PERFORMANCE AUDIT

Work in progress: Audit description

WSDOT's Toll Collection System Replacement Project

In 2021, the Washington State Department of Transportation (WSDOT) implemented a second-generation electronic toll collection system to replace its 2009 legacy system. The system processes about $200 million in tolls annually, and this revenue helps pay for existing infrastructure and fund transportation projects across the state.

In 2013, a performance audit made a number of recommendations to WSDOT to reduce project risk, improve project management, and improve vendor accountability. In 2016, a second performance audit found WSDOT had accumulated $96.4 million in outstanding tolls, fees and penalties. Of this amount, WSDOT estimated it could recover only $37.1 million – in part due to limitations in the toll collection system. To address these problems, WSDOT obtained funding from the Legislature in 2016 to start work on a new $27.9 million toll collection system. The primary contract was awarded in the summer of 2017. The new project gave WSDOT the opportunity to apply recommendations from our performance audits, and lessons learned from the first back-office system, to gain efficiencies in various tolling business processes. Areas to address included customer account management, customer service operations, mobile-friendly customer tools, and accounting and financial management.

Since then, WSDOT has extended the project's "go-live" date by more than two years. The project budget now totals $30.4 million. Concerns about project delays and budget overruns prompted the Joint Transportation Committee to request this audit. The Committee wants to know if WSDOT has implemented lessons learned from the previous tolling project's delays and provided adequate oversight of the current project.

Preliminary scope and objectives

The Legislature has required the State Auditor's Office to conduct this performance audit in 2022. The work will build on the two previous performance audits by examining WSDOT's project planning, vendor procurement, contract management and project oversight. The audit seeks to answer the following questions:

- Did WSDOT's project planning process accurately identify critical needs and risks of the project before starting its procurement process?

- Did WSDOT's procurement and vendor selection approach address its project needs and project risks?

- Are there opportunities for WSDOT to reduce risk and improve vendor accountability in its contract management and project oversight processes?

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