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.
• **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