

## Report Highlights

### Performance Assessment of PennDOT's Highway and Bridge – Maintenance and Construction Program

Act 1981-35 requires the LB&FC to conduct a performance audit of PennDOT every six years. For this cycle, the LB&FC contracted with Deloitte Financial Advisory Services LLP (Deloitte FAS) to assess PennDOT's highway and bridge construction and maintenance programs. Deloitte FAS identified:

- **Design Build** is an effective alternative delivery method to Design-Bid-Build for a faster completion and often less expensive project cost. PennDOT has developed guidance for the use of Design-Build as a potential delivery method; however PennDOT has only recently began using Design-Build for non-emergency situations. **Recommendation:** Consider a formal program to further advance the use of design build as a delivery method with the oversight and support of Central office.
  - **Grouping of Similar Projects** allows PennDOT to maximize the use of resources and potentially reduce project duration and cost while delivering projects that are critical to the safety of the transportation network. **Recommendation:** PennDOT should continue to group similar projects in the same geographical area to realize benefits from resource sharing. The Central Office should develop guidelines on the process by which projects are identified and grouped together.
  - **Time to Execute Design Service Contracts** particularly Project Specific Contracts, is an issue. For active agreements in 2007 the average duration from advertisement to execution for such contracts was 324 days. **Recommendation:** PennDOT should continue to evaluate the use of Mutual Gains Negotiations to expedite the contracting process.
  - **Project Durations and the Enforcement of Liquidated Damages** – Liquidated damages are applied at the discretion of the Districts. The number of projects where PennDOT has assessed liquidated damages over the past 3 years has been very low (less than 6%) compared to the number of projects with time extensions granted (over 50%). **Recommendation:** PennDOT should con-
- sider automating the assessment of liquidated damages and revising its policy on granting of time extensions.
- **IT planning and Highway Administration** - PennDOT has encountered difficulties with IT planning and implementation. One of the overarching issues has been a lack of an overall plan, which has allowed IT applications to develop independently within the different Bureaus and Engineering Districts. **Recommendation:** Complete the current planning process under way and work with the Chief Information Officer to develop and implement an IT strategic plan.
  - **County Maintenance Self Performed Work** - Fewer than half (30 of 67) of PennDOT's County Maintenance Offices report self performing paving work. The Districts that do their own paving operations did the work for less than the statewide average bid price from contractors. **Recommendation:** PennDOT consider conducting more paving activities with internal resources, perhaps using a regional approach.

*The report also identifies issues and potential areas of improvement pertaining to safety and mobility, including the bridge inspection program and the work zone safety program; congestion mitigation efforts and the use of Regional Transportation Management Centers; steps taken by PennDOT for incident management and emergency preparedness; and PennDOT's performance measurement system, including automating certain processes and providing greater transparency to the performance measurement system, both internally and to the public.*

This *Report Highlight Summary* provides a high-level overview of the key items and issues identified during the Deloitte FAS assessment; however, the entire Deloitte FAS report entitled *Pennsylvania Legislative Budget & Finance Committee Performance Audit of the Pennsylvania Department of Transportation Highway & Bridge – Maintenance & Construction Program* dated June 3, 2008 should be read in its entirety to fully understand the observations and recommendations.

For a full copy of the report, call 717-783-1600, e-mail us at [info@lbfc.legis.state.pa.us](mailto:info@lbfc.legis.state.pa.us), or download at <http://lbfc.legis.state.pa.us>.