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HOUSE BILL NO. 42

Offered January 13, 2010

Prefiled December 18, 2009

A *BILL to amend the Code of Virginia by adding a section numbered 30-134.1, relating to performance audit of transportation programs by the Auditor of Public Accounts.*

Patrons—Oder, Cole, Marshall, D.W. and Villanueva

Referred to Committee on Transportation

Be it enacted by the General Assembly of Virginia:**1. That the Code of Virginia is amended by adding a section numbered 30-134.1 as follows:**

§ 30-134.1. *Performance audit of transportation programs; scope of audit; interim report; final report.*

A. *The Auditor of Public Accounts shall administer an operational and programmatic performance audit focusing on the agencies within the Transportation Secretariat, with primary emphasis on the Department of Transportation and the Department of Rail and Public Transportation. The purpose of this audit shall be to provide an objective and independent cost savings assessment of the Commonwealth's organizational structure and the efficiency and effectiveness of the Commonwealth's transportation programs in order to provide information to the Governor and the General Assembly on ways to reduce duplication of effort and implement cost savings measures and programmatic efficiencies in the operation of state transportation programs. In order to achieve its overall purpose, the audit may consist of a series of concurrent audits concentrating on specified categories or groupings. The audit shall be conducted by a private management consulting firm with experience in conducting governmental performance audits. A final report on the findings of the performance audit shall be submitted to the Joint Commission on Transportation Accountability and the Governor no later than December 31, 2010.*

B. *At a minimum, the report shall identify any deficiencies in the current processes for distributing staffing and funding among maintenance, administration, operations, and engineering activities at the respective departments as well as the efficiency of the current distribution of in-house and outsourced work by activity and transportation district.*

C. *The report shall consist of detailed findings and recommendations, including but not limited to the following subject areas:*

1. *Improvements that may result in both increased efficiency and cost savings in programs and services, including organization structure and staffing levels;*

2. *Identification and recognition of best practices;*

3. *Funding for programs and services that may be eliminated or reduced;*

4. *Analysis of current asset management activities that are less financially advantageous to the Commonwealth than maintenance of effort approaches;*

5. *Programs and services that may be enhanced, consolidated, reduced, eliminated, or transferred to the private sector;*

6. *Identification of gaps and overlaps in programs and services and suggestions for improving, blending, or separating of functions to correct any identified gaps or overlaps and reduce duplication of effort;*

7. *Changes to the definition of activities undertaken by the departments, particularly with respect to the definition of maintenance of transportation infrastructure;*

8. *Methods to verify the reliability and validity of performance data, self-assessments, and performance-measurement systems used by the departments;*

9. *Amendment or repeal of statutes, regulations, rules, and policy directives necessary to ensure that the departments carry out their statutory responsibilities; and*

10. *Analysis of the definition of transportation infrastructure as used by the department to determine funding levels and assessment of the present cost effectiveness and efficiencies of meeting the highway maintenance needs of the Commonwealth.*

D. *Any monetary savings realized from the implementation of recommendations of the performance audit shall be applied to the Highway Maintenance and Operating Fund.*

E. *The audit shall take into consideration results of any prior studies, audits, or reviews conducted by (i) the General Assembly, the Joint Legislative Audit and Review Commission, or the Auditor of Public Accounts; (ii) any Governor-appointed commission or other like entity; or (iii) any other independent entity that address the structure and operation of state government and have identified*

59 *monetary savings, reduced duplication of effort, or efficiencies leading to a reduction in costs.*

60 **2. That the provisions of this act shall not become effective unless an appropriation effectuating**
61 **the purposes of this act is included in a general appropriations act passed by the General**
62 **Assembly that becomes law.**

63 **3. That the Auditor of Public Accounts shall issue a Request for Proposals to initiate the**
64 **procurement process for the private consultant within 30 days of the passage of this act.**

65 **4. That the procurement of the consultant required by the provisions of this act shall not be**
66 **subject to § 2.2-4304 of the Code of Virginia but shall be based on the competitive principles.**