

1 **SHB 2969 - H AMD Failed March 1, 2002**

2 By Representative

3
4 On page 1, beginning on line 12, strike all material through page
5 5, line 22 and insert:

6 NEW SECTION. **Sec. 101.** It is essential that the legislature
7 improve the accountability and efficiency of the department of
8 transportation. Taxpayers must know that their tax dollars are being
9 well spent to deliver critically needed transportation projects. To
10 accomplish this, an independent transportation accountability process
11 must be established to provide oversight on these transportation
12 projects. This process will provide reports back to the public on how
13 their tax dollars are spent on major projects funded by new
14 transportation taxes.

15 NEW SECTION. **Sec. 102.** (1) A transportation audit committee
16 shall be appointed by the chairs of the joint legislative audit and
17 review committee and the legislative transportation committee.

18 (2) The committee shall consist of eight members, with four
19 members of and appointed by the chair of the joint legislative audit
20 and review committee, and four members of and appointed by the chair of
21 the legislative transportation. Of the four members appointed from
22 each committee, a member of each house and of each of the major
23 political parties must be represented. Serving on the committee shall
24 be considered as being engaged in the business of each of the
25 respective committees from which they are named.

26 (3) The members of the committee shall elect a chair and vice-
27 chair and shall adopt rules for operation of the committee, including
28 recorded resolutions or motions adopted by the committee.

29 NEW SECTION. **Sec. 103.** (1) Staff support to the transportation
30 audit committee must be provided by the joint legislative audit and
31 review committee, which shall provide professional support for the
32 duties, functions, responsibilities, and activities of the committee,
33 including but not limited to information technology systems; data

1 collection, processing, analysis, and reporting; project management;
2 and office space, equipment, and secretarial support.

3 (2) The committee may also retain other organizations as provided
4 for in section 108 of this chapter in the performance of its duties.

5 NEW SECTION. **Sec. 104.** The transportation audit committee shall
6 serve as a single, independent point of accountability for reporting,
7 analyzing, and monitoring the department's performance in delivering
8 improvement projects and programs costing in excess of fifty million
9 dollars funded with new revenues under this act. The department of
10 transportation and the transportation commission must work
11 cooperatively with the committee to carry out the purposes of this
12 chapter. The committee has the following responsibilities:

13 (1) Direct the department of transportation to submit a quarterly
14 audit report as required under section 105 of this act;

15 (2) Develop and issue requests for proposals by contracting
16 organizations for quarterly audit report reviews and audit review
17 letters pursuant to section 108 of this act.

18 (3) Report annually to the governor and the legislature on the
19 department's progress on each project as further defined in section 107
20 of this act;

21 (4) When necessary, make policy recommendations for improving
22 efficiencies, savings or improvements in the department's project
23 management, accountability measures, or project delivery mechanisms;

24 (5) Recommend any leading edge transportation project delivery
25 strategies, oversight, accountability, or efficiency measures.

26 NEW SECTION. **Sec. 105.** The department of transportation shall
27 prepare and submit to the audit review contractor as provided for in
28 section 108 of this act, once each quarter, a comprehensive audit
29 report on each transportation project costing in excess of fifty
30 million dollars funded by this act. At a minimum, the audit report
31 must include the following elements:

32 (1) Project status and any scope changes;

33 (2) Estimated completion date and cost, noting any changes from
34 past estimates;

35 (3) Actual project expenditures as compared with projected
36 expenditures;

37 (4) Any changes in financing for each project;

1 (5) Claim or change orders that result in greater than a five
2 percent cumulative increase in project cost, or greater than sixty days
3 of delay;

4 (6) Status of any required permits;

5 (7) Mitigation efforts to relieve both traffic and environmental
6 impacts;

7 (8) Evaluation of work force effectiveness, including both state
8 employees and contractors;

9 (9) Outlook for the upcoming year, including projected
10 accomplishments and challenges;

11 (10) Copies of any accountability reports filed with the federal
12 highway administration;

13 (11) Any other useful information the committee requests.

14 NEW SECTION. **Sec. 106.** The audit review contractor must review
15 the proposed audit report submitted by the department. After reviewing
16 the information contained therein, the contractor may request
17 additional information or data, or ask for clarifications. The
18 contractor is prohibited from changing any of the data contained in the
19 audit report.

20 NEW SECTION. **Sec. 107.** (1) Upon completion of its review under
21 section 106 of this act, the audit review contractor shall forward the
22 quarterly audit report to the transportation audit committee. The
23 committee will accept or reject the audit report.

24 (a) In determining whether to accept or reject the audit report,
25 the committee:

26 (i) Will analyze, investigate, and evaluate the data contained in
27 the quarterly audit report;

28 (ii) Will receive staff support for this evaluation from the joint
29 legislative audit and review committee; and

30 (iii) May request additional information or data from the
31 department of transportation or the contractor.

32 (b) As part of the evaluation process, the committee may make
33 recommendations to the department and the transportation commission for
34 efficiencies, savings, or improvements in the department's project
35 management, accountability measures or project delivery mechanisms.
36 The chairman will work with the department and the transportation

1 commission on behalf of the committee to implement changes recommended
2 by the committee.

3 (2) Upon final acceptance, the committee must forward the audit
4 report to the transportation standing committees of the house of
5 representatives and senate, and to the office of financial management,
6 along with any recommendations of the committee.

7 (3) The committee must publish and make the audit report available
8 to the public in both print and electronic media.

9 NEW SECTION. Sec. 108. (1) The committee shall develop and issue
10 requests for proposals from qualified contracting organizations for
11 quarterly audit report reviews and audit review letters. To meet
12 minimum qualifications, a contractor must have experience and expertise
13 relating to major civil engineering and construction works and
14 facilities to include: (a) Design, estimating, contract packaging, and
15 procurement; (b) construction means and methods and construction
16 management and administration; (c) project finance, accounting,
17 controls, and reporting; (d) procedures for obtaining permits and for
18 assuring regulatory compliance; (e) dispute resolution; (f)
19 construction work force training and safety; (g) general public
20 administration; and (h) experience crafting and implementing
21 environmental mitigation plans.

22 (2) The committee shall select and contract with, with the joint
23 legislative audit and review committee as the contracting agent, a
24 qualified contractor to conduct the quarterly audit report reviews.

25 (3) Periodically update and reissue the request for proposals for
26 quarterly audit report reviews.

27 NEW SECTION. Sec. 109. A new section is added to chapter 43.131
28 RCW to read as follows:

29 The quarterly audit reporting process, including the contracting
30 out of audit report reviews, shall be reviewed under this chapter
31 before June 30, 2007. The transportation commission and the department
32 transportation shall provide the information necessary for the joint
33 legislative audit and review committee to provide the required review.

34 NEW SECTION. Sec. 110. Sections 101 through 108 of this act
35 constitute a new chapter in Title 47 RCW.

EFFECT: Replaces the Transportation Accountability Board with a joint committee made up of 4 members each from JLARC and LTC. Provides for contracting out quarterly audit reviews of transportation projects costing over \$50 million funded under this act. Contractors must have skills in project development and financing. Provides for sunset review of reporting and contract review process after 5 years.