

STATE AUDITOR DOUG HOFFER

Press Release

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Auditor Doug Hoffer Releases Audit of VTrans Cost and Schedule Performance on Paving Projects

VTrans Lacks Performance Measurement System for Pre-Construction Phase of Projects During Which Some Projects Experience Years-Long Delays, Lacks Documentation Explaining the Delays

MONTPELIER, VT – State Auditor Doug Hoffer released a new audit today examining whether VTrans completes its paving projects on time and within budget, and whether they utilize performance measurement tools to accomplish those objectives.

The Governor’s State Strategic Plan includes the goal of improving “transportation project planning” by continuously improving “project development efficiency by reducing the time and cost for planning, engineering, permitting, right-of-way acquisition and construction management.” The importance of that goal is evidenced by the Legislature’s approval of \$590 million for paving projects from fiscal years 2019 through 2023.

The audit assessed the cost and schedule performance for 14 paving projects against VTrans’ initial estimates to the Legislature and found significant deviations, primarily in the preliminary engineering phase. It also found a lack of consistent record-keeping that would allow thorough assessment of what caused these deviations. For instance, VTrans experienced preliminary engineering completion delays for some projects by as much as 3 to 6 years yet could not fully explain what caused the delays.

“Paving may not make for the most exciting headlines, but unnecessary project delays postpone the projects’ benefits to the taxpayers who fund them,” Hoffer said. “Cost overruns, when they are avoidable, waste resources that could be used to fund additional projects. My team found that the construction phase, when contractors are solicited and the paving occurs, benefits from the systems in place at VTrans. Our concerns focus on the early phase of project planning and engineering which is often done in-house. We’ve offered recommendations that will help VTrans meet the state’s strategic goal.”

Notable findings in the audit include:

- VTrans completed most of their simpler projects within 30 percent of their original cost estimate and on schedule. However, for the more complex projects, VTrans always exceeded the initial cost estimates provided to the Legislature by more than 50 percent and completed them up to six years late. The delays generally occurred during the pre-construction phase.
- In the construction phase we found that outcomes were better, generally coming in within cost and schedule requirements specified in the contracts.
- The lone schedule-related performance measure VTrans uses - how many projects VTrans advertised for bid within 30 days of their planned date - misses significant portions of schedule performance, notably preliminary engineering and construction. Consequently, this measure would not indicate to VTrans, the Legislature, and the public that five projects in our selection missed the original preliminary engineering completion date by three or more years.
- VTrans officials were unable to tell us if any of the project delays resulted from a need to use funds for other projects, even though a [State law](#) requires VTrans to inform the Legislature whenever this happens.

Hoffer said: “This audit is really timely since the Governor proposes to spend \$141.6 million on paving next year. VTrans can’t successfully reduce the time and cost of their pre-construction work, as they say they will, if they don’t have a system in place to measure it. I look forward to seeing how they implement our recommendations.”

To view the report, please click [here](#).