



OFFICE OF  
CONTROLLER

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June 1, 2009

Mr. Tony M. Royster, General Manager and City Purchasing Agent  
Department of General Services  
Room 701, City Hall South  
Los Angeles, CA 90012

Dear Mr. Royster:

**SUBJECT: EVALUATION OF RESPONSE TO THE REVIEW OF THE CITY'S  
CONTRACT WITH SC FUELS**

My Audit Division has reviewed your May 21, 2009 response to the "Review of the City's Contract with SC Fuels" issued on May 12, 2009. We are pleased to accept the GSD's planned actions to address the report's recommendations; however, I have a comment on finding no. 2.

During audit fieldwork, Controller staff noted discrepancies between amounts invoiced and those reported by the Fuel Receipt by Site Report from the Fuel Automation System (FAS). GSD management indicated these were normal results of fuel expansion, turbulence caused during offloading, and tilted tanks, and therefore could not be used as an accurate measure of the quantity of delivered fuel. We considered this factor in suggesting that GSD set up alternative controls by requiring site personnel to observe closely during fuel delivery at their respective sites.

Sincerely,

A handwritten signature in black ink, appearing to read 'RDC', written over a white background.

Rushmore D. Cervantes  
Acting City Controller

