



**URBAN CONSTRUCTION INITIATIVE
TRI-ANNUAL MEETING**

VDOT PERFORMANCE AUDIT SUMMARY

November 18, 2010

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Overview of Performance Audit

- **Governor McDonnell called for a comprehensive audit of VDOT**
- **Purpose of the audit is to:**
 - **Provide an independent assessment of VDOT's organizational structure, programs and operations**
 - **Determine if VDOT is operating efficiently and effectively in carrying out its mission**
 - **Develop recommendations designed to reduce duplication of effort, increase efficiency, and identify cost savings**
- **Cherry, Bekaert & Holland selected to conduct the audit on April 26, 2010: estimated cost = \$424,000**
- **Results of the audit released September 2010**

Audit Findings/ Recommendations

- **Audit identifies over 50 recommendations that may accelerate the planning and delivery of over \$1 billion in maintenance and construction projects**
- **Recommendations are in the areas of:**
 - **Funding**
 - **Maintenance**
 - **Project Development**
 - **Operations**
 - **VDOT's recently completed reorganization efforts**
- **Independent study identified over \$1.45 billion to be used to fund transportation projects**
- **VDOT required to provide Governor an action plan to address findings by November 9th, 2010**

VDOT Action Plan Summary

- **VDOT's action plan designates a responsible entity for each category of funding and establishes a process to select projects that will utilize the unused funds identified in the audit. This includes:**
 - **\$200 million in excess construction cash will be administered by the Commonwealth Transportation Board (CTB).**
 - **\$524 million in the “federal reserve” will be allocated to specific projects by the CTB during the spring 2011 update to the Six-Year Transportation Improvement Program (SYIP).**
 - **\$200 million in unspent maintenance allocations will be provided to VDOT's nine districts to meet critical maintenance needs.**
 - **\$130 million in inactive federal project balances already allocated to projects will be re-obligated to other active projects in coordination with localities.**
 - **\$400 million in toll credits will be allocated to specific projects by the CTB as a state match to federal projects.**

VDOT Action Plan Summary (Continued)

- **General Improvements**
 - VDOT will improve transparency and accountability in all aspects of its work and finances.
 - VDOT will improve its use of technology.
- **Funding for Transportation**
 - The audit identified that federal funds were not obligated to projects early in the federal fiscal year.
 - VDOT will strategically use all available funding and funding mechanisms.
 - VDOT will plan for all anticipated federal revenue.
 - VDOT will continually evaluate its operating cash needs.
- **Maintenance of System Assets**
 - VDOT's districts will plan their maintenance work to fully utilize their allotted resources and reduce the carryover of balances at the end of the fiscal year.

VDOT Action Plan Summary (Continued)

- **Project Development and Execution**
 - VDOT will improve its process to develop plans and projects in order to more efficiently move them from planning to construction.
- **Operations Related to Safety and Congestion Mitigation**
 - VDOT will consider the effectiveness of its safety and congestion-mitigation efforts.
- **Compliance with Reorganization and Staffing Reduction Initiatives**
 - VDOT must continually look for ways to improve its processes.

Items of Specific Interest to UCI

Funding and Programming

- Expand use of grouping and advanced construction
- Document programming and obligation processes
- Streamline process to obligate projects
- Monitor use of funds on locally administered projects

Project Delivery

- Implement a risk based approach to project delivery
- Revisit estimate update intervals (annually and at major milestones)
- Development of performance metrics
- Requirements for consultant procurement

VDOT Performance Audit

- **Questions???**
- **Link to report findings:**
 - **VDOT's Action plan can be found here:**
http://www.virginiadot.org//news/resources/Statewide/Performance_Audit_Action_Plan.pdf
 - **The full audit is available at:**
http://www.governor.virginia.gov/tempContent/CBH_Performance_Audit_Report-VDOT.pdf
 - **A summary of the audit is available at:**
http://www.governor.virginia.gov/tempContent/VDOT-Performance_Audit_Summary.ppt