

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE DISTRICT 10 DIRECTOR
P.O. BOX 2048, STOCKTON, CA 95201
(1976 E. DR. MARTIN LUTHER KING JR. BOULEVARD 95205)
PHONE (209) 948-7943
FAX (209) 948-3670
TTY 711
www.dot.ca.gov



*Making Conservation
a California Way of Life.*



October 23, 2017

Ms. Alice Lee
Chief, External Audit-Contracts
California Department of Transportation
Independent Office of Audits and Investigations
1304 O Street
Sacramento, CA 95814

Dear Ms. Lee:

Thank you for the opportunity to provide a corrective action resolution on the audit findings, outlined in the Final Report for the California Department of Transportation (Caltrans), District 10's Proposition 1B audit.

District 10 had five projects that received funds from the Proposition 1B Program. The deliverables and outputs, for all five projects, were consistent with their project's scope. However, the issue on how to provide supporting documentation that demonstrates the benefits/outcomes were achieved after the project's completion remains the main challenge.

Jes Padda, Acting Deputy District Director for Program and Project Management, led a focus meeting with District 10's Project Managers and a Headquarters Transportation Economics Branch Specialist on July 31, 2017. The purpose of that meeting was to review the audit's findings and to evaluate possible preventive measures. To ensure District 10 improves their procedures for reporting the benefits/outcomes of a project and submission of the "Final Delivery Report" timely, the following actions will be implemented as part of the preventive measures:

- The District 10 Proposition 1B Coordinator shall keep track of future Proposition 1B projects and monitor the "Final Delivery Report" and "Supplemental Final Delivery Report" deadlines.
- District 10's Program and Project Management Branch will work collaboratively with the District 10's Travel Forecasting-Planning Branch to ensure the Annual Average Daily Traffic (AADT) requests are completed efficiently and on time.

Ms. Alice Lee
October 23, 2017
Page 2

- District 10's Program and Project Management Branch will work collaboratively with the Headquarters Transportation Economics Branch to analyze AADT data and produce the Daily Time Savings reports.

Should you want to discuss this response letter, please contact Jes Padda, Acting Deputy District Director, Program and Project Management at (209) 942-6192, or by email sent to <jes.padda@dot.ca.gov>.

Sincerely,

ORIGINAL SIGNED LY:

DENNIS T. AGAR
District 10 Director

Enclosure:

Attachment B: Corrective Action Plan on Response to Findings for the California Department of Transportation District 10 Proposition 1B Bond Programs Final Audit Report

- c: Stephen Maller, Deputy Director, California Transportation Commission
Rick Guevel, Associate Deputy Director, California Transportation Commission
Bruce De Terra, Division Chief, Transportation Programming, Caltrans
Doris M. Alkebulan, Prop 1B Specialist, Transportation Programming, Caltrans
Vasan Rudrapakiam, Prop 1B Coordinator, Transportation Programming, Caltrans
Elena Guerrero, Acting Audit Manager, Office of External Audits-Contracts, Caltrans
Division of Audits and Investigations
Samuel Jordan, Acting Deputy District Director, Caltrans Division of Maintenance and Operations, District 10
Jes Padda, Acting Deputy District Director, Caltrans Division of Program and Project Management, District 10
Barbara Mendoza, Acting Proposition 1B Coordinator, Caltrans Division of Program Project Management, District 10

Corrective Action Plan on Response to Findings for the California Department of Transportation District 10 Proposition 1B Bond Programs Final Audit Report

Finding 1: Improvements Needed in Reporting Project Benefits/Outcomes

- The benefits/outcomes for project 10-0Q270 were not adequately reported in the Final Delivery Report (FDR). The District reported daily hours and person minutes saved in the FDR. However, the District was unable to provide documentation supporting the report figures, and therefore could not demonstrate the expected benefits were achieved. The District stated post project assessments were not completed for this project.
 - **District 10's Corrective Action Plan:** District 10 will submit a Supplemental FDR to assess benefits/outcomes post-project completion
 - **Expected Implementation Date:** by December 31, 2017. Some billing and reimbursement issues have recently come to light by HQ Accounting as part of the Closeout Accounting Audit. Project Manager is investigating. Project Manager is waiting on HQ to provide the requested project benefits analysis.
 - **Responsible Party:** Samuel Sherman, Project Manager, Program and Project Management, California Department of Transportation, District 10

- The benefits/outcomes for project 10-0E610 were not adequately reported in FDR. The District reported daily hours and person minutes saved in the FDR. However, the District was unable to provide documentation supporting the report figures, and therefore could not demonstrate the expected benefits were achieved. The District stated post project assessments were not completed for this project.
 - **District 10's Response:**
Attached is the Annual Average Daily Traffic (AADT) request Outlook file (Please see email labeled as **File110-0E612 AADT Request**) to the District 10 Traffic Forecasting and Planning Branch that provided the AADT. This data comes from PeMS data, which are basically traffic counts (from 11/1/15 to 10/31/16) using traffic loops to count traffic at various locations along the project limits. The HQ Transportation Economics Branch used the AADT to produce the Daily Time Savings data (Please see

ATTACHMENT B

Excel document labeled as **File 2 Copy of SR-99 Daily Time Savings**). The results were as follows:

1. Daily Vehicles Hours Saved was 11,321 (actual) versus 12,592 in the Baseline Agreement.
2. Daily Peak Duration Person-Minutes Saved was 901,544 (actual) versus 1,002,757 in the Baseline Agreement. Individual Daily Peak Person-Minutes Saved was 14.4 (actual) versus 16.1 in the Baseline Agreement.

Attached you will find a PDF file (please see PDF document labeled as **File 3 0E610 Baseline Agreement**) for your consideration

- **District 10's Corrective Action Plan:** District 10 will submit a Supplemental FDR to assess benefits/outcomes post-project completion
 - **Expected Implementation Date:** 6 months after Milestone M800 (End of Project) is achieved. M800 is scheduled on January 28, 2018
 - **Responsible Party:** Jes Padda, Project Manager, Program and Project Management, California Department of Transportation, District 10
- The Baseline Agreement for project 10-36250 state the project would achieve benefits relating to saved daily vehicle hours and person minutes. However, the District did not report any actual project benefits/outcome in the FDR, and therefore could not demonstrate the benefits were achieved.
 - **District 10's Corrective Action Plan:** District 10 will submit a Supplemental FDR to assess benefits/outcomes post project completion
 - **Expected Implementation Date:** 6 months after Milestone M800 (End of Project) is achieved. M800 is scheduled in March 2018
 - **Responsible Party:** Grace Magsayo, Project Manager, Program and Project Management, California Department of Transportation, District 10

Finding 2: Final Delivery Report not submitted timely

- The FDR for project 10-34042 was not submitted to CTC within six months of the project becoming operable (Construction Contract Acceptance date). The FDR was due July 2014, and was not submitted to CTC as of our site visit in September 2016.
 - **District 10's Corrective Action Plan:** Prepare and submit the FDR
 - **Expected Implementation Date:** by May 31, 2017

ATTACHMENT B

- **Responsible Party:** Arvinder Bajwa, Project Manager, Program and Project Management, California Department of Transportation, District 10
- **RESOLVED:** FDR was submitted on May 31, 2017 by Arvinder Bajwa, Project Manager