		Diesel		Premium		Overall Total	
		Gallons	Fuel Cost	Gallons	Fuel Cost	Gallons	Fuel Cost	Gallons	Fuel Cost
1	DPW	51,797.66	\$ 159,430.00	362,576.92	\$ 1,090,546.49	428.46	\$ 1,332.12	414,803.04	\$ 1,251,308.61
2	GPD	115,820.47	\$ 356,153.81	2,926.02	\$ 8,908.91	4,600.15	\$ 14,296.20	123,346.64	\$ 379,358.92
3	DOE	37,240.09	\$ 114,197.88	26,309.29	\$ 79,265.36	138.69	\$ 436.82	63,688.06	\$ 193,900.06
4	GFD	18,516.80	\$ 56,857.96	40,364.56	\$ 122,195.30	152.54	\$ 465.61	59,033.91	\$ 179,518.87
5	MCOG	51,501.99	\$ 158,205.84	4,813.54	\$ 14,567.80	29.22	\$ 91.28	56,344.75	\$ 172,864.92
6	GIAA	20,709.71	\$ 63,660.71	8,954.13	\$ 26,944.48	32.81	\$ 95.45	29,696.64	\$ 90,700.64
7	DOC	17,638.95	\$ 54,136.66	485.04	\$ 1,448.93			18,123.99	\$ 55,585.59
8	DOAG	17,320.40	\$ 53,237.89	401.80	\$ 1,246.52			17,722.20	\$ 54,484.41
9	GHURA	17,646.66	\$ 54,213.95	30.31	\$ 91.54	21.24	\$ 64.33	17,698.22	\$ 54,369.82
10	PAG	16,620.23	\$ 51,058.69	41.71	\$ 133.25			16,661.94	\$ 51,191.94
11	DPHSS	14,835.31	\$ 45,631.53			41.15	\$ 136.00	14,876.46	\$ 45,767.53
12	CQA	13,359.92	\$ 41,040.10	708.69	\$ 2,102.15	30.92	\$ 101.32	14,099.52	\$ 43,243.57
13	DPR	10,335.46	\$ 32,168.80	253.52	\$ 788.73			10,588.98	\$ 32,957.53
14	Judiciary	9,754.52	\$ 30,025.58	377.16	\$ 1,167.15	8.92	\$ 27.66	10,140.61	\$ 31,220.39
15	DYA	7,781.34	\$ 23,936.92					7,781.34	\$ 23,936.92
16	GEPA	5,950.46	\$ 18,321.87					5,950.46	\$ 18,321.87
17	GOV	5,003.74	\$ 15,340.30	760.61	\$ 2,279.10			5,764.35	\$ 17,619.40
18	OAG	5,153.34	\$ 15,865.81			7.60	\$ 24.17	5,160.94	\$ 15,889.98
19	DMHSS	4,790.33	\$ 14,744.50					4,790.33	\$ 14,744.50
20	GMHA	2,329.97	\$ 7,132.96	1,777.62	\$ 5,363.17			4,107.59	\$ 12,496.13
21	DRT	3,680.26	\$ 11,317.03	26.29	\$ 79.10			3,706.56	\$ 11,396.13
22	DOL	3,141.75	\$ 9,317.40	109.12	\$ 302.93			3,250.87	\$ 9,620.33
23	DLM	2,628.31	\$ 8,106.65					2,628.31	\$ 8,106.65
24	DOA	2,438.37	\$ 7,486.16	90.19	\$ 266.03			2,528.56	\$ 7,752.19
25	GCC	2,298.05	\$ 7,052.83	38.16	\$ 114.92	17.15	\$ 55.36	2,353.36	\$ 7,223.11
26	DMA	2,192.49	\$ 6,727.70	5.00	\$ 14.52	115.05	\$ 347.32	2,312.54	\$ 7,089.54
27	GHC	1,564.89	\$ 4,824.51					1,564.89	\$ 4,824.51
28	GEO	667.40	\$ 2,057.17					667.40	\$ 2,057.17
29	BSP	624.61	\$ 1,930.20			8.50	\$ 25.24	633.11	\$ 1,955.44
30	CLTC	601.07	\$ 1,852.09					601.07	\$ 1,852.09
31	CME	540.82	\$ 1,660.92					540.82	\$ 1,660.92
32	GPLS	508.95	\$ 1,568.20					508.95	\$ 1,568.20
33	CAHA	510.16	\$ 1,566.97					510.16	\$ 1,566.97
34	GGRF	482.46	\$ 1,482.98	6.84	\$ 22.72			489.31	\$ 1,505.70
35	DISID	304.09	\$ 936.85					304.09	\$ 936.85
36	GEDA	241.27	\$ 747.08					241.27	\$ 747.08
37	DCA	196.59	\$ 588.62					196.59	\$ 588.62
38	AHRD	155.09	\$ 471.47					155.09	\$ 471.47
39	GEC	145.14	\$ 446.98					145.14	\$ 446.98
40	OPA	15.23	\$ 44.55					15.23	\$ 44.55
41	GRTA								
42	Public Defender								
	<b>Total</b>	<b>467,044.36</b>	<b>\$ 1,435,548.12</b>	<b>451,056.53</b>	<b>\$ 1,357,849.10</b>	<b>5,632.39</b>	<b>\$ 17,498.88</b>	<b>923,733.27</b>	<b>\$ 2,810,896.10</b>

**Appendix 4:**

**GovGuam Fuel Consumption by Agencies**

No.	Agency	FY 2011							
		Unleaded		Diesel		Premium		Overall Total	
		Gallons	Fuel Cost	Gallons	Fuel Cost	Gallons	Fuel Cost	Gallons	Fuel Cost
1	DPW	77,530.77	\$ 310,782.51	299,182.82	\$ 1,140,637.58	250.91	\$ 930.26	376,964.50	\$ 1,452,350.35
2	GPD	109,377.81	\$ 421,042.27	2,959.90	\$ 11,519.29	5,808.26	\$ 21,611.65	118,145.97	\$ 454,173.21
3	DOE	45,618.28	\$ 176,965.77	19,505.52	\$ 74,723.08	291.16	\$ 1,126.25	65,414.96	\$ 252,815.10
4	MCOG	57,308.98	\$ 220,819.23	4,170.62	\$ 16,264.57	36.61	\$ 131.87	61,516.20	\$ 237,215.67
5	GFD	21,742.50	\$ 84,247.25	33,897.23	\$ 131,199.93	154.03	\$ 618.31	55,793.76	\$ 216,065.49
6	GIAA	18,739.98	\$ 72,208.01	5,036.72	\$ 19,660.22	71.73	\$ 301.90	23,848.44	\$ 92,170.13
7	GHURA	18,648.27	\$ 71,184.09			35.42	\$ 111.69	18,683.68	\$ 71,295.78
8	PAG	18,388.14	\$ 70,711.91			71.75	\$ 292.80	18,459.88	\$ 71,004.71
9	DOAG	17,900.80	\$ 68,844.62	74.32	\$ 296.43	29.02	\$ 122.44	18,004.13	\$ 69,263.49
10	DOC	15,590.15	\$ 59,381.39	902.09	\$ 3,704.18	14.29	\$ 60.39	16,506.53	\$ 63,145.96
11	DPHSS	15,157.65	\$ 58,306.39			31.99	\$ 123.40	15,189.64	\$ 58,429.79
12	DPR	12,384.60	\$ 47,420.58	201.06	\$ 828.51	9.59	\$ 40.88	12,595.25	\$ 48,289.97
13	CQA	11,764.72	\$ 44,926.66	251.15	\$ 931.47	13.85	\$ 47.16	12,029.72	\$ 45,905.29
14	Judiciary	9,800.82	\$ 37,345.12	64.76	\$ 200.43			9,865.58	\$ 37,545.55
15	DYA	8,275.24	\$ 31,611.77	50.01	\$ 198.51			8,325.25	\$ 31,810.28
16	DMHSS	6,595.89	\$ 25,613.12					6,595.89	\$ 25,613.12
17	GEPA	6,012.77	\$ 23,287.21	21.03	\$ 71.09			6,033.81	\$ 23,358.30
18	OAG	5,324.65	\$ 20,518.42	11.95	\$ 48.28			5,336.60	\$ 20,566.70
19	GOV	4,197.46	\$ 16,082.19	627.77	\$ 2,491.05			4,825.23	\$ 18,573.24
20	GMHA	2,031.49	\$ 7,765.14	1,723.75	\$ 6,724.16			3,755.24	\$ 14,489.30
21	DRT	3,454.48	\$ 13,258.02					3,454.48	\$ 13,258.02
22	DOA	3,338.59	\$ 12,943.85	50.00	\$ 202.24	7.73	\$ 30.34	3,396.33	\$ 13,176.43
23	DLM	2,295.65	\$ 8,868.63					2,295.65	\$ 8,868.63
24	GHC	2,081.43	\$ 8,152.44					2,081.43	\$ 8,152.44
25	GCC	2,036.40	\$ 7,678.88	13.01	\$ 55.17			2,049.41	\$ 7,734.05
26	DMA	1,512.03	\$ 5,594.64	15.23	\$ 60.11	50.06	\$ 189.22	1,577.31	\$ 5,843.97
27	DOL	1,291.14	\$ 5,011.46					1,291.14	\$ 5,011.46
28	BSP	642.43	\$ 2,421.15					642.43	\$ 2,421.15
29	CME	525.94	\$ 2,009.54					525.94	\$ 2,009.54
30	CLTC	483.31	\$ 1,826.35					483.31	\$ 1,826.35
31	GPLS	453.73	\$ 1,758.21					453.73	\$ 1,758.21
32	GGRF	435.13	\$ 1,659.78					435.13	\$ 1,659.78
33	GEO	421.43	\$ 1,600.28					421.43	\$ 1,600.28
34	CAHA	414.73	\$ 1,564.58					414.73	\$ 1,564.58
35	Public Defender	265.56	\$ 1,100.84					265.56	\$ 1,100.84
36	GEDA	251.09	\$ 965.90					251.09	\$ 965.90
37	DISID	253.80	\$ 959.79					253.80	\$ 959.79
38	OPA	167.45	\$ 670.24					167.45	\$ 670.24
39	GEC	190.60	\$ 619.05					190.60	\$ 619.05
40	DCA	125.34	\$ 466.04					125.34	\$ 466.04
41	AHRD	124.96	\$ 425.67					124.96	\$ 425.67
42	GRTA	31.86	\$ 122.93					31.86	\$ 122.93
	<b>Total</b>	<b>503,188.03</b>	<b>\$ 1,948,741.92</b>	<b>368,758.94</b>	<b>\$ 1,409,816.30</b>	<b>6,876.39</b>	<b>\$ 25,738.56</b>	<b>878,823.36</b>	<b>\$ 3,384,296.78</b>

## Appendix 5: FY 2011 Fuel Price Comparison

Regular Unleaded	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Average per unit cost
GPA	\$ 2.557	\$ 2.714	\$ 2.824	\$ 3.034	\$ 3.119	\$ 3.250	\$ 3.502	\$ 3.690	\$ 3.473	\$ 3.428	\$ 3.578	\$ 3.563	\$ 3.23
GWA	\$ 2.830	\$ 2.987	\$ 3.097	\$ 3.307	\$ 3.392	\$ 3.523	\$ 3.775	\$ 3.963	\$ 3.746	\$ 3.701	\$ 3.851	\$ 3.709	\$ 3.49
UOG	\$ 3.260	\$ 3.330	\$ 3.390	\$ 3.550	\$ 3.610	\$ 3.770	\$ 3.960	\$ 4.210	\$ 4.130	\$ 4.150	\$ 4.140	\$ 4.100	\$ 3.80
GovGuam Vendor 1	\$ 2.759	\$ 2.930	\$ 3.050	\$ 3.329	\$ 3.371	\$ 3.514	\$ 3.789	\$ 3.994	\$ 3.757	\$ 3.708	\$ 3.872	\$ 3.717	\$ 3.48

Difference between GPA and

GovGuam Vendor 1 price per gallon \$ (0.202) \$ (0.216) \$ (0.226) \$ (0.295) \$ (0.252) \$ (0.264) \$ (0.287) \$ (0.304) \$ (0.284) \$ (0.280) \$ (0.294) \$ (0.154) \$ (0.25)

Diesel	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Average per unit cost
GPA	\$ 2.682	\$ 2.813	\$ 2.919	\$ 3.064	\$ 3.248	\$ 3.470	\$ 3.830	\$ 3.976	\$ 3.637	\$ 3.671	\$ 3.728	\$ 3.436	\$3.37
GWA	\$ 2.903	\$ 3.034	\$ 3.140	\$ 3.285	\$ 3.469	\$ 3.691	\$ 4.051	\$ 4.197	\$ 3.858	\$ 3.892	\$ 3.949	\$ 3.784	\$3.60
UOG	\$ 3.470	\$ 3.560	\$ 3.630	\$ 3.800	\$ 3.860	\$ 4.130	\$ 4.460	\$ 4.710	\$ 4.640	\$ 4.560	\$ 4.640	\$ 5.390	\$4.24
GovGuam Vendor 1	\$ 2.814	\$ 2.957	\$ 3.073	\$ 3.292	\$ 3.431	\$ 3.673	\$ 4.066	\$ 4.225	\$ 3.855	\$ 3.892	\$ 3.955	\$ 3.775	\$3.58
GovGuam Vendor 2	\$ 2.728	\$ 2.859	\$ 3.033	\$ 3.166	\$ 3.294	\$ 3.516	\$ 3.876	\$ 4.020	\$ -	\$ 3.717	\$ 3.774	\$ 3.609	\$3.42

Difference between GPA and

GovGuam Vendor 2 price per gallon \$ (0.046) \$ (0.046) \$ (0.114) \$ (0.102) \$ (0.046) \$ (0.046) \$ (0.046) \$ (0.044) \$ 3.637 \$ (0.046) \$ (0.046) \$ (0.173) (\$0.05)

Legend
Lowest Price
Second Lowest Price

Notes:

\*We only computed lost savings for FY 2011 on the basis of identifying average annual fuel costs comparison.

\*Average per unit cost for GovGuam Vendor 2 under Diesel is calculated at 11 months because there were no charges identified in June 2011.

**Appendix 6:**

**DOA Administrative Fee Comparison**

<b>Regular Unleaded</b>	<b>Oct-10</b>	<b>Nov-10</b>	<b>Dec-10</b>	<b>Jan-11</b>	<b>Feb-11</b>	<b>Mar-11</b>	<b>Apr-11</b>	<b>May-11</b>	<b>Jun-11</b>	<b>Jul-11</b>	<b>Aug-11</b>	<b>Sep-11</b>
DOA AS 400	\$ 3.034	\$ 3.223	\$ 3.355	\$ 3.607	\$ 3.708	\$ 3.865	\$ 4.167	\$ 4.394	\$ 4.132	\$ 4.078	\$ 4.259	\$ 4.088
GovGuam Vendor 1	\$ 2.759	\$ 2.930	\$ 3.050	\$ 3.279	\$ 3.371	\$ 3.514	\$ 3.789	\$ 3.994	\$ 3.757	\$ 3.708	\$ 3.872	\$ 3.717
Administrative fee charged	\$ 0.275	\$ 0.293	\$ 0.305	\$ 0.328	\$ 0.337	\$ 0.351	\$ 0.378	\$ 0.400	\$ 0.375	\$ 0.370	\$ 0.387	\$ 0.371
Administrative fee %	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%

<b>Diesel</b>	<b>Oct-10</b>	<b>Nov-10</b>	<b>Dec-10</b>	<b>Jan-11</b>	<b>Feb-11</b>	<b>Mar-11</b>	<b>Apr-11</b>	<b>May-11</b>	<b>Jun-11</b>	<b>Jul-11</b>	<b>Aug-11</b>	<b>Sep-11</b>
DOA AS 400 (Acct. No. 798)	\$ 3.095	\$ 3.253	\$ 3.380	\$ 3.621	\$ 3.773	\$ 4.041	\$ 4.473	\$ -	\$ 4.240	\$ 4.281	\$ 4.350	\$ 4.152
GovGuam Vendor 1	\$ 2.814	\$ 2.957	\$ 3.073	\$ 3.292	\$ 3.431	\$ 3.673	\$ 4.066	\$ 4.225	\$ 3.855	\$ 3.892	\$ 3.955	\$ 3.775
Administrative fee charged	\$ 0.281	\$ 0.296	\$ 0.307	\$ 0.329	\$ 0.342	\$ 0.368	\$ 0.407	\$ (4.225)	\$ 0.385	\$ 0.389	\$ 0.395	\$ 0.377
Administrative fee %	10%	10%	10%	10%	10%	10%	10%	0%	10%	10%	10%	10%

<b>Premium</b>	<b>Oct-10</b>	<b>Nov-10</b>	<b>Dec-10</b>	<b>Jan-11</b>	<b>Feb-11</b>	<b>Mar-11</b>	<b>Apr-11</b>	<b>May-11</b>	<b>Jun-11</b>	<b>Jul-11</b>	<b>Aug-11</b>	<b>Sep-11</b>
DOA AS 400	\$ 3.092	\$ 3.312	\$ 3.406	\$ 3.686	\$ 3.769	\$ 3.927	\$ 4.226	\$ -	\$ 4.219	\$ 4.147	\$ 4.337	\$ 4.263
GovGuam Vendor 1	\$ 2.810	\$ 2.980	\$ 3.096	\$ 3.329	\$ 3.422	\$ 3.569	\$ 3.842	\$ 4.043	\$ 3.836	\$ 3.770	\$ 3.943	\$ 3.876
Administrative fee charged	\$ 0.282	\$ 0.332	\$ 0.310	\$ 0.357	\$ 0.347	\$ 0.358	\$ 0.384	\$ (4.043)	\$ 0.383	\$ 0.377	\$ 0.394	\$ 0.387
Administrative fee %	10%	11%	10%	11%	10%	10%	10%	0%	10%	10%	10%	10%

<b>Diesel</b>	<b>Oct-10</b>	<b>Nov-10</b>	<b>Dec-10</b>	<b>Jan-11</b>	<b>Feb-11</b>	<b>Mar-11</b>	<b>Apr-11</b>	<b>May-11</b>	<b>Jun-11</b>	<b>Jul-11</b>	<b>Aug-11</b>	<b>Sep-11</b>
DOA AS 400 (Acct. No. 797)	\$ 3.001	\$ 3.145	\$ 3.336	\$ 3.482	\$ 3.623	\$ 3.867	\$ 4.263	\$ 4.422	\$ -	\$ 4.088	\$ 4.151	\$ 3.970
GovGuam Vendor 2	\$ 2.728	\$ 2.859	\$ 3.033	\$ 3.166	\$ 3.294	\$ 3.516	\$ 3.876	\$ 4.020	\$ -	\$ 3.717	\$ 3.774	\$ 3.609
Administrative fee charged	\$ 0.273	\$ 0.286	\$ 0.303	\$ 0.316	\$ 0.329	\$ 0.351	\$ 0.387	\$ 0.402	\$ -	\$ 0.371	\$ 0.377	\$ 0.361
Administrative fee %	10%	10%	10%	10%	10%	10%	10%	10%	0%	10%	10%	10%

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**Appendix 7:**  
**GPA Management Response**

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**GUAM POWER AUTHORITY**

ATURIDÁT ILEKTRESEDÁT GUAHAN  
P.O.BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

13 December 2012

Ms. Doris Flores Brooks, CPA, CGFM  
Public Auditor  
Office of Public Accountability  
Suite 401, DNA Building  
238 Archbishop Flores Street  
Hagatna, Guam 96910

**SUBJECT: Government of Guam Gas Fleet Card Program**  
**Ref: Draft Audit Report – December 12, 2012**


Dear Ms. Brooks:

Relative to your letter of December 12, 2012 regarding the “Draft” Audit Report – Government of Guam Gas Fleet Card Program.

The Guam Power Authority believes the payment lags with vendors of the government may be a factor contributing to the higher fuel prices paid by the general government. Other than that, the Guam Power Authority concurs with the findings of the audit report relative to the Guam Power Authority.”

Please do not hesitate to call 648-3225 should you require further information.  
Thank you.

Sincerely,

  
Joaquin C. Flores, P.E.  
General Manager

cc: Mr. F. Coopernurse  
Ms. R. Marquez  
Mr. Randall Wiegand, CFP  
GM/CFO 006-13

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**Appendix 8:**  
**GWA Management Response**

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**GUAM WATERWORKS AUTHORITY**

“Good Water Always”

P.O. Box 3010, Hagatna, Guam 96932

Phone: (671) 647-2603 Fax: (671) 646-2335

December 21, 2012

Doris Flores Brooks, CPA, CGFM  
Public Auditor  
Suite 401, DNA Building  
238 Archbishop Flores Street  
Hagatna, Guam 96910

Re: Draft Audit Report – Government of Guam Gas Fleet Card Program

Dear Public Auditor Brooks,

Thank you for the opportunity to comment on your draft report of December 12, 2012.

We concur with your recommendation to coordinate with the Guam Power Authority for assistance with monitoring fuel rates utilizing the Platts’ Asia Pacific Marketscan. As discussed with your auditors, unlike GPA, GWA does not subscribe to the Platts’ Asia-Pacific Marketscan and is not privy to the daily market rates for oil. We will also request our fuel vendor to support the basis for the monthly invoice price calculation by detailing the Platts’ Asia-Pacific Marketscan oil price postings.

Sincerely,

For Martin Roush, P.E.  
General Manager

Cc: Greg Cruz, GWA Chief Financial Officer



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## Appendix 9: UOG Management Response

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UNIVERSITY OF GUAM  
UNIBERSIDAD DE GUAM

President's Office

December 21, 2012

Public Auditor Doris Flores Brooks, CPA, CGFM  
Office of Public Accountability  
Hagatna, Guam 96910

RE: Government of Guam Gas Fleet Card Program Audit

Dear Public Auditor Brooks,

The University has reviewed the audit report. We concur with the findings and recommendations. Our action plan is to develop and issue an IFB or pursue options within GSA's program.

Should you wish to discuss this further, please contact VP David O'Brien or me at 735-2900.

Sincerely,

  
Robert A. Underwood, Ed.D.  
President

Copy: UOG: Board Chair, Comptroller, Supply Management Administrator

UOG Station, Mangilao, Guam 96923 Tel. (671) 735-2990 Fax. (671) 734-2296  
A U.S. Land Grant Institution accredited by the Western Association of Schools and Colleges  
The University of Guam is an Equal Opportunity Employer and Provider



**Eddie Baza Calvo**  
Governor  
**Ray Tenorio**  
Lieutenant Governor

**Department of Administration**  
(DIPATTAMENTON ATEMENSTRASION)  
**DIRECTOR'S OFFICE**  
(UFISINAN DIREKTOT)  
Post Office Box 884 Hagatfia, Guam 96932  
Tel: (671) 475-1101/1250 Fax: (671) 477-6788



**Benita A. Manglona**  
Director  
**Anthony C. Blaz**  
Deputy Director

Doris Flores Brooks, CPA, CGFM  
Public Auditor  
Office of Public Accountability  
Suite 401, DNA Building  
238 Archbishop Flores Street  
Hagatna, Guam 96910

Subject: Response to Draft Audit Report-Government of Guam Fleet Card Program

*Hafa Adai* Ms. Brooks:

We have examined your findings and feel that certain items reported regarding the Government of Guam Fleet Card Program might have been misinterpreted or are misleading. While we understand that the GovGuam Fleet Card Program can be improved, DOA has been actively developing controls to better record and report fuel expenditures. Moreover, training on reconciliation of fuel receipts has been implemented in the last two years and is constantly being improved. Unfortunately, our current government financial position has lead to many departments shifting management and personnel to cover shortfalls in human resources both within their agency and with other departments. GPD and GFD, which were a part of this current audit, experienced these changes many times throughout the past few years. Although these departments have had training in the reconciliation of fuel receipts, shifts in management, ASO positions and even clerical positions have left inconsistent application of financial processes.

We also disagree with use of the comparison of fuel prices with GPA, as we believe that the conditions of the negotiation with vendors differ tremendously with DOA.

Finally, we are adamant that the finding regarding the purchase of premium fuel and the questioned cost associated should be removed because the purchase of premium fuel is a part of the fuel contract. DOA does not directly prohibit premium fuel purchases but allows purchases to be made within reason. The bulk of recorded purchases of premium grade fuel were for equipment and machinery that requires premium fuel to prolong its useful life and decrease maintenance cost.

The following paragraphs details our position:

**1. Fuel Purchases Should Be Reconciled**

DOA concurs that fuel purchases should be reconciled against fuel receipts. For the past two years, DOA has been actively advising various agencies and departments to keep all fuel receipts and reconcile against recorded charges in AS400. Training for fuel reconciliation has been included in our annual ASO training which has been given four times in the last two years. Additionally GSA has implemented written SOP that instructs users of the gas card to turn-in all fuel receipts to the designated personnel in charge of fuel within their respective agencies (see attachment # 1). DOA has successfully trained many employees in various agencies, DPW being the most consistent and abiding. However, departments such as GPD and GFD that were also part of the subject audit, as well as a few others have been plagued with changing management and shifting personnel resulting in periods of inconsistency with regard to fuel reconciliation.

DOA will issue circular 2013-009 (see attachment # 2) to reinforce and remind the various departments and agencies of the importance of reconciliation and providing instructions on working with DOA.

**2. GovGuam Should Monitor Monthly Fuel Prices:** GSA provides the following as a direct response to issues regarding

1. Bid analysis was missing.

OPA had indicated that it only had the bid abstract signed by Ms. Euphrasia Lujan, which did not contain an analysis of the bid. First, Ms. Lujan was not working for the General Services Agency in 2006, and therefore, could not have done an analysis of the bid for 2006. Second, Ms. Lujan is a clerk, she does not do bid analysis. What Ms. Lujan signed was a "Bid Abstract". A Bid Abstract is a document of what was submitted by the bidders' at the time of bid opening. It is only a factual report of required documents and submitted price. There is no analysis done at the time of bid opening. Bid Analysis is done by a buyer. I have attached a copy of the bid analysis from 2006, which was the bid in place until an award was made in October 18, 2011. (See attachment # 3)

2. Gasoline price offered to the Guam Power Authority is lower than the price offered to the General Services Agency.

GSA awards a contract based upon what the bidders' submits. Here, there was only one bidder. Since you wish to compare the difference in pricing, on an "apple to apple" basis, you would also need to check whether the terms and conditions that GPA requested in their bid was the same as the requirements submitted for the GSA bid. A difference in the terms and conditions may be responsible for the difference in pricing. From our understanding, GSA requires more safeguards than the requirements for GPA, which includes who gases vehicles and who is billed. GSA requires monthly reports, preauthorization checks, etc.

3. GSA should provide a more stringent mechanism for ensuring that premium fuel is purchased by the line agencies.

You had suggested that a system of prior authorization be implemented. This is not a new issue for us, as our current bid requires preauthorization and monthly reports. As for

an actual card, Shell had indicated that they would need to determine the feasibility of doing so with their subcontractor and what the cost will be to the government to implement this kind of program as over 440 cards are currently being used by the government of Guam.

**3. Premium fuel should not be purchased**

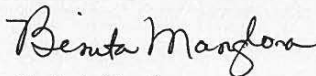
We concur with the recommendation presented with regard to the closer monitoring of the purchase of premium fuel; however, we would like to reiterate that the purchase of premium fuel is a part of the fuel contract with the vendors and is an allowable cost therefore should not be categorized as a questioned cost for this audit. The Department of Administration has limited the purchase of premium fuel but the purchase of premium fuel is per contract an allowable cost. The fact that premium fuel purchases constitute less than 1% of the total fuel consumption for the Government of Guam for each of the years audited should be commended.

The purchase of premium fuel is allowed for vehicles that require premium grade fuel to prolong engine life expectancy and reduce maintenance cost such as boats and other specialized equipment. The majority of these items are operated by GPD. The current premium charges recorded for the last three years consist of transactions by GPD who requires the purchase of premium fuel for their boats, jet skies and other specialized equipment. Of the \$25,738.56 recorded premium charges for FY'2011, \$21,611.65 was charged by GPD (see attachment # 4). This leaves \$4,126.91 questionable premium purchase compared to \$3,384,296.78 overall fuel expenditure for FY'2011.

The purchase of premium fuel is allowable cost under the current contract and has been kept successfully at a minimum. Compared to the total fuel expenditure of \$3,384,296.78 for FY 2011, question cost of \$4,126.91 can be considered insignificant or immaterial.

DOA will work with GSA and the government's fuel vendors to isolate premium fuel purchases for improved reporting. DOA will also establish better controls with departments and agencies with motor equipment that require the use of premium fuel to prolong usable life and reduce maintenance cost.

*Senseramente,*



Benita A. Mangiona



ATTACHMENT # 1

GENERAL SERVICES AGENCY  
DEPARTMENT OF ADMINISTRATION  
GOVERNMENT OF GUAM  
FLEET GAS CARD AND/OR CONTAINER GAS CARD

**PROCEDURE:**

- o Utilize whichever pump is visually accessible to the Cashier.
- o Notate your complete Official License Plate Number and the Odometer Reading before you enter the building for the Mandatory Authorization Pre-Check.
- o Do not fuel your vehicle or gas container until you have completed the Mandatory Authorization Pre-Check:
  1. State your intention – Vehicle Fuel Purchase? Container Fuel Purchase?
  2. Present your Gas Card, Work Identification Card, Official License Plate No. and Odometer Reading.
  3. Cashier will swipe your gas card and key in your Official Vehicle License Plate No. into the GSA Terminal and inform you whether your card/vehicle is approved or declined.
- o Pass Authorization/Validation? – Then proceed to fuel vehicle/container. Fuel vehicle or container only upon approval by the Cashier.
- o Go back into the Service Station where the Cashier will perform a final gas card swipe – to run the gas purchase transaction.
- o Sign the receipt along with the Cashier (print/sign/date all three ORIGINAL RECEIPTS), retrieve your gas card and work identification card.
- o Turn in your receipt to your agency's designated personnel (Administrative Officer) that same day for log and payment purposes. Failure to turn in your receipt(s) may constitute agreement as signed on your Gas Card Acknowledgement of Receipt, that you understand that you will pay for the gas yourself. (If you are problematic with your receipts – you risk audit, disciplinary action and/or your card may be retrieved/deactivated.)

**PROBLEMS ENCOUNTERED @ THE SERVICE STATION:**

- o Contact your agency's designated gas card personnel with the following important information:
  1. What station you are at.
  2. Your card no.
  3. Your license plate no.
  4. The problem.

(Your designated agency personnel will advise you of further action and will contact GSA for assistance. If you cannot contact your department POC, you may contact Marissa Leon Guerrero directly @ GSA, 475-1710/07/20.)

**RESTRICTIONS:**

- o Gas cards not transferable. (Only cardholder can transact purchases.)
- o Each transaction must be accompanied by a fleet gas cardholder. (One card per transaction – one vehicle @ a time. Cardholder must complete one transaction before fueling the next vehicle.)
- o There is a separate card for Container fuel purchases. (Primarily for maintenance personnel.)
- o Gas/diesel containers must have a decal or be labeled/stenciled w/Agency name.
- o Daily Limit on Container fuel purchases: two 5-gallon containers per day per cardholder.
- o Container Cards: 4.1. Name on Govt. I.D. must match the name in the Container Card. No exceptions. 4.2. The last 7-digits of the Govt. Container Card number will be used/keyed in (instead of using vehicle #) on MCB GSA terminal.
- o Gas cards are for Regular Gas and/or Diesel Fuel purchases. (No brake fluid, gas treatment, coolants, food or other store item purchases permitted.)
- o No one using the Government of Guam Fleet Gas Card or Container Gas Card for payment is eligible for bonuses or promotional products offered by the providing Gas Station.

**SURRENDER OF FUEL PURCHASE CARDS FOR DEACTIVATION:**

- o Upon transfer to another government department/entity.
- o Employment separation from the Government of Guam. (Retirement, Resignation, Death, etc.)
- o To be included on the Employee Separation Clearance process.

Print Name & Sign:  
Fleet Gas Card or Container Card No. \_\_\_\_\_

Dept/Agency: DPG  
Date: 9/7/16

ATTACHMENT #2



**Eddie Baza Calvo**  
Governor  
**Ray Tenorio**  
Lieutenant Governor

**Department of Administration**  
(DIPATTAMENTON ATEMENSTRASION)  
**DIRECTOR'S OFFICE**  
(DIBISION KUENTA)

Post Office Box 884 Hagatña, Guam 96932  
Tel: (671) 475-1101/1250 - Fax: (671) 477-6788



**Benita A. Manglona**  
Director  
**Anthony C. Blaz**  
Deputy Director

**DEPARTMENT OF ADMINISTRATION ORGANIZATIONAL CIRCULAR: 2013-009**

To: Department and Agency Heads  
From: Director of Administration  
Subject: Fuel Fleet Card Use and Monitoring

**Hafa Adai!** As part of our government-wide effort to reduce, control and monitor government spending, all departments, autonomous agencies and non-autonomous agencies will be required to strengthen their internal controls to ensure fuel receipts are reconciled to AS400 records. Physical records for personnel authorized to use fuel/fleet cards and the transaction related to the use of fuel/fleet cards will need to be recorded and secured by each organization until the fiscal year is audited. Official receipts obtained from the participating gas stations must be submitted by the employee to the designated department/agency representative maintaining the fuel records.

Personnel designated as keepers of these records need to contact Mr. Rey Edrosa from the Division of Accounts via email at [Reynaldo.edrosa@doa.guam.gov](mailto:Reynaldo.edrosa@doa.guam.gov) to obtain a copy of the fuel master record for their respective department or agency. The fuel master record must be updated and kept current. Personnel appointed to keep fuel records must update the fuel master record for their department/agency and send the updated file back to DOA. Instructions on what information is required will be provided once DOA has been contacted by the departments/agency's designated representative. Browsing access to AS400's vehicle fuel module will be granted to the employees who are identified as the designated representative for fuel records.

Mr. Edrosa will email a monthly expenditure report for your organization's fuel consumption as soon as the information on the fuel master record is updated and the proper contact person is identified.

Please contact Mr. Edrosa at 475-1115 as soon as possible. Your attention to this matter is greatly appreciated.

**Senseramente,**

BENITA A. MANGLONA

ATTACHMENT # 3

Felix P. Camacho  
Governor

Lourdes M. Perez  
Director  
Department of Administration



**GENERAL SERVICES AGENCY**

(Ahensian Setbision Hinirat)  
Department of Administration  
Government of Guam  
148 Route 1 Marine Drive, Piti, Guam 96915  
Tel: (671) 475-1707 thru 1729 • Fax Nos: (671) 472-4217/475-1727/475-1716

Kaleo S. Moylan  
Lt. Governor

Joseph C. Manibusan  
Deputy Director  
Department of Administration

October 5, 2006

Memorandum

To: Chief Procurement Officer

From: Isabel Camacho, Buyer II

Subject: Analysis on Invitation for Bid GSA No. 082-06  
FUEL (REGULAR, PREMIUM, DIESEL)

Buenas yan Hafa Aдай! Invitation for Bid No. GSA -082-06 was officially announces and advertised in the Pacific Daily News September 14, 2006 and opened September 28, 2006. Three (3) prospective bidders expressed their interests by acknowledging receipt of the Bid package. Three (3) submitted their bid packages, namely:

1. South Pacific Petroleum Corp. offers the following:
  - Item No. 1.1a No Bid
  - Item No. 1.1b No Bid
  
  - Item No. 2.1a \$2.372 Unit Price, Extended Price \$178,711.224
  - Item No. 2.1b \$2.387 Unit Price, Extended Price \$217,813.750
  - Item No. 2.1c \$2.646 Unit Price, Extended Price \$114,955.470
  
  - Item No. 3.1a \$2.372 Unit Price, Extended Price \$239,880.360
  - Item No. 3.1b \$2.387 Unit Price, Extended Price \$214,214.154
  - Item No. 3.1c \$2.646 Unit Price, Extended Price \$121,819.194
  
  - Item No. 4.1a \$2.372 Unit Price, Extended Price \$314,598.360
  - Item No. 4.1b \$2.387 Unit Price, Extended Price \$299,544.630
  - Item No. 4.1c \$2.646 Unit Price, Extended Price \$062,318.592
  
  - Item No. 5.1a \$2.372 Unit Price, Extended Price \$190,566.480
  - Item No. 5.1b \$2.387 Unit Price, Extended Price \$206,258.283
  - Item No. 5.1c \$2.646 Unit Price, Extended Price \$ 62,318.592
  
  - Item No. 6.1a \$2.372 Unit Price, Extended Price \$104,368.000
  - Item No. 6.1b \$2.387 Unit Price, Extended Price \$105,028.000
  - Item No. 6.1c \$2.646 Unit Price, Extended Price \$116,424.000

COMMITTED TO EXCELLENCE



2. Shell Guam, Inc. offers the following:
- |               |   |
|---------------|---|
| Item No. 1.1a | \$2.176 Unit Price, Extended Price \$619,809.66 |
| Item No. 1.1b | \$2.360 Unit Price, Extended Price \$664,153.56 |
| Item No. 2.1a | \$2.176 Unit Price, Extended Price \$163,944.19 |
| Item No. 2.1b | \$2.189 Unit Price, Extended Price \$199,746.25 |
| Item No. 2.1c | \$2.360 Unit Price, Extended Price \$102,530.20 |
| Item No. 3.1a | \$2.176 Unit Price, Extended Price \$220,058.88 |
| Item No. 3.1b | \$2.189 Unit Price, Extended Price \$196,445.24 |
| Item No. 3.1c | \$2.360 Unit Price, Extended Price \$108,652.04 |
| Item No. 4.1a | \$2.176 Unit Price, Extended Price \$288,602.88 |
| Item No. 4.1b | \$2.189 Unit Price, Extended Price \$274,697.61 |
| Item No. 4.1c | \$2.360 Unit Price, Extended Price \$ 55,582.72 |
| Item No. 5.1a | \$2.176 Unit Price, Extended Price \$174,819.84 |
| Item No. 5.1b | \$2.189 Unit Price, Extended Price \$189,149.30 |
| Item No. 5.1c | \$2.360 Unit Price, Extended Price \$ 55,582.72 |
| Item No. 6.1a | \$2.176 Unit Price, Extended Price \$ 95,744.00 |
| Item No. 6.1b | \$2.189 Unit Price, Extended Price \$ 93,316.00 |
| Item No. 6.1c | No Bid  |

3. Mobil Oil Guam Inc.: Withdrew their bid on October 5, 2006

I recommend award to Shell Guam, Inc. for the following Items:  
Item No. 1.1a, Thru 6.1b for being the lowest, responsible and responsive Bidder and item #6.1c to South Pacific Petroleum Corp., for being the lowest, Responsible and responsive bidder. Mobil Oil Guam Inc., withdrew their bid October 5, 2006.

  
Isabel Camacho

APPROVED:

 10/7/06  
CLAUDIA S. ACFALLE/DATE  
Chief Procurement Officer



**Claudia Acfalle**

**From:** rufino.dadivas@exxonmobil.com  
**Sent:** Thursday, October 05, 2006 1:26 PM  
**To:** anita.t.cruz , gsa; Claudia S. Acfalle , GSA (Chief Procurement Officer)  
**Cc:** patrickj.bulaon@exxonmobil.com; kamal.singh@exxonmobil.com;  
leo.manlapaz@exxonmobil.com; willy.rivera@exxonmobil.com  
**Subject:** Mobil Bid Withdrawal

October 5, 2006

Claudia S. Acfalle  
Chief Procurement Officer  
General Service Agency  
Government of Guam  
148 Route 1 Marine Drive  
Piti, Guam 96925

RE: Invitation For Bid (IFB) No: GSA-082-06

Dear Claudia,

Hafa Adai! As discussed with you on October 3, 2006 at your office, Mobil is not fully aware that the bid process requires a fixed pricing for entire term of the contract. We are in the impression that since GSA used the MOPS list prices as a basis to come up with the offered the Bid Price, the pricing will fluctuate based on increase or decrease of MOPS mid average every month. You also confirmed that current supplier's submitted bid price 3 years ago was a fixed one too. I believe the disconnect was due to the fact that Mobil did not participate in the last bid process, thus, we are not familiar on required pricing format. Please be advised that Mobil does not participate in fixed price bids as of the moment.

We appreciate the consideration of GSA on Mobil's alternate bid particularly for Zone 5 (Talofofo to Merizo area), Items 6c., Diesel Fuel, volume about 44,000 per annum. However, please be advised that our alternate bid is based on pump price and will be subject to increase and decrease of Mobil's self serve prices at company operated stations. This is stipulated in our bid. Therefore, we are withdrawing our submitted bid for this entire process. Please advise us about the schedule on when can we pick up our cashier's check which was used to comply with GSA's Bid Bond requirement for this bid.

Appreciate your valuable understanding on this matter.

Sincerely,

Jojo Dadivas  
Fleetcard Team Lead - MOGI/MOMAR  
Guam Mobile: (671) 687-2381  
Email address: rufino.dadivas@exxonmobil.com

This note may contain information which is confidential or legally privileged. If you are not the intended recipient, you are advised that disclosing, copying, distributing, or acting in reliance on any contents herein contained is prohibited.

ATTACHMENT # 4

CONFIDENTIAL- THIS DRAFT IS RESTRICTED TO OFFICIAL USE

Appendix 4:  
GovGuam Fuel Consumption by Agencies

Page 3 of 3

No.	Agency	FY 2011							
		Unleaded		Diesel		Premium		Overall Total	
		Gallons	Fuel Cost	Gallons	Fuel Cost	Gallons	Fuel Cost	Gallons	Fuel Cost
1	DPW	77,530.77	\$ 310,782.51	299,182.82	\$ 1,140,637.58	250.91	\$ 930.26	376,964.50	\$ 1,452,350.35
2	GPD	109,377.81	\$ 421,042.27	2,959.90	\$ 11,519.29	5,808.26	\$ 21,611.65	118,145.97	\$ 454,173.21
3	DOE	45,618.28	\$ 176,965.77	19,505.52	\$ 74,723.08	291.16	\$ 1,126.25	65,414.96	\$ 252,815.10
4	MCOG	57,308.98	\$ 220,819.23	4,170.62	\$ 16,264.57	36.61	\$ 131.87	61,516.20	\$ 237,215.67
5	GFID	21,742.50	\$ 84,247.25	33,897.23	\$ 131,199.93	154.03	\$ 618.31	55,793.76	\$ 216,065.49
6	GAA	18,739.98	\$ 72,208.01	5,036.72	\$ 19,660.22	71.73	\$ 301.90	23,848.44	\$ 92,170.13
7	GHURA	18,648.27	\$ 71,184.09			35.42	\$ 111.69	18,683.68	\$ 71,295.78
8	PAG	18,388.14	\$ 70,711.91			71.75	\$ 292.80	18,459.88	\$ 71,004.71
9	DOAG	17,900.80	\$ 68,844.62	74.32	\$ 296.43	29.02	\$ 122.44	18,004.13	\$ 69,263.49
10	DOC	15,590.15	\$ 59,381.39	902.09	\$ 3,704.18	14.29	\$ 60.39	16,506.53	\$ 63,145.96
11	DPHSS	15,157.65	\$ 58,308.39			31.99	\$ 123.40	15,189.64	\$ 58,429.79
12	DRP	12,384.60	\$ 47,420.58	201.06	\$ 828.51	9.59	\$ 40.88	12,595.25	\$ 48,289.97
13	CQA	11,764.72	\$ 44,926.66	251.15	\$ 931.47	13.85	\$ 47.16	12,029.72	\$ 45,905.29
14	Judiciary	9,800.82	\$ 37,345.12	64.76	\$ 200.43			9,865.58	\$ 37,545.55
15	DYA	8,275.24	\$ 31,611.77	50.01	\$ 198.51			8,325.25	\$ 31,810.28
16	DMHSS	6,595.89	\$ 25,613.12					6,595.89	\$ 25,613.12
17	GEPA	6,012.77	\$ 23,287.21	21.03	\$ 71.09			6,033.81	\$ 23,358.30
18	OAG	5,324.65	\$ 20,518.42	11.95	\$ 48.28			5,336.60	\$ 20,566.70
19	GOV	4,197.46	\$ 16,082.19	627.77	\$ 2,491.05			4,825.23	\$ 18,573.24
20	GMHA	2,031.49	\$ 7,765.14	1,723.75	\$ 6,724.16			3,755.24	\$ 14,489.30
21	DRT	3,454.48	\$ 13,258.02					3,454.48	\$ 13,258.02
22	DOA	3,338.59	\$ 12,943.85	50.00	\$ 202.24	7.73	\$ 30.34	3,396.33	\$ 13,176.43
23	DLM	2,295.65	\$ 8,868.63					2,295.65	\$ 8,868.63
24	GHC	2,081.43	\$ 8,152.44					2,081.43	\$ 8,152.44
25	GCC	2,036.40	\$ 7,678.88	13.01	\$ 55.17			2,049.41	\$ 7,734.05
26	DMA	1,512.03	\$ 5,594.64	15.23	\$ 60.11	50.06	\$ 189.22	1,577.31	\$ 5,843.97
27	DOL	1,291.14	\$ 5,011.46					1,291.14	\$ 5,011.46
28	BSP	642.43	\$ 2,421.15					642.43	\$ 2,421.15
29	CME	525.94	\$ 2,009.54					525.94	\$ 2,009.54
30	CLTC	483.31	\$ 1,826.35					483.31	\$ 1,826.35
31	GPLS	453.73	\$ 1,758.21					453.73	\$ 1,758.21
32	GGRF	435.13	\$ 1,659.78					435.13	\$ 1,659.78
33	GEO	421.43	\$ 1,600.28					421.43	\$ 1,600.28
34	CAHA	414.73	\$ 1,564.58					414.73	\$ 1,564.58
35	Public Defender	265.56	\$ 1,100.84					265.56	\$ 1,100.84
36	GEDAS	251.09	\$ 965.90					251.09	\$ 965.90
37	DISID	253.80	\$ 959.79					253.80	\$ 959.79
38	OPA	167.45	\$ 670.24					167.45	\$ 670.24
39	GEC	190.60	\$ 619.05					190.60	\$ 619.05
40	DCA	125.34	\$ 466.04					125.34	\$ 466.04
41	AHRD	124.96	\$ 425.67					124.96	\$ 425.67
42	GRTA	31.86	\$ 122.93					31.86	\$ 122.93
<b>Total</b>		<b>503,188.03</b>	<b>\$ 1,948,741.92</b>	<b>368,758.94</b>	<b>\$ 1,409,816.30</b>	<b>6,876.39</b>	<b>\$ 25,738.56</b>	<b>878,623.36</b>	<b>\$ 3,384,296.78</b>

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**Appendix 11:**  
**Status of Audit Recommendations**

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Audit Recommendation	Status	Action Required
1	All agencies conduct monthly reconciliation of fuel billings to actual receipts to ensure accuracy of fuel charges;	Open. Please provide target date and title of the official(s) responsible for implementing the recommendation.
2	DOA, GSA, GWA, and UOG coordinate with GPA in providing assistance on monitoring fuel prices;	Open. Please provide target date and title of the official(s) responsible for implementing the recommendation.
3	DOA and GSA require all agencies to re-evaluate and assess the need to purchase premium fuel and work with fuel vendors to improve controls to prevent unauthorized premium fuel purchases; and	Open. Please provide target date and title of the official(s) responsible for implementing the recommendation.
4	UOG comply with procurement regulations and issue an IFB for fuel immediately.	Open. Provide copy of issued IFB.



Government of Guam Gas Fleet Card Program  
Report No. 12-07, December 2012

## ACKNOWLEDGEMENTS

**Key contributions to this report were made by:**  
Rodayln Marquez, *CIA, CGFM, CPA, CGAP, CGMA*, Audit Supervisor  
Franklin Cooper-Nurse, Auditor-in-Charge  
Jerrick Hernandez, Audit Staff  
Doris Flores Brooks, *CPA, CGFM*, Public Auditor

## MISSION STATEMENT

**To improve the public trust,  
we audit, assess, analyze, and make recommendations  
for accountability, transparency,  
effectiveness, efficiency, and economy of the government of Guam  
independently, impartially, and with integrity.**

## VISION

**Guam is the model for good governance in the Pacific.**

## CORE VALUES

**Integrity**                                      **Independence**                                      **Impartiality**  
**Accountability**                                      **Transparency**

## REPORTING FRAUD, WASTE, AND ABUSE

- Call our HOTLINE at 47AUDIT (472-8348)
- Visit our website at [www.guamopa.org](http://www.guamopa.org)
- Call our office at 475-0390
- Fax our office at 472-7951
- Or visit us at Suite 401, DNA Building in Hagåtña;

**All information will be held in strict confidence.**