



Ferry Construction & Tolling Audits

Transportation Commission

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Larisa Benson, Director of Performance Audit

Susan Hoffman, Principal Auditor

Scott Baird, Senior Performance Auditor

Carolyn Cato, Performance Auditor



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR

Performance audit update

- Performance audits – program background
- Ferry construction
- Tolling
- Questions and answers



Why we selected the Ferry Construction audit?

- Many studies and audits of WSF have been performed over the past decade, but none focusing specifically on the costs of constructing ferries in Washington.
- Some legislators and citizens are questioning whether WSF is doing everything possible to hold down shipbuilding costs.
- There is limited funding available for ferry construction.



Why we selected the Tolling audit?

Recent challenges implementing all-electronic tolling:

- Billing issues on Tacoma Narrows Bridge
- Nonperformance issues with current vendor
- Delay in starting tolling on SR 520
- Problems with all-electronic tolling on SR 520



Questions performance auditors ask

- To what extent are agencies or programs achieving their intended goals, objectives and results?
- Could different approaches yield better performance or remove barriers to performance?
- Are agencies using complete and accurate information to manage their programs and report results to the public?
- Are performance measures valid and reliable?
- Are organizations using proven, effective practices? Are they operating cost-effectively?
- Are agencies addressing issues that cut across multiple parts of state government?



Ferry Construction Audit Objectives

- How do the construction costs of Washington state ferries compare with those of comparable ferries built elsewhere?
- What factors affect the cost of constructing ferries, and to what extent do those factors impact total construction spending?
- Does WSF use leading practices to develop, manage and monitor its ferry construction contracts?



Ferry Construction Audit Approach

Objectives

1. Comparing construction costs with comparable ferries built elsewhere.
2. Factors affecting construction costs and impact they are having on total construction spending.
3. Identifying whether WSF is using leading practices in developing, managing and monitoring the ferry construction contracts.

Scope

- WSF
- 9 ferry purchasers
- Ferries built for the past 10 years
- Up to 7 shipbuilders
- Expected to develop 3 different datasets with one consolidated database
- Up to 5 case studies

Approach

- Panel of experts
- Cost analyses
 - Trend analysis
 - Cost comparison
 - Multivariate analysis
- Case studies
- Leading practices review of WSF



Ferry Construction Timeline

- **Panel of experts**

Three symposiums: March, July and September 2012

- **Field work**

Estimated completion date: End of June 2012

- **Final report**

Estimated issue date: End of November 2012



What lessons can be learned from WSDOT's challenges in implementing all-electronic tolling in Washington?

- What challenges did the Department experience, and what caused them?
 - What could it have done differently?
 - How has WSDOT responded?
 - Should the Department take additional actions to ensure the success of the tolling program?
- What are the advantages and disadvantages of tolling operations models in other states, and what should Washington consider as tolling evolves?



Tolling timeline

- **Field work**

Estimated completion date: End of July 2012

- **Final report**

Estimated issue date: End of 2012



Contacts

Brian Sonntag, CGFM

State Auditor

(360) 902-0360

Brian.Sonntag@sao.wa.gov

Larisa Benson

Director of Performance Audit

(360) 725-9720

Larisa.Benson@sao.wa.gov

Susan Hoffman

Principal Auditor

(360) 725-9719

Susan.Hoffman@sao.wa.gov

Carolyn Cato

Performance Auditor in Charge of Ferries

(360) 725-9703

Carolyn.Cato@sao.wa.gov

Scott Baird

Senior Performance Auditor in Charge of Tolling

(360) 725-9709

Scott.Baird@sao.wa.gov

Website: www.sao.wa.gov

Twitter: www.twitter.com/WAStateAuditor

