

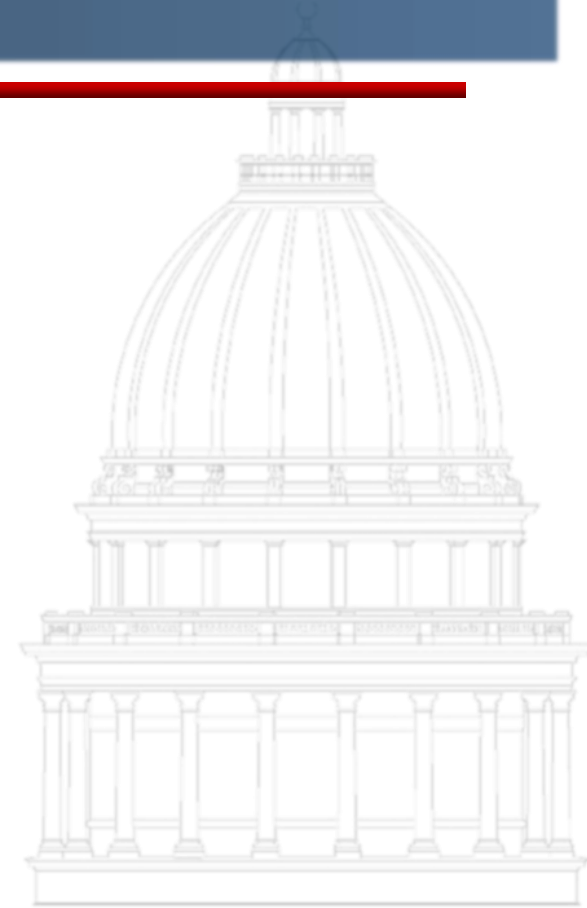
Utah Department of Transportation

**Utah Legislative Auditor General
Report to the Transportation Interim Committee
September 21, 2016**

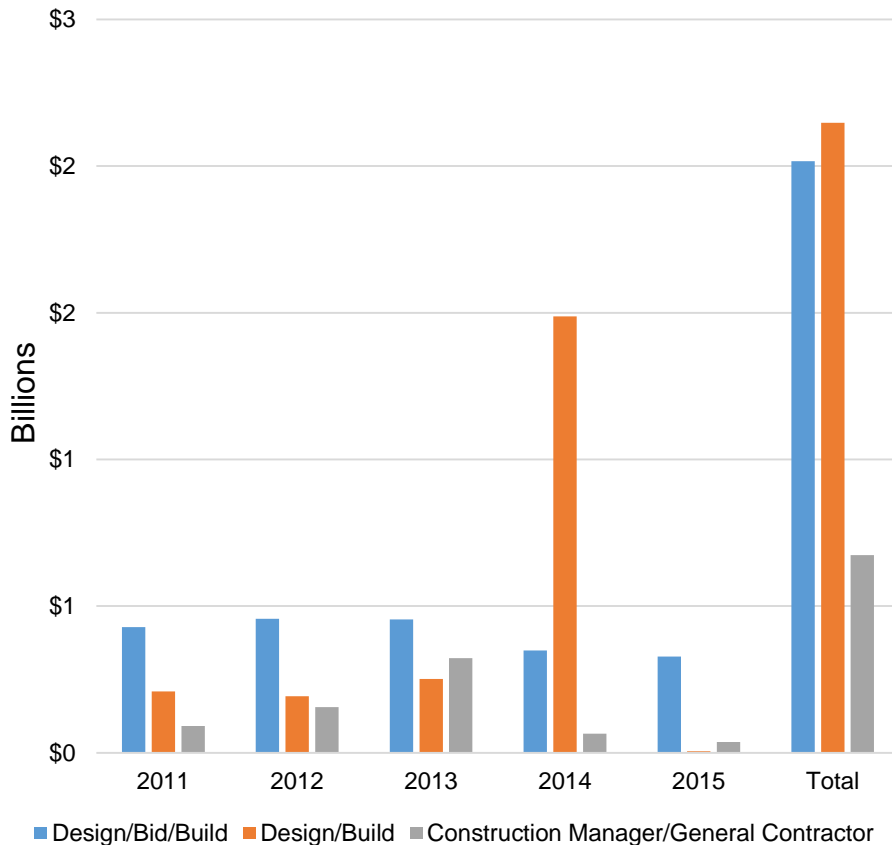


Chapter II

UDOT Bidding Practices Can Be Improved



Design/bid/build Projects Account for Nearly Half of Project Expenditures



- 42 percent of UDOT project expenditures are DBB.
- 93 percent of UDOT projects are DBB.
- Design/bid/build bidding considers only Price + Time.

FOR MORE INFORMATION

See Figure 2.2, page 7

Prequalification Process Contains Ineffective Performance Incentives

- Unlimited bidding limits for larger contractors dilutes incentives.
- Current prequalification incentives reach only 17 percent of DBB projects.

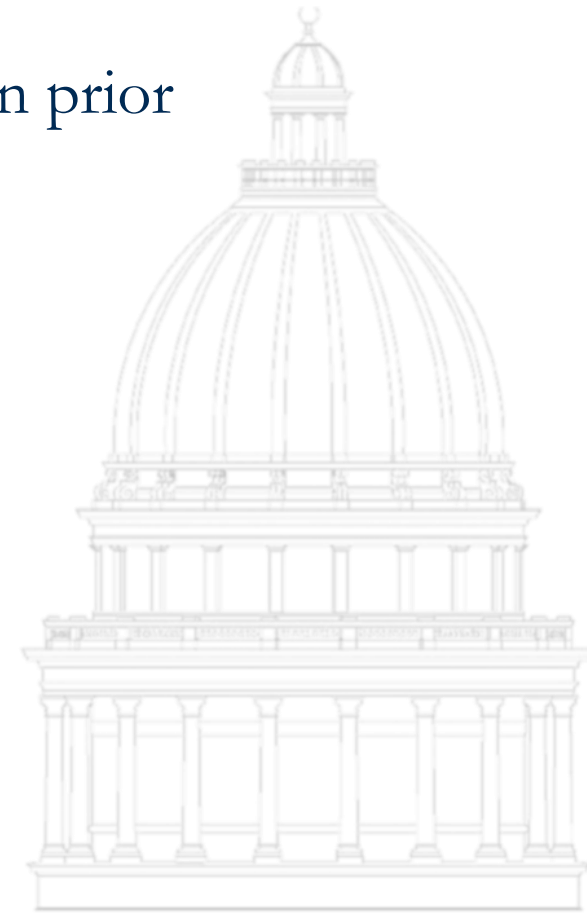
FOR MORE INFORMATION

See Chapter II, pages 9-10



Improved Options Are Available

- ▶ Washington has a similar structure but does not give unlimited bidding limits.
- ▶ New Mexico weights contractor bids based on prior performance in six areas.
 1. Unsuccessful claims
 2. Disincentives
 3. Liquidated damages
 4. Non-conformance
 5. Safety
 6. Subcontractor payment

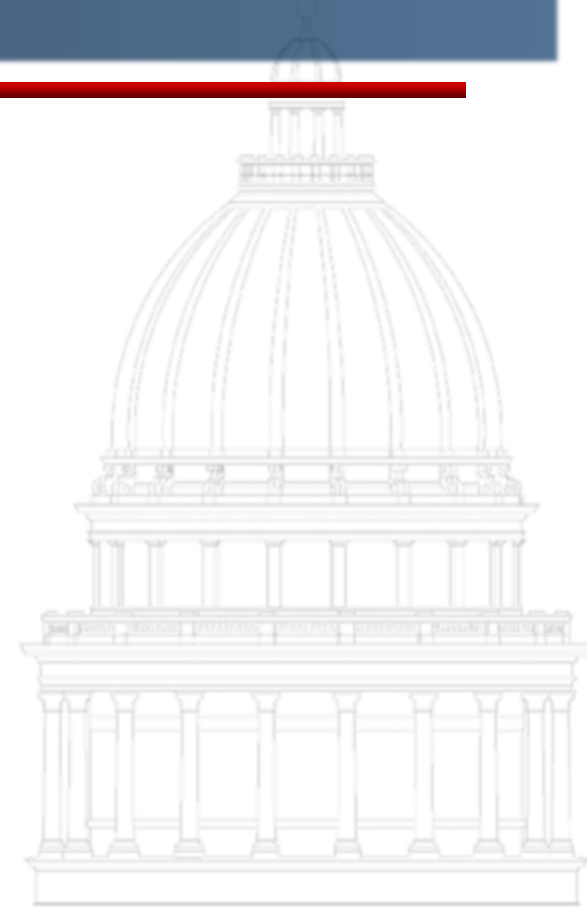


FOR MORE INFORMATION

See Chapter II, pages 11-13

Chapter III

UDOT Is Not Following Statutory Audit Requirements



Performance Audit Structure and Practice Violate Statute

- Utah Code requires UDOT hire at least two performance auditors that
 - ◆ Are approved by the Utah Transportation Commission
 - ◆ Perform audits as prioritized by the Utah Transportation Commission

FOR MORE INFORMATION

See Chapter III, pages 16-19



UDOT's Audit Planning Can Be Improved

- ▶ Utah Code 63I-5-401 requires audit plans “be based on the findings of periodic risk assessments”
- ▶ UDOT Internal audits currently based on
 - ◆ When an area was last audited
 - ◆ UDOT management input

FOR MORE INFORMATION

See Chapter III, pages 19-20

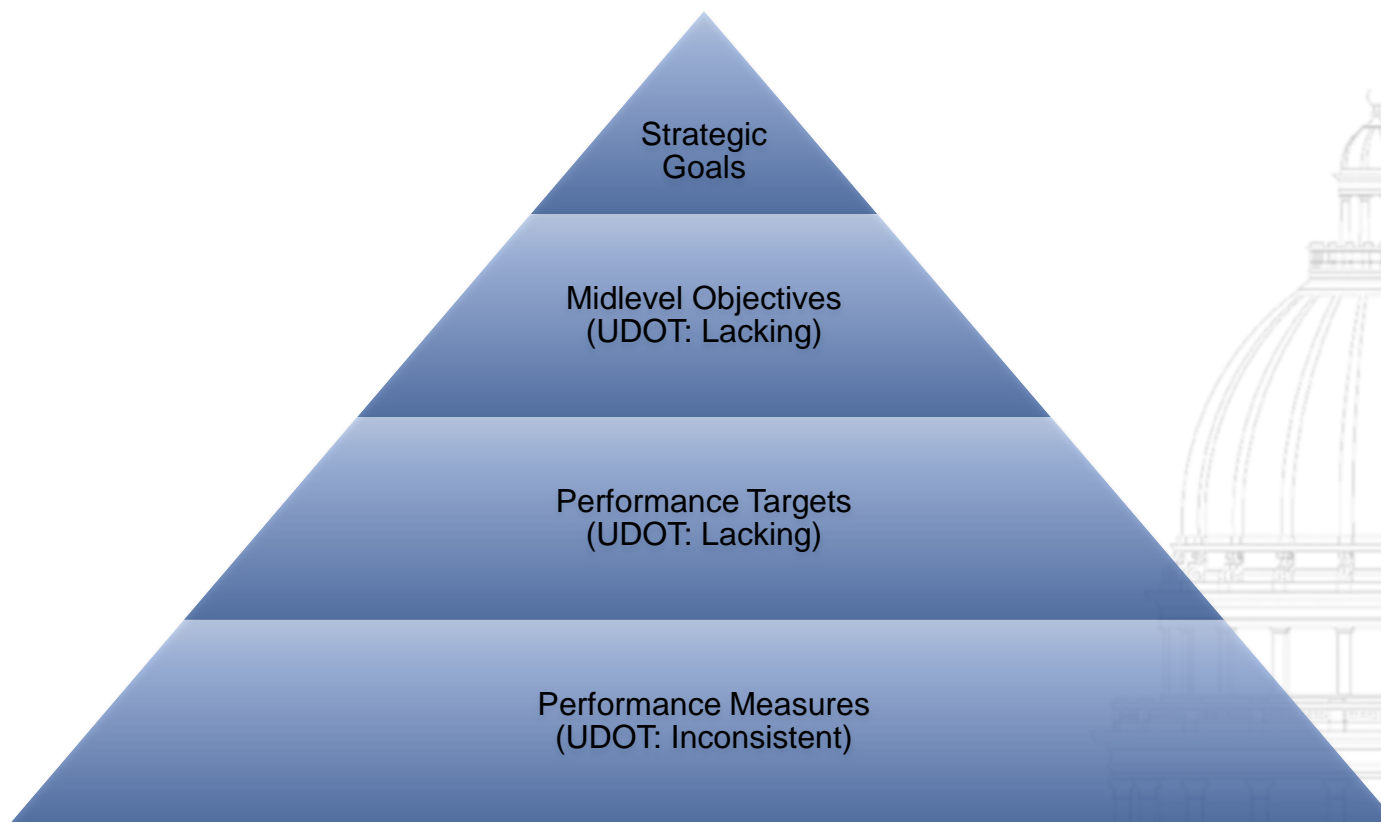


Chapter IV

UDOT Performance Reporting Lacks Consistent Goals and Measures



Typical Performance Reporting Hierarchy



FOR MORE INFORMATION

See Figure 4.1, page 23

UDOT Reports Need Mid-Level Objectives



- ▶ UDOT reports lack objectives to translate broad areas into more tangible goals.

FOR MORE INFORMATION

See Chapter IV, pages 24-26



Most UDOT Measures Lack Target Reporting



- ▶ UDOT reported targets for 46 percent of its measures.
- ▶ Some targets reported only showed the target for that year.
- ▶ The other targets were more to identify funding needs than performance goals.

FOR MORE INFORMATION

See Chapter IV, pages 26-28

Performance Measures Should Be Reported Consistently



▶ Four measures were reported consistently from year to year.

▶ Most measures (38 out of 72) were reported only once.

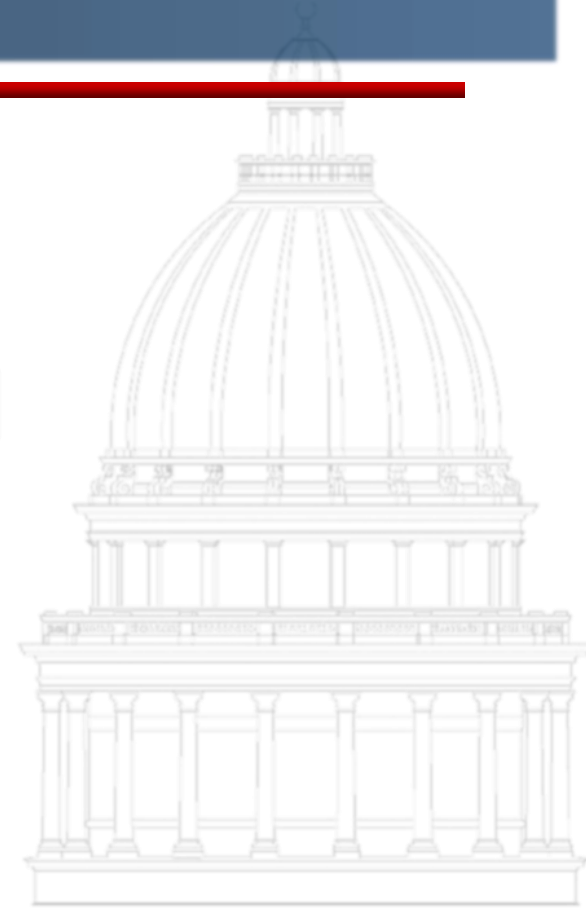
FOR MORE INFORMATION

See Chapter IV, pages 28-29



Chapter V

Motor Carrier Division Civil Penalties and Appeals Lack Administrative Rule



Civil Penalties and Appeals Lack Administrative Rule

- Civil penalty calculation lacks transparency
- Civil penalty appeals process also lacks transparency

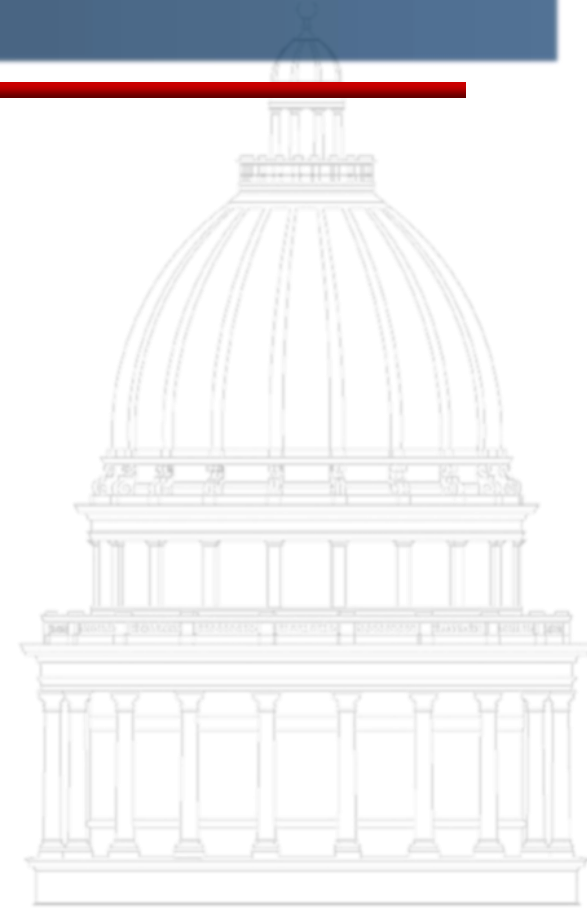
FOR MORE INFORMATION

See Chapter V, pages 31-38



Chapter VI

State Airplanes Are Subsidized and Underutilized



State Airplanes Are Only Part of Aeronautics Responsibilities

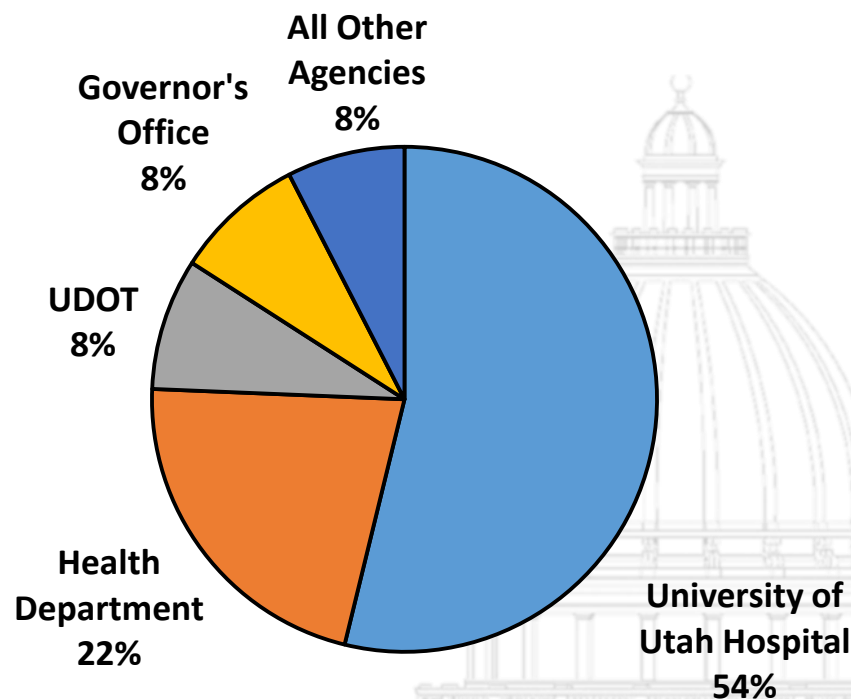


FOR MORE INFORMATION

See Figure 6.1 Chapter VI, page 40

State Plane Subsidies Are Benefitting User Agencies and Other States

- ▶ Airplane rates are subsidized by airplane registration fees.
- ▶ Out-of-state hospitals are primary beneficiaries for some subsidized travel



FOR MORE INFORMATION

See Figure 6.3, page 43

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