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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

January 16, 2018

The Honorable Anthony Kern, Chair
Joint Legislative Audit Committee

The Honorable Bob Worsley, Vice Chair
Joint Legislative Audit Committee

Dear Representative Kern and Senator Worsley:

Under contract with the Office of the Auditor General, Sjoberg Evashenk Consulting, Inc. has completed a followup of the Maricopa Association of Governments Regional Transportation Plan regarding the implementation status of the 12 audit recommendations presented in the report, *A Performance Audit of the Maricopa Association of Governments Regional Transportation Plan*, released in November 2016 (Auditor General Report No. 16-CR1). As the attached grid indicates:

- 5 have been implemented;
- 4 are in the process of being implemented;
- 2 are no longer applicable; and
- 1 has not been implemented.

Unless otherwise directed by the Joint Legislative Audit Committee, this concludes the follow-up work on the Maricopa Association of Governments' efforts to implement the recommendations from the November 2016 performance audit report.

Sincerely,

Dale Chapman, Director
Performance Audit Division

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Attachment

cc: Dennis Smith, Executive Director
Maricopa Association of Governments

John Halikowski, Director
Arizona Department of Transportation

Scott Smith, Chief Executive Officer
Valley Metro

Maricopa Association of Governments Regional Transportation Plan Auditor General Report No. 16-CR1 Initial Follow-Up Report

Recommendation

Status/Additional Explanation

Chapter 1: Regional Efforts and Progress Since 2016 RTP Performance Audit

1. MAG should work with ADOT and the local jurisdictions to enhance freeway and arterial project cards by including baseline budgets and baseline schedules to allow comparisons against actual.

Implemented at 12 months

2. Valley Metro should strengthen current capital construction project scorecards by including the initial baseline budget for the project as well as develop consistent project scorecard formats for all transit capital construction projects, regardless of whether Valley Metro oversees the project or a local jurisdiction is managing the project.

Implemented at 12 months

3. Valley Metro and MAG should work together to make available transit project scorecards on MAG's website so performance data can be more centrally accessible and transparent to the Prop. 400 voters.

Implemented at 12 months

4. RTP partners should fully employ best practices and establish performance targets for key indicators for freeway, arterial streets, and transit performance.

Implementation in process

Federal-level rulemaking, issued under the Moving Ahead for Progress in the 21-Century Act (MAP-21) and the Fixing America's Surface Transportation Act (FAST Act), governs the timing and sequencing of performance target establishment for states and Metropolitan Planning Organizations (MPOs) across the United States. These two federal acts have seven goals and require targets for safety; pavement and bridge; system performance, freight, and congestion mitigation and air quality (CMAQ); and asset management. Targets must be established by states within 1 year of the effective date of the federal final rules and by MPOs within 180 days after the states have established their targets. Specific federal timelines are as follows:

Performance Measures	Final Rule Effective	State Target Due Date	MPO Target Due Date
Safety	04/14/2016	08/31/2017	02/27/2018
Pavement and Bridge	05/20/2017	05/20/2018	11/16/2018
System, Freight, and CMAQ	05/20/2017	05/20/2018	11/16/2018
Transit Asset Management	10/01/2017	01/01/2017	06/23/2017

Recommendation

Status/Additional Explanation

MAG has been working in partnership with ADOT, Valley Metro, and Phoenix Transit to coordinate and establish targets following the federal schedule. ADOT and MAG have established and approved road safety targets in 2017—compliant with federal guidelines—and are working on establishing targets for the other federally mandated areas in accordance with the federal timelines. According to MAG, ADOT is pursuing data collection to support measures and targets for asset management and pavement condition. For system performance, freight, and air quality targets, MAG indicated that it is coordinating with ADOT to use existing performance data, geographic information system data, and modeling to arrive at calculations mandated by federal rules. Related congestion targets are required for states by May 2018 and MPOs by November 2018.

Additionally, Valley Metro and City of Phoenix partners established transit asset management targets in July 2017. Key performance measures and targets will be incorporated into Valley Metro's annual Transit Performance Report that is expected to be presented to its Board by March 2018. In addition, on July 18, 2017, MAG's Transit Committee adopted Valley Metro's and the City of Phoenix's targets.

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5. ADOT should work with the Citizens Transportation Oversight Committee to ensure responsibilities, such as annual reporting, are fulfilled and methods of committee operations are changed to be more effective in meeting statutory requirements.

No Longer Applicable.

This recommendation is no longer applicable because Laws 2017, Ch. 315, §7, eliminated the Citizens Transportation Oversight Committee.

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6. ADOT, as the Citizens Transportation Oversight Committee's administrative support, should encourage the County Board of Supervisors and the Governor's Office to fill vacancies on the Citizens Transportation Oversight Committee and encourage the committee to meet on a regular basis as statutorily required.

No Longer Applicable

As indicated in the explanation for Recommendation 5, the Citizens Transportation Oversight Committee was eliminated.

Chapter 2: Freeway Performance

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7. ADOT should report freeway bridge and pavement condition data at the Maricopa County or Phoenix-Mesa Urbanized Area level, in addition to current state-wide data already available.

Implementation in process

According to ADOT, collecting calendar year 2017 pavement data is in process. While ADOT reports it is actively working on this recommendation as necessary and appropriate, it indicated that this is a complex process requiring technical detail and precision, which is time consuming. However, when all data collection is completed, ADOT indicated that it will report this information at the urban and rural levels.

Recommendation	Status/Additional Explanation
8. ADOT should track and report internal project delivery performance metrics at the Maricopa County or Phoenix-Mesa Urbanized Area level.	Not implemented As communicated in its response to the audit, ADOT did not plan to implement this recommendation because it indicated there was no significant value in separating out Maricopa County from a system performance perspective.
9. ADOT should consider using additional project delivery metrics including “project administrative costs as a percent of budget.”	Implemented at 12 months
10. With many innovative project management practices employed on the South Mountain Freeway project, ADOT should consider applying techniques and tools from this project to other ADOT freeway projects, as appropriate.	Implementation in process ADOT continues to utilize alternative project delivery methods and a matrix evaluation with weighted scoring to determine the most applicable delivery method for each project. Factors considered in the matrix include areas such as project complexity, staffing and experience, policy and regulations, and scope. Additionally, ADOT has partnered with MAG to conduct Cost Risk Assessments on other projects during the scoping phase of these projects. ADOT also will continue to review other potential design-build projects for opportunities to apply other elements of innovative project management practices from the South Mountain project.

Chapter 3: Arterial Street Performance

11. MAG should work with the local jurisdictions to gather and make available local performance indicators related to pavement and bridge deck condition at the Maricopa County or Phoenix-Mesa Urbanized Area level on MAG’s website, so performance data can be more centrally accessible and transparent to the Prop. 400 voters.	Implementation in process Per federal legislation, ADOT is responsible for monitoring and reporting metrics related to asset management, pavement, and bridge condition. According to MAG, these indicators will be made available on MAG’s website once data collection efforts can ensure consistency and completeness. See the explanation for Recommendation 4 for more information about these metrics.
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Chapter 5: Multimodal Systems Management and Operations

12. ADOT should continue its efforts currently underway to scientifically explore, evaluate, and implement active traffic management techniques where practical or feasible, including continued efforts to work with RTP partners on considering and prioritizing the maintenance of the communication infrastructure to remain functional and current.	Implemented at 12 months
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