

ARKANSAS DEPARTMENT OF TRANSPORTATION (ARDOT)

PROJECT REVIEW AND EFFICIENCY STUDY

September 1, 2024



ALLISON BRAGG
SECRETARY

RICKY QUATTLEBAUM
OIA DIRECTOR

Allison Bragg
Department Secretary



Ricky Quattlebaum
Director

**Department of Inspector General
Office of Internal Audit**

September 1, 2024

Senator Blake Johnson, Chair
Representative Ron McNair, Chair
Highway Commission Review and Advisory Subcommittee
of the Arkansas Legislative Council (HCRAS)
One Capitol Mall, Fifth Floor
Little Rock, AR 72201

Dear Senator Johnson and Representative McNair,

The Department of Inspector General's Office of Internal Audit (OIA) completed the engagement of ARDOT as agreed to in the revised engagement letter approved on January 24, 2024. The Executive Summary and final report follow this letter.

OIA concludes that the information and reports provided by ARDOT have been materially accurate and without notable discrepancies. It is OIA's opinion that continued involvement as ARDOT implements the remaining rules is not a service that adds value; therefore, OIA requests HCRAS consider withdrawing the requirement that OIA perform an annual ARDOT engagement. Should oversight be necessary in the future, the ARDOT Internal Audit Division has the available resources and knowledge of ARDOT operational processes that will enable them to provide the necessary services.

Implementing the Guidehouse recommendations is a long-term process and ARDOT continues to make progress in implementing these recommendations. OIA would like to thank ARDOT's staff for their cooperation and assistance during this engagement. ARDOT's staff was prompt in providing information and answering questions.

Sincerely,

A handwritten signature in black ink that reads "Ricky Quattlebaum". The signature is written in a cursive style and is positioned above a horizontal line.

Ricky Quattlebaum, CPA, CIA, CRMA,
CGAP, CGFM
Director, Office of Internal Audit

Executive Summary

PURPOSE

The purpose of this engagement is to fulfill OIA's obligation under Act 671 of 2021 which requires an annual review and efficiency study of ARDOT to be conducted by OIA, with results due to the ALC no later than October 1 of each year beginning in 2023. Due to subjectivity of the annual review and efficiency study requirement, an engagement letter outlining a proposed dual approach including both assurance and consulting activities was presented and approved by the HCRAS on June 16, 2022, and the ALC on June 17, 2022. A revised engagement letter, removing the consulting activities from the engagement, was presented and approved by the HCRAS on January 24, 2024, and the ALC on January 26, 2024.

ARDOT PROJECT REVIEW AND EFFICIENCY STUDY

OIA reviewed documentation and performed testing as appropriate to issue an opinion related to the adequacy of ARDOT's implementation of each of the 90 rules for the 13 Guidehouse recommendations. Implementing the Guidehouse recommendations is a long-term process, and ARDOT continues to make progress as of April 30, 2024.

ARDOT's implementation status contained within this report is based upon the May 1, 2024, monthly update report. It was noted that Rules 2, 3, and 4 for Recommendation 5 Procurement of Equipment and Materials were complete but not reflected as such in the May 1, 2024, monthly update report, due to the timing of issuance of the report. In the subsequent monthly update report dated June 1, 2024, they were noted as complete and therefore, the status of complete was utilized for the review of these three rules. OIA concurs with ARDOT's reported implementation status for the 90 rules reviewed.

OIA ACTIVITY SUMMARY

The following chart represents the total number of rules, including the status of those rules, ARDOT established in response to the 13 recommendations issued by Guidehouse.

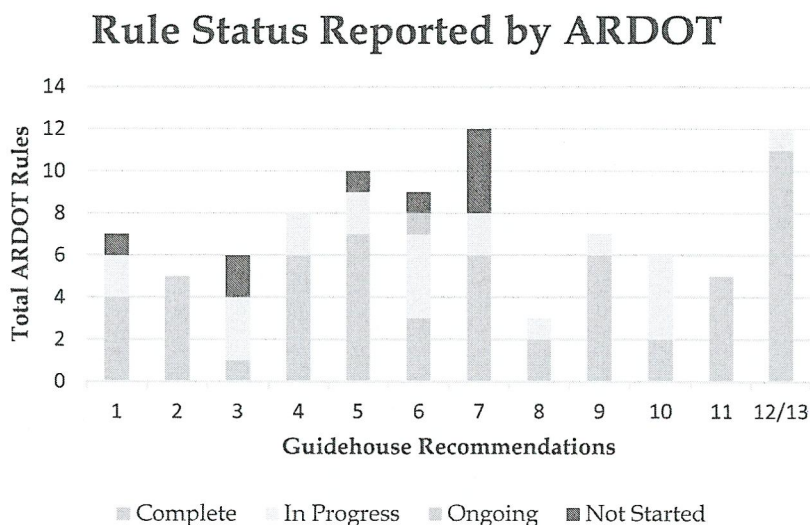


TABLE OF CONTENTS

BACKGROUND	1
SCOPE	2
FOCUS AREA 1 - ORGANIZATIONAL STRUCTURE	3
FOCUS AREA 2 - PORTFOLIO PLANNING	16
FOCUS AREA 3 - PROCUREMENT	29
FOCUS AREA 4 - EXPENDITURES	45
FOCUS AREA 5 - INFORMATION TECHNOLOGY	55
FOCUS AREA 6 - PEOPLE CAPABILITIES	67
CONCLUSION	80
MANAGEMENT RESPONSE	APPENDIX A

ACRONYMS

AASHTO	American Association of State Highway and Transportation Officials	ITSM	Information Technology Service Management
ACSO	ARDOT Customer Service Oversight	KM	Knowledge Management
ALC	Arkansas Legislative Council	KPI	Key Performance Indicator
ARDOT	Arkansas Department of Transportation	LDP	Leadership Development Program
CAMARS	Construction and Maintenance Activity Reporting System	LMS	Learning Management System
CPEC	Contractor Performance Evaluation Committee	MMS	Maintenance Management System
CPM	Costs Per Mile	MTA	Maintenance Training Academy
CSM	Cherwell Service Management	NCHRP	National Cooperative Highway Research Program
DOT	Department of Transportation	OIA	Arkansas Department of Inspector General's Office of Internal Audit
E&P	Equipment and Procurement	OSP	Arkansas Office of State Procurement
FAQ	Frequently Asked Questions	PDS	Project Delivery Selection
FHWA	Federal Highway Administration	RFP	Request for Proposal
HBM	Heavy Bridge Maintenance	SIR	System Information and Research
HCRAS	Highway Commission Review and Advisory Subcommittee	SME	Subject Matter Expert
HR	Human Resources	UALR	University of Arkansas at Little Rock
IIA Standards	The Institute of Internal Auditor's Standards for the Professional Practice of Internal Audit	VE	Value Engineering
IT	Information Technology		

BACKGROUND



*November 20, 2020:
The Recommendations
Report issued by
Guidehouse was adopted by
ALC which included
thirteen recommendations.*

*April 21, 2022:
ARDOT submitted revised
rules at the HCRAS
meeting, listing action items
ARDOT intends to
implement.*

*October 1, 2023:
Pursuant to Act 671 of
2021, OIA is required to
conduct and report results
of an annual review and
efficiency study of ARDOT
no later than October 1 of
each year.*

OVERVIEW

Pursuant to Act 298 of 2019, Guidehouse was hired to conduct a study of “the processes and functioning of the Arkansas Department of Transportation, including without limitation the department’s processes, procedures, procurement procedures, projects, expenditures, and appeals processes.” On June 17, 2020, Guidehouse presented a Recommendations Report to the HCRAS of the ALC. On November 20, 2020, the final report that included 13 recommendations was adopted by the ALC. ARDOT submitted revised rules at the HCRAS meeting on April 21, 2022; these rules are a list of action items ARDOT intends to implement to satisfy the thirteen recommendations in six focus areas. ARDOT is required to report the status of implementation to the HCRAS monthly.

In addition, Act 298 of 2019, Section 2, later repealed and replaced by Act 671 of 2021, codified in Ark. Code Ann. § 25-43-1004(e)(5), requires an annual review and efficiency study of ARDOT to be conducted by the OIA, with the results of the study due to the ALC no later than October 1 of each year beginning in 2023.

The specific scope of OIA’s review was approved by the HCRAS on January 24, 2024, and the ALC on January 26, 2024.

SCOPE



*Compliance with Act 671
of 2021*

*Independent assessment of
the status of ARDOT's
implementation of the
Guidehouse
recommendations as defined
by the ARDOT rules*

The purpose of this engagement was to comply with Act 671 of 2021. This report covers the period May 1, 2023, through April 30, 2024. It was noted that Rules 2, 3, and 4 for Recommendation 5 Procurement of Equipment and Materials were complete but not reflected as such in the May 1, 2024, monthly update report, due to the timing of issuance of the report. In the subsequent monthly update report dated June 1, 2024, they were noted as complete and therefore, the status of complete was utilized for the review of these three rules. Due to the ongoing nature of implementation of the recommendations, activities and documents were reviewed that occurred outside of the stated period.

Our work was conducted in conformance with the IIA Standards. These standards require that we plan and perform our work to obtain reasonable assurance that the objectives of the engagement are achieved. We believe that our review provides a reasonable basis for the conclusion stated in the report.

This engagement was limited to assessment of the status of ARDOT's implementation of the Guidehouse recommendations as defined by the ARDOT rules. Specific work may include, but is not limited to, interviews with ARDOT personnel, review of information developed and produced by ARDOT related to the recommendations, and consideration of the results to determine if the recommendations have been implemented appropriately. Audit procedures will vary depending upon the nature of the management action items being assessed and level of assurance deemed necessary for the engagement.

ORGANIZATIONAL STRUCTURE

FOCUS AREA 1

GUIDEHOUSE Recommendation



Finalize KPIs and implement performance management.

The Subcommittee recommends ARDOT adopt leading performance management practices to formulate and track a variety of operational effectiveness KPIs within a larger performance management framework and finalize those KPIs currently in use.

Implementation:

1. Finalize existing KPIs for system condition and preservation and establish a preliminary dashboard;
2. Establish baseline performance targets and connect the performance targets to the ARDOT Strategic Plan; and
3. Create and implement a roadmap for a comprehensive performance management plan.

Considerations:

1. This is a long-term initiative and should be approached in phases;
2. This practice should be used to improve the Department and foster collaboration; and
3. Communication, training, and change management may be required to socialize a new performance-based approach.

ARDOT Rule



In response to Recommendation 1

ARDOT Primary Oversight: Assistant Chief Engineer – Planning

Establish the ARDOT KPI Oversight Committee. This committee will be made up of senior administration officials. This committee will oversee implementation and long-term management of this recommendation.

✓ This action is now complete.

OIA ASSESSMENT - Complete

In OIA’s report dated September 1, 2023, OIA concurred that this rule was complete. As stated in the rule, this committee will oversee implementation and long-term management of Recommendation 1.

The KPIs Subcommittee met five times between May 1, 2023, and April 30, 2024. OIA obtained meeting minutes from ARDOT and attended all five meetings. The focus of the meetings was to provide updates and gather feedback on the KPI dashboard as well as the data survey. The data survey was drafted to gather information about what data currently exists, where the data exists, and what datasets are commonly used across ARDOT. The data gathered will be used for both Recommendations 1 and 10. The KPIs Oversight Committee reviews and approves final drafts prior to implementation.

ARDOT Rule



In response to Recommendation 1

ARDOT Primary Oversight: Assistant Chief Engineer – Planning

As stated in the Final Report, this is a long-term initiative and should be approached in phases. Therefore, the remaining actions for this recommendation will be accomplished in phases which align with the goals in the Strategic Plan, which are:

- Provide innovative transportation solutions to improve safety and mobility;
 - Ensure ARDOT is a great place to work;
 - Deliver reliable and efficient customer service; and
 - Collaborate and strengthen partnerships.
- ✓ This action is now complete.

OIA ASSESSMENT - Complete

In OIA’s report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

**ARDOT
Rule**

3

**In response to
Recommendation 1**

ARDOT Primary Oversight: Assistant Chief Engineer - Planning

Hold internal meetings with key ARDOT staff members to finalize development of operational effectiveness KPIs and recommend performance targets for each one that will support and evaluate ARDOT's accomplishment of its Strategic Plan.

- ✓ Currently, this item is 85 percent complete.
- ✓ The KPI Oversight Committee developed a survey regarding available ARDOT data including format, update frequency and ownership to be distributed to Department leadership.
- ✓ A literature review is complete regarding best practices in the development and implementation of KPIs.
- ✓ The committee reviewed best practices as identified by the FHWA and other State DOTs.
- ✓ A subcommittee was created to assist with the implementation of this recommendation.
- ✓ A draft data survey was created in cooperation with the Recommendation #10 committee, and the survey was sent to all subcommittee members for feedback.
- ✓ A meeting was held to present the final draft data survey and survey plan to the Oversight Committee. The members of the committee provided input to the subcommittee regarding survey recipients.
- ✓ Workshops will be held for survey recipients prior to their completion of the survey.
- ✓ The subcommittee is developing an instructional video to accompany the workshops.

OIA ASSESSMENT - In Progress

ARDOT provided OIA a summary of the KPI dashboards reviewed of other state DOTs that included Florida, Missouri, Washington State, Minnesota, and Virginia. ARDOT's preference for information, readability, and overall style was Minnesota and Virginia. A draft dashboard that ARDOT worked on in 2018 was also reviewed. ARDOT also provided OIA a KPI/Performance Measure Literature Review Briefing. The current reported performance measures as required by the FHWA, as well as the current Transportation Asset Management Plan, were reviewed to help understand where KPI/performance measure data originates and gave an idea of what initial KPIs could be included for the first edition of the dashboard. The literature reviewed included FHWA Guidelines on Performance Measures, Performance-Based Planning and Programming, Operations and Performance Measurement, and Freight Performance Measurement.

A data survey was drafted to gather information about what data currently exists, where the data exists, and what datasets are commonly used across ARDOT. The data gathered will be used for both Recommendation 1 and 10. The survey is decision driven based on the responses and includes nine questions. The Subcommittee is developing an instructional video to accompany the workshops that will be held for survey recipients prior to their completion of the survey. The goal of the workshops is to explain the survey and give the participants an opportunity to ask questions as they go through the survey.

The initial KPIs to be included on the dashboard include Bridge Condition, Interstate Condition, Non-Interstate National Highway Condition, All Public Roadway Fatalities, and Construction Projects and Funding. All initial KPIs have been noted by ARDOT to align with three of the four goals and strategic objectives of the 2023-2028 Strategic Plan to include the following:

- System-Provide innovative transportation solutions to improve safety and mobility.
- Service-Deliver reliable and efficient customer service.
- Partners-Collaborate and strengthen partnerships.

OIA reviewed the Transportation Performance At-a-Glance dashboard on the ARDOT website to evaluate each KPI against the Strategic Plan. Based on OIA's review, OIA agrees with ARDOT's assessment that the KPIs align with the Strategic Plan as noted above.

**ARDOT
Rule**



**In response to
Recommendation 1**

ARDOT Primary Oversight: Assistant Chief Engineer – Planning

Solicit stakeholder comments regarding operational KPIs and performance targets.

- ✓ This action is complete.
- ✓ The subcommittee completed a review of peer DOTs KPI dashboards.
- ✓ The subcommittee recommended a specific dataset for the initial KPI dashboard.
- ✓ The draft KPIs and performance targets were reviewed by the committee chair.
- ✓ The draft KPIs and performance targets were adjusted to align with the new Strategic Plan.
- ✓ The draft KPI webpage was reviewed by the former and new oversight committee chairs, and feedback was provided for revisions.
- ✓ After addressing the feedback from the oversight committee chairs, the draft KPI webpage/dashboard was presented to the oversight committee in September 2023, and additional feedback was provided for revision.

- ✓ The draft KPI webpage/dashboard was also presented at the 2023 Arkansas Transportation Planning Conference in September 2023 to engage with a wider audience for refinement. It was understood that the initial KPI dashboard presented the year-end performance snapshot.

OIA ASSESSMENT - Complete

The subcommittee solicited feedback on the draft KPI dashboard from the KPI Oversight Committee, ARDOT's Staff Asset Management Engineer, ARDOT's Assistant Chief Engineering Staff, participants of the Arkansas Transportation Planning Conference, and the ARDOT Communications Division. The feedback received was documented and provided to OIA through email communications and subcommittee meeting minutes. OIA reviewed the documentation received for reasonableness. OIA concurs this rule is complete.

ARDOT Rule

5

In response to Recommendation 1

ARDOT Primary Oversight: Assistant Chief Engineer – Planning

Make final adjustments to the operational effectiveness KPIs and performance targets based on the comments received.

- ✓ The subcommittee is working with the web developer to make revisions based on feedback.
- ✓ KPI documentation is in progress.

OIA ASSESSMENT - In Progress

OIA reviewed the Transportation Performance At-a-Glance dashboard, including the back pages, on the ARDOT website to evaluate if the feedback items from Rule 4 were addressed. OIA noted no exceptions. ARDOT indicates that KPI documentation is in progress. OIA concurs this rule is in progress of being completed.

ARDOT Rule

6

In response to Recommendation 1

ARDOT Primary Oversight: Assistant Chief Engineer – Planning

Develop a dashboard to monitor and evaluate how ARDOT is meeting the performance measure for each KPI.

- ✓ This action is complete.
- ✓ The subcommittee met with an existing vendor regarding software that ARDOT currently uses to determine whether that software could be used to develop an effective dashboard for this effort. The subcommittee will investigate further. This investigation will include discussions with peer DOTs regarding their experience.

- ✓ The subcommittee recommended the use of Microsoft Power BI as the reporting tool for the KPI dashboard. Although the Department currently uses this software for other applications, a software upgrade is necessary to fully accomplish this recommendation.
- ✓ The subcommittee and data owners across ARDOT took part in a three-day training course for Microsoft Power BI in August 2023, in preparation for utilizing the software to make additions and edits to the KPI dashboard in the future.
- ✓ The initial draft of the KPI webpage was presented to the KPI Oversight Committee.
- ✓ The subcommittee updated the webpage to address comments received from the KPI Oversight Committee and other stakeholders.
- ✓ The draft KPI webpage/dashboard was provided to internal communications staff for input on presentation and readability.
- ✓ The updated webpage was sent to the Oversight Committee for any additional comments and final approval.
- ✓ The subcommittee presented the final KPI webpage/dashboard to the Oversight Committee and was given approval to proceed.
- ✓ The subcommittee worked with the Communications Division to develop a video on how to navigate the website prior to going live.
- ✓ The dashboard is complete and posted on the ARDOT website. The instructional video has been created.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, ARDOT indicated that the subcommittee recommended utilizing Microsoft Power BI as the reporting tool for the KPI dashboard. In August 2023, a Microsoft Power BI Trainer conducted a three-day training event via Microsoft Teams to give the KPI subcommittee members and key data contributors across ARDOT an opportunity to train on and experience Microsoft Power BI.

As discussed for Rules 4 and 5, the subcommittee solicited feedback from the ARDOT Communications Division and the KPI Oversight Committee. OIA reviewed the Transportation Performance At-a-Glance dashboard, including the back pages, on the ARDOT website to evaluate if feedback items were addressed and noted no exceptions.

The subcommittee worked with the ARDOT Communications Division to create a short instructional video on how to navigate the dashboard. A press release about the dashboard was published by ARDOT and it included a link to the dashboard as well as the instructional video. The Transportation Performance At-a-Glance dashboard was launched on the ARDOT website in April 2024.

The Transportation Performance At-a-Glance dashboard focuses on KPIs under the “transportation performance umbrella” including bridge condition, interstate condition, non-interstate national highway condition, construction projects and funding, and all public roadway fatalities. ARDOT indicates they will continue to look for additional KPIs to report including utilizing the data survey, discussed for Rule 3, to discover datasets that would be eligible to become future KPIs.

ARDOT’s KPIs document provides information on the KPIs, such as data source; data owner and contact; and update cycle, that are featured on ARDOT’s Transportation Performance At-a-Glance dashboard. The document is intended to be used by analysts who are responsible for updating the KPI dashboard. OIA reviewed the data presented on the main dashboard of the Transportation Performance At-a-Glance dashboard to the data sources listed in the KPIs document. No exceptions were noted.

It is important to note that the dashboard represents year end data 2022 except for Construction Projects and Funding that reflects year end data 2023. The information on the dashboard will only reflect end of year data to ensure that there are official reports and backup documentation to verify the data shown. OIA concurs this rule is complete.

**ARDOT
Rule**



**In response to
Recommendation 1**

ARDOT Primary Oversight: Assistant Chief Engineer – Planning

Develop annual review to identify successes and address areas of needed improvement.

OIA ASSESSMENT – Not Started

This rule has not been started because completion of preceding rules is required before implementation.

**GUIDEHOUSE
Recommendation**

2

**Strengthen knowledge
management in
anticipation of increased
retirement.**

The Subcommittee recommends adopting leading practices regarding KM and preservation in anticipation of increased personnel retirement to allow ARDOT to mitigate knowledge loss due to turnover, identify operational efficiencies, and improve succession planning and training.

Implementation:

1. Identify near-term “At Risk” business practices;
2. Initiate near-term succession planning activities;
3. Lay groundwork for more formal KM system; and
4. Implement systems to sustain the desired change.

Considerations:

1. New IT systems and software may be required to support standard operating procedure creation and centralize content;
2. Updating and creating new standard operating procedures can be a significant undertaking, however using a comprehensive inventory will help ARDOT prioritize; and
3. Leadership support and change management may be needed for lasting change.

**ARDOT
Rule**

1

**In response to
Recommendation 2**

ARDOT Primary Oversight: Assistant Chief – Administration

The ARDOT Human Resources Division has been assigned the responsibility to oversee the implementation and long-term management of the KM Program.

- ✓ This action is complete.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

**ARDOT
Rule**

2

**In response to
Recommendation 2**

ARDOT Primary Oversight: Assistant Chief – Administration

Continue reviewing all ARDOT positions to identify which ones are at risk of knowledge loss and identify responsibilities and associated processes, workflows, and critical areas of expertise.

- ✓ This action is complete.
- ✓ Criteria and procedures were developed to identify positions and key staff members at risk for potential knowledge loss using a Knowledge Risk Matrix.
- ✓ Criteria used to determine knowledge loss risk include the position's headcount and grade, and the employee's years of service and years in the position. Using this multi-point methodology, each employee is rated as high, moderate, low, or no risk.
- ✓ More than 500 employees and approximately 280 job titles have been identified as being at moderate or high risk for knowledge loss. Of those, only about 30 employees were identified as the highest risk of critical knowledge loss.
- ✓ Every three months, the knowledge loss risk report is regenerated to ensure the data is updated with ARDOT's current workforce.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

**ARDOT
Rule**

3

**In response to
Recommendation 2**

ARDOT Primary Oversight: Assistant Chief – Administration

Continue with knowledge interviews and further develop methods for knowledge capture of high-risk work responsibilities, processes, and workflows.

- ✓ This action is complete.
- ✓ Knowledge interviews are routinely conducted with individuals who have been identified as moderate or high risk of knowledge loss, using a three-page questionnaire to determine the primary and secondary duties, equipment used on the job, challenges and how they are overcome, knowledge and skills needed, supervisory duties, unfinished projects and upcoming deadlines, important resources and coworkers, cross-training that has taken place, and advice for others in the position. Priority is given to those individuals who are leaving ARDOT or changing jobs. The information is shared with their managers to ensure a smooth transition when the individual leaves ARDOT or changes jobs.
- ✓ Since 2018, we have also been participating in the AASHTO KM Subcommittee, where state DOTs share best practices, resources and lessons learned as each develops its own KM program.
- ✓ The SIR Division utilizes EOS.web software to catalog ARDOT's physical library of books, operating manuals, etc. This software is ideal for a centralized inventory of KM related information. Therefore, the Human Resources Division (responsible for implementing the KM program) is working with the SIR Division (responsible for maintaining the Research library) to catalog documents related to the KM program.
- ✓ A series of monthly lunch-and-learn sessions with SMEs has been developed, as an additional method of sharing knowledge across the agency.

OIA ASSESSMENT - Complete

As of April 30, 2024, KM interviews have taken place with employees rated as having a high risk of knowledge loss. Twenty-four employees were rated as having a high risk of knowledge loss. Of those, three employees declined to participate. OIA tested the questionnaires for the remaining 21 employees for inclusion of the criteria noted in Rule 3 which includes: duties, equipment used, challenges and how they are overcome, knowledge and skills needed, supervisory duties, unfinished projects and upcoming deadlines, important resources and coworkers, cross-training that has taken place, and advice for others in the position.

Overall, the attributes were addressed with the following exceptions noted:

- 1-supervisory duties
- 1-important resources and coworkers
- 3-cross-training that has taken place

ARDOT indicated that their primary focus will remain on individuals who are either leaving or changing jobs within ARDOT as well as on those individuals rated as having a high risk of knowledge loss. However, a goal has been set to conduct KM interviews with those individuals rated with the top score of 11 for a moderate risk of knowledge loss.

The ARDOT HR Division decided to use EOS.Web software for a centralized inventory of KM related information. Since this software is being used by the ARDOT SIR Division, SIR will work with HR on this effort. The SIR Division is in the process of onboarding a Librarian. Once the Librarian is trained on the work for the SIR Division, the inventory of KM related information will be added to their workload. This will be an ongoing effort to maintain documentation of the management of knowledge capture.

Lunch-and-learn sessions are short informal information sharing sessions that allow for open discussion and questions and answers. ARDOT held monthly lunch-and-learn sessions from May 2023 to April 2024 on a variety of different topics. Employee participation increased over the year.

Lunch-and-Learn Sessions

Month	Topic	Number of Attendees
May 2023	IT Security-Beyond Phishing	24
June 2023	Historic Bridges	23
July 2023	Internal Audit-Internal Control	29
August 2023	Legal Counsel	34
September 2023	Environmental Division-Cultural Resources Section	31
October 2023	A Brief Overview of the Arkansas Freedom of Information Act	50
November 2023	United Way Campaign	11
December 2023	Environmental Division-GIS/Data Analysis Functions	34
January 2024	Leadership Series-Gratitude	55
February 2024	Leadership Series-Resilience	68
March 2024	Leadership Series-Aspiration	60
April 2024	Leadership Series-Courage	64

OIA concurs this rule is complete.

**ARDOT
Rule**

4

**In response to
Recommendation 2**

ARDOT Primary Oversight: Assistant Chief – Administration

Identify staff in each Division or District who will be responsible for management of the knowledge captured and transfer of the knowledge to appropriate parties.

- ✓ This action is complete.
- ✓ For SFY 2024-2025, we submitted a plan to add two Workforce Development Specialists to our staff. Our budget proposal was approved by the full legislature and enacted, and these new staff members have been hired. One will help facilitate and coordinate the KM program.
- ✓ One representative from each District was assigned responsibility for knowledge capture interviews. One representative from the Central Office was assigned responsibility for knowledge capture interviews for all Divisions.
- ✓ Additional staff members were assigned to assist with knowledge capture and transfer for various specialized professions such as engineering, environmental, right of way, research, and planning.

OIA ASSESSMENT - Complete

ARDOT hired two Workforce Development Specialists. OIA reviewed the job description for the position. The job duties include “Assist with design, implementation and coordination of the ARDOT KM Program”.

The Classification and Compensation Specialist is the primary employee responsible for conducting KM interviews for all ARDOT divisions. The HR Specialist for each district is responsible for KM interviews for their respective districts. OIA reviewed the KM Project Team member list. The team includes staff members from the following divisions: HR, Environmental, Planning, Right of Way, SIR, and the Administrative Branch. OIA concurs this rule is complete.

**ARDOT
Rule**

5

**In response to
Recommendation 2**

ARDOT Primary Oversight: Assistant Chief – Administration

Develop annual review of ARDOT’s KM Program to ensure alignment with current processes and workflows.

- ✓ This action is complete.
- ✓ A KM Steering Committee has been established to ensure alignment with current processes and provide support for the growth of the KM program.

- ✓ The KM Steering Committee performed its first annual review of ARDOT's KM program in the first quarter of calendar year 2024, and will continue to do so every year thereafter.

OIA ASSESSMENT - Complete

OIA reviewed the KM Program document prepared by the HR Division. The document is short, easy to understand, and provides a reasonable description of the KM Program.

The KM Steering Committee was established in September 2023 with the Assistant Chief-Administration as the Chair and the Assistant Chief Engineers serving as the remaining members. The purpose of the Committee is to:

- Provide guidance to the KM Project Team by establishing the team's roles and responsibilities.
- Ensure oversight and accountability for the KM Project Team.
- Advocate for, and raise awareness of, the need for KM by promoting its benefits, monitoring goals and expectations, and engaging leadership to take an interest in and support KM activities.

OIA reviewed the KM Program Annual Progress Report as of December 31, 2023, along with the KM Steering Committee's response memo. The Annual Progress Report outlined the KM activities for calendar year 2023 and listed the KM Program goals for calendar year 2024. The KM Steering Committee's response memo applauded the progress made by the KM Project Team and concurred with the 2024 goals laid out in the report.

Based on OIA's review, the annual review process is reasonable to ensure the KM Program is aligned with current processes and workflows. OIA concurs this rule is complete.

PORTFOLIO PLANNING

FOCUS AREA 2

GUIDEHOUSE Recommendation



Publish status of construction projects and maintenance activities.

The Subcommittee recommends revising ARDOT's existing communication of construction project and maintenance activities to make communication less disjointed and difficult to navigate. Improving the communication and reporting structure can enhance public visibility into, and accountability for, project performance; enhance project delivery; and yield better data to inform planning and budget appropriations.

Implementation:

1. Inventory current reporting infrastructure;
2. Identify and implement short-term reporting enhancements; and
3. Lay the groundwork for long-term reporting improvements.

Considerations:

1. ARDOT does not need to build out an entire platform to rapidly enhance reporting of readily available project status data: leverage existing platforms and tools, such as IDrive Arkansas and district office websites; and
2. An enterprise level approach will be required to provide true real-time access to project status.

**ARDOT
Rule**

1

**In response to
Recommendation 3**

ARDOT Primary Oversight: Chief – Administration

Evaluate existing reporting platforms currently in use and document project information provided through them.

✓ This action is complete.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

**ARDOT
Rule**

2

**In response to
Recommendation 3**

ARDOT Primary Oversight: Chief – Administration

Identify additional project information that could be provided through currently used reporting platforms for construction projects that are under development or have been let to contract and for maintenance projects.

✓ This action is complete for construction projects. The information for maintenance projects will be developed as the MMS is developed and implemented.

OIA ASSESSMENT - In Progress

In OIA's report dated September 1, 2023, ARDOT indicated that identification of additional project information that could be provided through currently used reporting platforms for construction was complete. However, OIA stated that further testing would be performed in the next review cycle prior to issuing an opinion.

OIA reviewed updated information on SiteManager, the Garver contract, and observed the project kickoff meeting with Garver. Much of the needed data has been identified. ARDOT is continuing to work with Garver, as part of Rule 3, to finalize the data needed as well as how the data will be provided to develop the CAMARS for the construction phase. Therefore, OIA concurs that this rule is complete for construction projects.

The MMS implementation is still underway. Therefore, OIA concurs the actions for this rule associated with maintenance activities has not yet started.

**ARDOT
Rule**

3

**In response to
Recommendation 3**

ARDOT Primary Oversight: Chief – Administration

Hold internal meetings with key ARDOT staff members to select project information that will be provided and how this information should be presented.

- ✓ A committee was formed which contains a member of the Department's Administration as well as key staff members. This committee will continue to serve in order to accomplish this recommendation.
- ✓ The Arkansas Highway Commission adopted Minute Order 2022-047 which authorized the Director to issue a RFP to retain the services of a qualified consultant to accomplish this action.
- ✓ Five proposals were submitted.
- ✓ A committee evaluated the proposals to select the most qualified consultant to provide this service.
- ✓ The Arkansas Highway Commission passed a motion at the December 7, 2022 meeting to accept the staff recommendation to enter into negotiations with the selected firm, Garver LLC, to provide these services.
- ✓ Negotiations are complete for the contract with Garver LLC to provide these services.
- ✓ We compiled the required documents used to obtain public comments regarding the proposed contract.
- ✓ The proposed contract was submitted to the HCRAS on June 19, 2023, for review and comment before execution. At the August 24, 2023 meeting, HCRAS finalized review of the contract.
- ✓ A kickoff meeting with Garver and ARDOT staff was held on November 28, 2023.
- ✓ Knowledge transfer meetings are being held with key ARDOT technical staff and Garver to discuss technical needs and requirements.

OIA ASSESSMENT – In Progress

After HCRAS review of the proposed contract with Garver, the contract was executed on September 21, 2023. The project to publish the status of construction projects and maintenance activities will be completed in three phases. The first phase is for construction projects and is expected to be completed in 2024. The second phase is for programmed projects with a completion date to be determined. The third phase is for maintenance activities. The completion date will be determined after implementation of the MMS that is currently underway.

The CAMARS Committee met two times between May 1, 2023, and April 30, 2024. The Committee continues to discuss what information will be provided, how the information will be displayed, the data sources behind the information, the website functionality, and where the website will be hosted. The Committee is also facilitating conversations between Garver and ARDOT technical staff. OIA concurs this rule is in progress of being completed.

**ARDOT
Rule**



**In response to
Recommendation 3**

ARDOT Primary Oversight: Chief - Administration

Solicit stakeholder comment regarding project information that will be provided and how this information should be presented.

- ✓ The public/stakeholder comment period on the proposed contract (which included a general overview of the information expected to be provided on the website) was open from June 19, 2023 to July 5, 2023. No comments were received.
- ✓ The contract was executed by the Director on September 21, 2023.
- ✓ Garver is in the process of developing the initial version of the website, including project information and how it will be displayed. Once the first draft is completed, it will be presented to ARDOT management for comments or suggestions for improvement.
- ✓ Once the website is approved by ARDOT management, it will be published for public/stakeholder comments

OIA ASSESSMENT - In Progress

ARDOT and Garver are working to finalize the data to be included on the CAMARS, and Garver is in the process of developing the initial version of the CAMARS. OIA concurs this rule is in progress of being completed.

**ARDOT
Rule**

5

**In response to
Recommendation 3**

ARDOT Primary Oversight: Chief - Administration

Finalize project information that will be provided and how this information should be presented.

OIA ASSESSMENT - Not Started

ARDOT and Garver are working to finalize the data to be included on the CAMARS, and Garver is in the process of developing the initial version of the CAMARS. After those items are complete, action steps for Rule 4 will be completed prior to the action steps for this rule. Therefore, this rule has not been started because completion of preceding rules is required before implementation.

**ARDOT
Rule**

6

**In response to
Recommendation 3**

ARDOT Primary Oversight: Chief - Administration

Since the accomplishment of this recommendation involves information and data that will be provided by implementation of Recommendations 1, 7, and 10, the implementation for this recommendation will be phased to align with when the information and data is available.

OIA ASSESSMENT - Not Started

The components of Recommendations 1, 7, and 10 that impact the implementation of Recommendation 3 are not complete. Therefore, this rule has not been started because completion of other rules is required before implementation.

**GUIDEHOUSE
Recommendation**

4

**Implement a platform
that tracks all
stakeholder inquiries to
resolution.**

The Subcommittee recommends ARDOT implement a process to track all stakeholder inquiries from receipt to resolution. ARDOT primarily manages customer service by providing the public direct access to staff with no uniform process for documentation of the inquiry or response. Leading customer services practices suggest that ARDOT can improve its customer service, while simultaneously reducing the cost to the Department and finding new Department-wide operational efficiencies.

Implementation:

1. Understand customer, stakeholder, and public needs;
2. Define a new customer experience vision;
3. Lay the groundwork for a new service approach, including adoption of a customer relationship management tool; and
4. Create and execute on implementation plan; and measure and communicate customer service performance.

Considerations:

1. Clear vision, leadership buy-in;
2. Upfront investment for future return on investment;
3. Project Manager passionate about customer service;
4. Right technology application identified early in the process; and
5. In a phased approach, transition “services” not divisions.

**ARDOT
Rule**

1

**In response to
Recommendation 4**

ARDOT Primary Oversight: Chief – Administration

Establish the ACSO Committee. This committee will include at least one senior administration official and oversee implementation and long-term management of this recommendation.

- ✓ This action is complete.

OIA ASSESSMENT - Complete

In OIA’s report dated September 1, 2023, OIA concurred that this rule was complete. However, this Committee will continue to meet until Recommendation 4 is complete.

The ACSO Committee met two times between May 1, 2023, and April 30, 2024. OIA obtained meeting minutes from ARDOT and attended both meetings. The focus of the first meeting was to discuss ARDOT branding of GovQA, the public rollout plan, and providing additional training to ARDOT staff. GovQA was branded as AskARDOT. The focus of the second meeting was to review the inquiries received since the public launch as well as the results from the satisfaction survey that is offered after an inquiry is submitted. The ACSO Committee also discussed refining the process for staff including the possibility of expanding the inquiry statuses and the development of the reporting structure.

**ARDOT
Rule**

2

**In response to
Recommendation 4**

ARDOT Primary Oversight: Chief – Administration

Hold internal meetings with key ARDOT staff members and evaluate existing resources to identify the quantity, scope, and type of customer inquiries.

- ✓ Internal meetings with all Division Heads and District Engineers were held.
- ✓ Comments received from the Division Heads and District Engineers were evaluated to identify the quantity, scope, and type of customer inquiries.
- ✓ Additional internal meetings were held with representatives from all Divisions and Districts.
- ✓ In total, 294 Department staff members attended one of these meetings.
- ✓ Comments from these meetings were compiled to identify the quantity, scope, and type of customer inquiries.
- ✓ This action is complete. Adjustments, if needed, will be made as we continue to refine the system.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

**ARDOT
Rule**

3

**In response to
Recommendation 4**

ARDOT Primary Oversight: Chief - Administration

Conduct a targeted survey of ARDOT inquiries to assess customer's needs and create an analysis of their needs.

- ✓ As we considered how to develop a survey, we realized that many of our staff were not aware of the capabilities of a system designed to track customer inquiries to resolution. Therefore, rather than conducting a survey, the decision was made to hold meetings with representatives from all Divisions and Districts (in total, 294 staff members) to explain the goals of such a system and to gain the same information that would have been gleaned from a survey (e.g., the quantity, scope and types of customer inquiries).
- ✓ Comments from these meetings were compiled to assess our customer's needs and create an analysis of their needs.
- ✓ This action is complete.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

**ARDOT
Rule**

4

**In response to
Recommendation 4**

ARDOT Primary Oversight: Chief - Administration

Use the results of the internal meetings and the analysis of ARDOT customer's needs to establish goals for customer experience.

- ✓ Comments from the meetings with Department staff, which included 294 employees, were compiled to identify the quantity, scope, and type of customer inquiries.
- ✓ On January 30, 2022, the GovQA system was made available to staff in a test environment.
- ✓ In February 2023, GovQA was moved into production for use by our internal staff members, who have been using the system for actual contacts made from the public. Using this data, we are continuing to evaluate how well the system meets the customer's needs. Additional adjustments, if needed, will continue to be made.

- ✓ ARDOT's Communications Division utilized feedback from internal meetings as well as data from the GovQA system to finalize language defining our customer experience goals. They developed a list of FAQ, and a list of Trending Topics to enhance the customer experience.
- ✓ We created a new name for GovQA, which is "Ask ARDOT," and a logo has been designed for the system.
- ✓ The customer service experience is as follows: "Ask ARDOT is a one-stop portal for all your questions, comments, and requests regarding Arkansas highways. Serving you – the citizens of Arkansas – is a top priority for ARDOT. Ask ARDOT is a way for you to ask questions, get information, and track the status of your inquiry. Our goal is to make your customer experience easy, thorough, and as timely as possible. Ask ARDOT will ensure your questions, comments, and requests are heard and answered."
- ✓ This action is complete.

OIA ASSESSMENT - Complete

The ARDOT customer service mission statement states, "ARDOT strives to serve the citizens of Arkansas with transparency, accountability, and care; the public will feel valued, empowered, and their voice will be heard. To accomplish this goal, ARDOT will utilize a customer service portal to track inquiries and provide an excellent customer service experience."

ARDOT's customer service experience goal states, "Ask ARDOT is a one-stop portal for all your questions, comments, and requests regarding Arkansas highways. Serving you-the citizens of Arkansas-is a top priority for the Arkansas Department of Transportation. Ask ARDOT is a way for you to ask questions, get information, and track the status of your inquiry. Our goal is to make your customer experience easy, thorough, and as timely as possible. Ask ARDOT will ensure your questions, comments, and requests are heard and answered."

Providing the public with an easy to use properly designed system helps ensure the public has the customer service experience that ARDOT wants to achieve. ARDOT rebranded GovQA with the trendy name and logo Ask ARDOT. ARDOT utilized FAQs and the "Type of Inquiry" drop down list to enhance the customer's Ask ARDOT experience. Of the 109 customer satisfaction surveys submitted through Ask ARDOT from October 2023 to April 30, 2024, 31 or 28% reported using the FAQs. In addition, 75 or 69% found the available topics in the "Type of Inquiry" drop-down list were relevant to their inquiry. OIA concurs this rule is complete.

**ARDOT
Rule**

5

**In response to
Recommendation 4**

ARDOT Primary Oversight: Chief – Administration

Solicit stakeholder comments regarding the established goals for customer experience.

- ✓ During our internal meetings with stakeholders referenced above, the anticipated goals for the future system were discussed. As of this report, the customer experience language, lists of FAQ and Trending Topics, and specific program goals were shared with our stakeholders. The comments received did not require a change to the established goals for customer experience.
- ✓ This action is complete.

OIA ASSESSMENT - Complete

ARDOT reports that during the meetings referenced in Rules 2 and 4, that a draft of the proposed goals for customer experience was provided. Stakeholders had an opportunity to provide suggested changes and no feedback was received.

Stakeholder comments regarding the established goals for the customer experience were also solicited via email from ARDOT Chief Engineers, ARDOT Assistant Chief Engineers, ARDOT Division Heads, and ARDOT District Engineers by the ARDOT Public Information Officer. Feedback was received from the following:

- ARDOT Assistant Chief Engineer Construction
- ARDOT State Construction Engineer
- ARDOT District Engineers from Districts 1, 2, and 4
- ARDOT District Maintenance Engineer for District 8
- ARDOT Division Heads from the SIR Division, the HR Division, the Right of Way Division, the IT Division, and the Internal Audit Division

ARDOT reports that the comments received did not require a change to the established goals for customer experience. Based on OIA's review of the email communication and feedback received, OIA concurs this rule is complete.

**ARDOT
Rule**



**In response to
Recommendation 4**

ARDOT Primary Oversight: Chief – Administration

Select a consultant to provide software which can be integrated into our website that will provide ARDOT the ability to input, track, and document the processing and response to customer inquiries.

- ✓ We completed an evaluation of customer service systems utilized by other agencies such as the City of Portland and the City of Philadelphia, which were identified as a leading practice by Guidehouse, and the Florida DOT.
- ✓ As part of this evaluation, we attended online webinars held by the FDOT and by the consultant that developed the system FDOT implemented, which is GovQA.
- ✓ The committee recommended and the Department executed a contract with GovQA to provide services to accomplish this recommendation.
- ✓ The estimated cost for GovQA to provide the software and training is less than \$50,000.
- ✓ GovQA was implemented and customized for ARDOT's needs.
- ✓ As stated above, GovQA was launched internally in 2022 for employees to begin practicing with the system before it goes public.
- ✓ On September 22, 2023, a "coming soon" video was posted on ARDOT's social media platform announcing that a new inquiry tracking system would soon be available for public use.
- ✓ *Ask ARDOT* was made available to the public on October 2, 2023. A news release was distributed announcing the system and a "how to" video was posted to social media platforms. The portal can be accessed from ARDOT's main website, and a link to the portal has also been placed on IDriveArkansas.
- ✓ This action is complete.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. However, at that time the system had not launched to the public.

On September 22, 2023, a short "coming soon" video was posted on ARDOT's social media platforms announcing "Ask ARDOT, Your questions. Answered." The video contained various pictures with example questions that the public might have. Ask ARDOT officially launched to the public on October 2, 2023. A new release was issued and a brief "how to" video was posted on ARDOT's social media platforms.

ARDOT provided OIA with an Excel spreadsheet of the inquiries entered into Ask ARDOT from the launch date of October 2, 2023, through April 12, 2024. There were 5,111 inquiries entered into Ask ARDOT during this time period with 3,279 entered by ARDOT staff and 1,832 entered directly by the public. The top three types of inquiries submitted were for Commercial Trucking; Report a Pothole; and Road Repair, Maintenance and Issues. Of the 5,111 inquiries submitted, 4,466 had been closed and 645 remained open as of April 12, 2024. OIA’s review of the data provided, indicates that the system is being utilized by the public. OIA’s review of this rule is complete.

ARDOT Rule



In response to Recommendation 4

ARDOT Primary Oversight: Chief – Administration

The consultant provided software will also be developed to provide a reporting structure that can be used to provide summarized information regarding customer inquiries to ARDOT administration and the public.

- ✓ Development of a reporting structure is underway.
- ✓ We are currently 85 percent complete with this action.

OIA ASSESSMENT - In Progress

As of April 30, 2024, the development of a reporting structure is still underway. OIA concurs that this rule is in progress of being completed.

ARDOT Rule



In response to Recommendation 4

ARDOT Primary Oversight: Chief – Administration

Establish metrics and performance measurements to evaluate accomplishment of customer service goals.

- ✓ We have developed a customer satisfaction survey that users can complete once their inquiry has been answered. A link to the survey is included with the resolution email that the customer receives

OIA ASSESSMENT - In Progress

As of April 30, 2024, metrics and performance measurements to evaluate accomplishment of customer service goals have not been established.

ARDOT developed an Ask ARDOT Satisfaction Survey. The link to the survey is included with the resolution email that the customer receives. From the launch of Ask ARDOT on October 2, 2023, through April 30, 2024, 108 surveys were collected. The feedback has been positive overall.

Following are the questions included in the survey with the percentage yielding a positive response:

Did you find the website easy to navigate?

81% Very Easy or Somewhat Easy

Did you find the available topics in the drop-down relevant to your inquiry?

69% Yes

Did you utilize any of the FAQs, and if so, did you find the FAQ list helpful?

29% Yes

Based on this experience, would you consider making this method your preferred form of communication with ARDOT?

63% Yes

There is also space on the survey for additional feedback. OIA concurs that this rule is in progress of being completed.

PROCUREMENT

FOCUS AREA 3

GUIDEHOUSE Recommendation

5

**Implement efficiencies
in procurement and
purchasing.**

The Subcommittee recommends ARDOT optimize and standardize procurement and purchasing procedures. ARDOT may more effectively use resources and maximize costs savings Department-wide – including and beyond construction procurement with documented and standardized procurement procedures.

Implementation:

1. Use data-driven approaches like spend analysis and lifecycle costing to inform procurement and purchasing decisions;
2. Standardize usage of project acceleration techniques, procurement methods, and delivery methods; and
3. Push efficiencies to districts.

Considerations:

1. IT systems to track data;
2. Staff capacity and expertise to conduct data analysis;
3. Assignment of responsibility between districts and divisions; and
4. Change management to shift culture from low bid to best value.

PROCUREMENT OF CONSTRUCTION PROJECTS

ARDOT Rule

1a

In response to Recommendation 5

ARDOT Primary Oversight: Assistant Chief Engineer - Program Delivery, Assistant Chief - Administration

Select focus areas to evaluate related to this portion of the recommendation. Consideration should be given to change orders, cost estimates, and project delivery methods.

- ✓ This action is complete.
- ✓ We established a focus group to identify areas to have improved efficiency for procurement of construction projects. The group focused on these areas:
 - Developing a guide for the selection of procurement and delivery methods;
 - Standardizing the use of project acceleration techniques; and
 - Conducting change order studies.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. However, the Efficiency Review Procurement Construction Project Committee will continue to oversee the implementation of Recommendation 5 for construction projects.

The Committee met one time between May 1, 2023, and April 30, 2024. OIA obtained meeting minutes from ARDOT and attended the meeting. The focus of the meeting was to provide updates on each of the focus areas.

ARDOT Rule

2a

In response to Recommendation 5

ARDOT Primary Oversight: Assistant Chief Engineer - Program Delivery, Assistant Chief - Administration

Identify needed data to evaluate the current processes and procedures used in the focus areas.

- ✓ The identified data includes:
 - A survey of other State DOTs use and experience with selection tools used to evaluate alternative delivery methods on a project by project basis;
 - Research regarding project acceleration techniques used by other State DOTs; and
 - The Department's construction administration's dataset will be used to conduct the change order analysis.
- ✓ This action is complete.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

ARDOT Rule

3a

In response to Recommendation 5

ARDOT Primary Oversight: Assistant Chief Engineer – Program Delivery, Assistant Chief – Administration

If any needed data is not currently tracked, identify and implement methods of capturing it.

- ✓ We have not identified any additional data that is needed; therefore, this action is considered complete.

OIA ASSESSMENT - Complete

ARDOT stated in the ALC Efficiency Study Recommendations – Rules for Implementation Monthly Update dated May 1, 2024, "We have not identified any additional data that is needed; therefore, this action is considered complete." With this statement, OIA concurs this rule is complete. Should any needed data that is not tracked be noted by OIA, it will be addressed by specific focus area under Rule 4 for construction projects.

ARDOT Rule

4a

In response to Recommendation 5

ARDOT Primary Oversight: Assistant Chief Engineer – Program Delivery, Assistant Chief – Administration

Perform evaluation of current processes and procedures used with respect to the focus areas and document the practices that yield the best benefits.

- ✓ Procurement and Delivery Method Guide
 - Development of the guide is underway.
 - A survey regarding PDS tools was developed and sent to DOTs, local agencies and transit authorities. Based on survey responses, ARDOT will select three to five agencies and request more information about their PDS tools.
 - Three agencies were selected to be interviewed. They are the Minnesota DOT, Washington DOT and North Carolina DOT.
 - Interviews have been held with the Minnesota DOT, Washington DOT, and North Carolina DOT.
 - A draft PDS tool was developed, which includes a qualitative assessment based on project goals and risks, to determine optimal choice of delivery methods for identified projects.

- A workshop was held on June 1, 2023, with ARDOT administrative staff to preview how the tool is structured. The workshop led participants through a sample delivery model selection exercise using an existing ARDOT project. Similar workshops are also being held with relevant ARDOT staff members.
- On August 24, 2023, a workshop was held with ARDOT managers.
- Currently, we are 85 percent complete with this action.
- ✓ Standardizing the Use of Project Acceleration Techniques
 - A survey regarding the use of project acceleration techniques in surrounding DOTs was conducted. The survey results indicated that ARDOT has embraced and is utilizing project acceleration techniques at a higher rate than the other states surveyed. ARDOT will continue to explore other tools or methods as they are identified.
 - A literature review of NCHRP publications was completed. The publications indicated that ARDOT is actively using many of the best practices suggested in the documents.
 - The results of the survey responses were summarized and reviewed for insight into the use of standardized project acceleration techniques by other DOTs.
 - ARDOT will include the “No Excuses Incentive” project acceleration technique in future projects, as appropriate, to determine the benefit of this technique.
 - Currently, we are 90 percent complete with this action.
- ✓ Change Order Studies
 - Construction related data from ARDOT’s AASHTOWare system is being mined for information that could lead to project design or administrative changes in the future. The data collected was utilized to develop the draft report. The draft report is being reviewed for editing and clarity.
 - Currently, we are 65 percent complete with this action.

OIA ASSESSMENT - In Progress

Procurement and Delivery Method Guide

The development of the PDS Tool User Guide and the PDS Tool Procedures Manual is complete. OIA reviewed both documents and find they are reasonable user resources for the PDS process and tool.

OIA’s report dated September 1, 2023, states, “A survey was sent to 39 state DOTs regarding the utilization of a PDS tool with 23 state DOTs responding. From the responding DOTs, Minnesota DOT, Washington DOT, and North Carolina DOT were selected to conduct virtual interviews and demonstrations of their PDS tools. The interviews with Minnesota DOT and Washington DOT were

held in April 2023.” The interview with North Carolina DOT was held in May 2023. The three items incorporated into the ARDOT PDS tool based on these interviews are the following: a pre-screening questionnaire to refine projects considered for alternative delivery; in-person, facilitated workshops for completion of delivery option analysis; and goals and risks used in the analysis that are specific to the project.

A draft PDS Tool has been developed. The PDS Tool is Excel-based and has six tabs: Instructions, Initial Screening, Inputs, Pass-Fail, Qualitative Assessment, and Results. The objectives of the PDS tool are to provide a structured approach to assist ARDOT in making project delivery decisions, to assist in determining if there is a dominant or optimal choice of a delivery method, and to provide documentation of the selection decision. The PDS Tool is not used for preservation projects. The PDS Tool is used to evaluate projects with an estimated construction cost of greater than \$10 million. OIA reviewed a demonstration of the tool on May 30, 2024.

A PDS Tool Working Group Session was held on June 1, 2023, with the Consultants that assisted in developing the PDS Tool as well as ARDOT Chief Engineer-Preconstruction, Assistant Chief Engineer-Program Delivery, Assistant Chief Engineer-Planning, Division Head-Program Management, and Division Head-Alternative Project Delivery. OIA reviewed the presentation document from the working group session.

A PDS Tool Trial Run Workshop was held on August 24, 2023, with the Consultants as well as ARDOT Division Head-Program Management, Division Head-Bridge Design, Division Head-Planning, Assistant Division Head-Environmental, Division Head-Roadway Design, Division Head-Materials, Division Head-Right of Way, Division Head-Alternative Project Delivery, and Assistant Division Head-Alternative Project Delivery. During the workshop, the team conducted a trial run of the PDS Tool on Job 061371 Highway 67 Interchange Improvements (Cabot). OIA reviewed the presentation document from the workshop.

Prior to finalizing, ARDOT plans to run some of the projects in the most recent State Transportation Improvement Program through the PDS Tool.

Standardizing the Use of Project Acceleration Techniques

Based on OIA’s review of the eight survey responses from peer DOTs regarding the use of project acceleration techniques as well as the literature review of NCHRP publications, ARDOT is using many of the project acceleration techniques noted in the review. Through this exercise, ARDOT identified the No Excuses Incentive as a project acceleration technique to consider in future projects, as appropriate.

Based on the review of project acceleration techniques, ARDOT plans to update their Criteria for Using Incentive/Disincentive Bidding Methods documentation.

Change Order Studies

OIA's report dated September 1, 2023, states, "Change order studies are being mined from SiteManager." As of April 30, 2024, ARDOT reports that the data collected was utilized to develop the draft report which is being reviewed for editing and clarity. The draft report has not yet been provided to OIA for review. OIA concurs this rule is in progress of being completed.

ARDOT Rule



In response to Recommendation 5

ARDOT Primary Oversight: Assistant Chief Engineer – Program Delivery, Assistant Chief – Administration

If needed, implement new or improved processes and procedures that yield the best benefits.

OIA ASSESSMENT – Not Started

This rule has not been started because completion of preceding rules is required before implementation.

PROCUREMENT OF EQUIPMENT AND MATERIALS

ARDOT Rule



In response to Recommendation 5

ARDOT Primary Oversight: Assistant Chief Engineer – Program Delivery, Assistant Chief – Administration

Select focus areas to evaluate related to this portion of the recommendation. Consideration should be given to supply and demand trends, term contracts, commodity price changes, ownership cost, procurement procedures, and purchasing methods.

- ✓ The identified focus areas below are complete.
- ✓ We added new supply and term contracts for our HBM Section to take advantage of supply and demand trends in a volatile market.
- ✓ We increased our use of the RFP process for vendor selection and procurement, specifically in the professional services arena. This allows us to incorporate the total cost of ownership into the evaluation criteria.
- ✓ Through the Oracle fusion procurement cloud service audit process, we are able to track purchasing by procurement codes and by vendor.
- ✓ We are developing a new "multiple award" supply contract for our Guardrail Impact Attenuators (Crash Cushions).

OIA ASSESSMENT - Complete

The focus areas identified related to the procurement of equipment and materials are as follows:

- Supply and term contracts for HBM.
- RFP's that incorporate total cost of ownership into the evaluation criteria.
- Supply contracts with commodity price changes for materials that are petroleum based.
- Updated procurement procedures and purchasing methods.

OIA's report dated September 1, 2023, states, "While focus areas have been identified, ARDOT indicated that this rule is still in progress." Although the following two items were added under Rule 1b, neither change the focus areas identified.

"Through the Oracle fusion procurement cloud service audit process, we are able to track purchasing by procurement codes and by vendor." This item is an example of a procurement procedure and is addressed under Rule 2b.

"We are developing a new "multiple award" supply contract for our Guardrail Impact Attenuators (Crash Cushions)." This item is an example of how ARDOT is expanding its use of supply contracts.

OIA concurs this rule is complete.

ARDOT Rule



In response to Recommendation 5

ARDOT Primary Oversight: Assistant Chief Engineer - Program Delivery, Assistant Chief - Administration

Identify needed data to be able to evaluate the current processes and procedures used in the focus areas.

- ✓ The implementation of the Oracle Fusion Procurement Cloud Service will identify and provide additional data needed to accomplish this action.
- ✓ We implemented an Oracle Fusion Procurement Cloud Service audit process that allows for daily reviews of purchasing requisitions. This process is being used to assist in accomplishing this action, which is now a standard procedure for us.

OIA ASSESSMENT - Complete

OIA met with members of the E&P Division to discuss Recommendation 5 as it relates to the procurement of equipment and materials as well as to observe the Oracle Fusion Procurement Cloud Service audit process. Based on OIA's review, the Oracle Fusion Procurement Cloud Service provides the E&P Division the data needed to review supply and term contract prices, petroleum-based purchasing, and items purchased on contract for HBM, as well as other contracts as needed. In addition, the daily audit of requisitions is helping the E&P Division ensure compliance with ARDOT procurement procedures. OIA concurs this rule is complete.

**ARDOT
Rule**



**In response to
Recommendation 5**

ARDOT Primary Oversight: Assistant Chief Engineer – Program Delivery, Assistant Chief – Administration

If any needed data is not currently tracked, identify, and implement methods of capturing it. This will include the implementation of a software to move ARDOT to electronic bidding for equipment and materials.

- ✓ We initiated implementation of online bidding software for equipment and materials. As part of this implementation, we attended online webinars held by the InfoTech, Inc., which is the same consultant that provides online bidding services for our construction projects. We have completed the training and testing of the software.
- ✓ We are using online bidding for 100 percent of our bids, contracts, and requests for proposals. We continue to incorporate lessons learned to ensure success of the online bidding process.
- ✓ We are tracking and documenting our HBM bids and contracts.
- ✓ Through our online bidding process, we can reach more bidders and we can track who viewed our bid advertisements, which is now a standard procedure for us.
- ✓ We are tracking and documenting our equipment contracts for percent over or under cost estimates, which is now a standard procedure for us.
- ✓ We are tracking and documenting all supply contracts for pricing and percent increase/decrease from previous contracts, which is now a standard procedure for us.

OIA ASSESSMENT - Complete

OIA's report dated September 1, 2023, stated, "Online bidding software, Bid Express, has been implemented." OIA met with members of the E&P Division to discuss Recommendation 5 as it relates to procurement of equipment and materials as well as to observe the Bid Express software. With Bid Express, vendors can readily see the bids advertised by ARDOT which has led to more out of state vendors responding to solicitations. Vendors can sign up to receive a notification when ARDOT issues a solicitation. All of the requirements and the required forms are included in the solicitation. The vendor submits the bid and attaches documents in Bid Express. Vendors get a confirmation email from their submission. Bid Express is only used to accept the bids. The awards can be seen on ARDOT.gov. OIA concurs this rule is complete.

**ARDOT
Rule**



**In response to
Recommendation 5**

ARDOT Primary Oversight: Assistant Chief Engineer – Program Delivery, Assistant Chief – Administration

Perform evaluation of current processes and procedures used with respect to the focus areas and document the practices that yield the best benefits.

- ✓ We are tracking and documenting our most volatile commodity price changes to identify practices that yield the best benefits, which is now a standard procedure for us.
- ✓ We are tracking and documenting our mowing contracts for percent of increase or decrease from the previous contract period, which is now a standard procedure for us.
- ✓ Our tracking and documenting of all supply contracts, mowing contracts, and equipment contracts for pricing and percent increase/decrease from previous contracts are now standard procedures for us.

OIA ASSESSMENT - Complete

OIA met with members from the E&P Division to ask questions related to Recommendation 5 as it relates to the procurement of equipment and materials.

ARDOT's use of term contracts is more efficient than rebidding for materials and services as needed, secures pricing, and allows for specific requirements to be included in the contract. The term contracts are for seven years. The initial term is one year and can be renewed up to six times with both parties agreeing on the renewal. Supply contracts have been put in place for items that are common needs and items that need to be available quickly to address a safety concern or emergency.

Procurement activity is being tracked in spreadsheets. The spreadsheets are a form of cost analysis. The analysis is updated with every contract. Some procurements are so volatile that they are reviewed every quarter. Exorbitantly high bids are researched and compared to current market prices to ensure it is in ARDOT's best interest before awarding the bid. E&P management reviews the analysis. The analysis is provided to the person who requested the bid, it is included with the bid information, and it is provided to the purchasing committee. The information is also shared with the appropriate division head/district to assist in decision making as well as budgeting/forecasting purposes.

ARDOT E&P staff report that there has been an approximate 10% increase in utilizing RFPs. Most RFPs are considered 70% on technical requirements and 30% on cost. The percentages align with the OSP guidelines. The technical part is reviewed and scored prior to the price portion being disclosed. Since the Guidehouse report, ARDOT has been asking that a seven-year cost of ownership analysis be included with the proposal. Bid Express is used for RFPs.

Based on OIA's review, ARDOT has the tools in place to accomplish the focus areas established for the procurement of equipment and materials. OIA concurs this rule is complete.

**ARDOT
Rule**



**In response to
Recommendation 5**

ARDOT Primary Oversight: Assistant Chief Engineer – Program Delivery, Assistant Chief – Administration

If needed, implement new or improved processes and procedures that yield the best benefits.

- ✓ We are updating our *Purchasing and Disposal Process and Procedures* manual which will formalize and enhance statewide oversight by our E&P Division. This manual will help facilitate the training of new employees, as well as increase efficiency and consistency of purchasing throughout the agency. Currently, we are 85 percent complete with this update.
- ✓ We are revising the Purchasing Section of the ARDOT Accounting Manual. We have also submitted the recommended Purchasing Authority and Purchasing Policy to guide the referenced Purchasing Section of the Accounting Manual. The *Purchasing and Disposal Processes and Procedures* manual will align with the Purchasing Section of the Accounting Manual.
- ✓ We continue to utilize State of Arkansas contracts administered by the OSP when advantageous and in the best interest of ARDOT.
- ✓ We increased our use of cooperative procurement agreements that have been formally adopted by the State of Arkansas/OSP when it is determined that they yield the best benefits and/or result in cost savings.

OIA ASSESSMENT – In Progress

The update to the Purchasing and Disposal Processes and Procedures manual is still underway. In a separate effort, the ARDOT Accounting Manual is being updated. The E&P Division is providing information as needed so that the two manuals are aligned.

ARDOT indicated State of Arkansas contracts administered by OSP, and cooperative procurement agreements adopted by OSP, are utilized when advantageous and in the best interest of ARDOT. The decision to use these procurement vehicles is primarily based on price and time savings. OIA reviewed recent examples of ARDOT's use of these procurement vehicles, which included such purchases as an inground scissor lift, office supplies, and copies and managed print services. OIA concurs this rule is in progress of being completed.

**GUIDEHOUSE
Recommendation**

6

**Implement construction
contractor performance
measurement.**

The Subcommittee recommends a construction contractor performance score. ARDOT rigorously monitors contractor quality through inspections but lacks a tool to screen for contractor quality during procurement. By implementing performance-based scoring, ARDOT may improve work quality, safety, and timeliness; reward high-performing contractors; and encourage low-performing contractors to improve.

Implementation:

1. Identify quality indicators (i.e., repeated disincentives, claims, change orders, delays);
2. Develop scoring system to quantify performance; and
3. Track and monitor performance, using indicators and costs. In monitoring contractor performance, the recommendation of the Subcommittee is that the Department coordinate with county judges, mayors, and other municipal leaders to receive feedback regarding contractors performing work for the Department in the municipal leader's jurisdiction.

Considerations:

1. Consider impact for both small and large contractors;
2. Emphasize quantitative approach to minimize any appearance of subjectivity in scoring;
3. Consider an appeals process for contractors to counter scores; and
4. Ensure contractors have a clear path to raise their scores.

**ARDOT
Rule**

1

**In response to
Recommendation 6**

ARDOT Primary Oversight: Deputy Director & Chief Engineer

Establish the CPEC to include ARDOT staff and two representatives from the highway contracting industry. Members should have work experience needed to oversee the development, implementation, and long-term management of this recommendation.

- ✓ The Arkansas Asphalt Paving Association has selected Brad Marotti, from Delta Asphalt, to serve on the Committee.
- ✓ The Arkansas Association of General Contractors has selected Paul Drury, from Capital Midsouth, to serve on the Committee.
- ✓ This action is complete.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. As stated in the rule, CPEC members will oversee the development, implementation, and long-term management of this recommendation. Therefore, CPEC will continue to meet as Recommendation 6 is implemented.

The CPEC met two times between May 1, 2023, and April 30, 2024. OIA obtained meeting minutes from ARDOT and attended both CPEC meetings. The focus of the meetings was to select the projects to participate in the pilot program as well as review the progress of the projects selected. The CPEC also reviewed comments received on the CPEC Manual and discussed needed updates to the manual and evaluation form.

**ARDOT
Rule**

2

**In response to
Recommendation 6**

ARDOT Primary Oversight: Deputy Director & Chief Engineer

Identify metrics that define quality and desired performance of the prime contractor for construction projects.

- ✓ The CPEC Committee completed its review of best practices from other State DOTs. As part of this, the Committee participated in a FHWA Virtual Peer exchange on May 12, 2022. The following State DOT's also participated in this peer exchange: New Mexico, Arizona, California, and Virginia.
- ✓ This action is complete.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

**ARDOT
Rule**

3

**In response to
Recommendation 6**

ARDOT Primary Oversight: Deputy Director & Chief Engineer

Establish how each metric will be used to evaluate the prime contractor.

- ✓ A manual has been drafted and is under review.
- ✓ Seven projects were selected for a pilot application of the draft manual. The contractors were informed of the process and agreed to participate. All these jobs are expected to be completed by Spring 2024.
- ✓ Currently, we are 80 percent complete with this action.

OIA ASSESSMENT - In Progress

The Prime Contractor Performance Report Manual was drafted to guide the resident engineers, district administration, and other personnel in successive steps through the preparation of the Prime Contractor Performance Report. The manual provides a description of each element under the five metrics identified to define quality and desired performance of the prime contractor for construction projects. The five metrics identified were safety (includes five elements), quality (includes four elements), prosecution of work (includes four elements), cooperation (includes four elements), and project management/supervision (includes three elements).

A pilot program was implemented to test adequacy of the Prime Contractor Performance Report Manual and the Prime Contractor Performance Report. Seven projects were selected to participate. Once the pilot program is complete, the CPEC will have data to determine the sufficiency of the identified metrics to evaluate the prime contractor. OIA concurs this rule is in progress of being completed.

**ARDOT
Rule**

4

**In response to
Recommendation 6**

ARDOT Primary Oversight: Deputy Director & Chief Engineer

Develop a form which will be used by the ARDOT Resident Engineer and appropriate stakeholders to document their evaluation of the prime contractor.

- ✓ The committee reviewed specific Contractor evaluation forms from other State DOT's and agreed to utilize Washington State DOT's guidelines and form as a baseline for ARDOT's form. The committee will continue evaluation of this form and guidelines to customize for ARDOT use.
- ✓ Currently, we are 80 percent complete with this action.

OIA ASSESSMENT - In Progress

In OIA's report dated September 1, 2023, OIA discussed that CPEC had created a draft Prime Contractor Performance Report and the Prime Contractor Performance Report Manual.

A pilot program was implemented to test adequacy of the Prime Contractor Performance Report Manual and the Prime Contractor Performance Report. Seven projects were selected to participate. Once the pilot program is complete, the CPEC will have data to determine the sufficiency of the Prime Contractor Performance Report in documenting the evaluation of the prime contractor. OIA concurs this rule is in progress of being completed.

ARDOT Rule



In response to Recommendation 6

ARDOT Primary Oversight: Deputy Director & Chief Engineer

Establish the process of compiling the completed evaluations into the project's final evaluation of the prime contractor.

- ✓ Currently, we are 35 percent complete with this action.
- ✓ We entered a pilot phase for eight different projects which is anticipated to take several months. One of the eight jobs was not awarded to contract. The remaining seven jobs are expected to be completed by Spring 2024.
- ✓ We expect substantial progress to be made as those projects are completed.

OIA ASSESSMENT - In Progress

In OIA's report dated September 1, 2023, OIA stated, "In early 2023, CPEC discussed how to take the numbers and convert them to a contractor score. CPEC has considered a weighted average score to determine the contractor's overall aggregate score at the end of the year. However, discussions related to this topic are ongoing." At the CPEC meeting held on March 3, 2023, the Committee decided that a simple weighted average score would be used to determine the contractor's overall aggregate score at the end of the year.

A pilot program was implemented to test adequacy of the Prime Contractor Performance Report Manual and the Prime Contractor Performance Report. Seven projects were selected to participate. Once the pilot program is complete, the CPEC will have data available to test the calculation decided upon in March 2023 for establishing the process of compiling the completed evaluations into the project's final evaluation of the prime contractor. OIA concurs this rule is in progress of being completed.

**ARDOT
Rule**



**In response to
Recommendation 6**

ARDOT Primary Oversight: Deputy Director & Chief Engineer

Establish a review and appeal process of the project's final evaluation of the prime contractor that is accomplished and completed prior to the results of the evaluation being published.

✓ This action is complete.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

**ARDOT
Rule**



**In response to
Recommendation 6**

ARDOT Primary Oversight: Deputy Director & Chief Engineer

Develop guidance for the type or size of projects where this evaluation will not be used.

✓ Currently, we are 50 percent complete with this action.

OIA ASSESSMENT - In Progress

In OIA's report dated September 1, 2023, OIA stated, "In February 2023, CPEC agreed to initially avoid Alternative Delivery and Construction Manager/General Contractor projects. The meetings and work for this rule are ongoing."

This rule was not discussed at the CPEC meetings held during this reporting cycle: May 3, 2023, or September 19, 2023. OIA concurs this rule is in progress of being completed.

**ARDOT
Rule**



**In response to
Recommendation 6**

ARDOT Primary Oversight: Deputy Director & Chief Engineer

Solicit stakeholder comments regarding the identified process for this recommendation.

- ✓ This effort is continually ongoing through comments and feedback from Industry, by including one committee member representing Arkansas Asphalt Paving Association, and one committee member representing the Arkansas Association of General Contractors.

OIA ASSESSMENT - Ongoing

The effort of soliciting stakeholder comments is continually ongoing through comments and feedback from industry, by including one committee member representing the Arkansas Asphalt Paving Association, and one committee member representing the Arkansas Association of General Contractors. Based on OIA's review of CPEC meeting minutes and observation at CPEC meetings, there has been industry representation and input at each meeting.

Additionally, CPEC solicited feedback on the draft Prime Contractor Performance Report Manual from the ARDOT District Engineers, ARDOT District Construction Engineers, ARDOT Resident Engineers, ARDOT State Construction Engineer, and the Assistant Chief Engineer-Maintenance. Sixty-one comments\questions were received from five employees. OIA reviewed the comments\questions received and the committee's responses. Sixteen changes will be implemented as a result of the comments received.

A pilot program was implemented to test adequacy of the Prime Contractor Performance Report Manual and the Prime Contractor Performance Report. Seven projects were selected to participate. Once the pilot program is complete, OIA anticipates further stakeholder comments will be solicited. OIA concurs the actions associated with this rule are ongoing.

**ARDOT
Rule**



**In response to
Recommendation 6**

ARDOT Primary Oversight: Deputy Director & Chief Engineer

Finalize the process for this recommendation.

OIA ASSESSMENT - Not Started

The process is still in the development phase. This rule has not been started because completion of preceding rules is required before implementation.

EXPENDITURES

FOCUS AREA 4

GUIDEHOUSE Recommendation



Implement project and portfolio management frameworks.

Subcommittee recommends adopting a project and portfolio management framework. ARDOT's pre-construction, construction and maintenance Project Portfolio Management systems vary in maturity. Enhancing these systems with leading Project Portfolio Management practices and a PMO may allow ARDOT to more effectively budget, plan, execute, and communicate on its portfolio of construction projects and maintenance activities.

Implementation:

1. Catalog existing Project Portfolio Management capabilities and identify baseline and target;
2. Identify gaps in Project Portfolio Management (e.g., pre-construction resource planning);
3. Establish a PMO and Governance, and build on existing strengths and capabilities; and
4. Phase deployment, develop tools, and train staff members.

Considerations:

1. Will require Department-wide effort to unify disparate initiatives and assets and build out Project Portfolio Management framework; a qualified vendor can expedite this process;
2. Implementation of Project Portfolio Management/PMO will be perceived as overhead, but will yield long-term benefits; and
3. Change management and new IT applications may be required.

CONSTRUCTION PROJECTS

ARDOT Rule

1a

In response to Recommendation 7

ARDOT Primary Oversight: Assistant Chief Engineer - Maintenance

Evaluate the need for a Construction PMO.

- ✓ The Program Management Division currently serves as the PMO for pre-construction projects while Construction Division serves as the PMO for construction projects. The noted Divisions will continue in their assigned roles as this recommendation is implemented.
- ✓ This action is complete.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

ARDOT Rule

2a

In response to Recommendation 7

ARDOT Primary Oversight: Assistant Chief Engineer - Maintenance

Review existing planning and project management protocols currently in use by ARDOT to determine the software used and their capabilities for construction projects.

- ✓ A new software system was implemented to assist with the planning of projects. This system allows for suggested projects to be entered into a database which streamlines the project submission process. This software will be enhanced as part of this recommendation.
- ✓ Additionally, the software used to track pre-construction project development activities was recently enhanced to provide additional data, which will also be incorporated into this recommendation.
- ✓ This action is complete.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

**ARDOT
Rule**



**In response to
Recommendation 7**

ARDOT Primary Oversight: Assistant Chief Engineer - Maintenance

Prepare a comparison of the planning and project management protocols currently in use by ARDOT for construction projects against systems and processes used by other state DOTs to identify potential benefits from the implementation of the identified systems.

- ✓ This action is complete.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

**ARDOT
Rule**



**In response to
Recommendation 7**

ARDOT Primary Oversight: Assistant Chief Engineer - Maintenance

Select identified systems and processes for implementation.

- ✓ Efforts are underway to enhance our current construction project documentation software, AASHTOWare Project. This software was developed in collaboration with other state Departments of Transportation. The new web-based system will provide additional reporting tools for project monitoring. Currently, we are working with our consultant, InfoTech, Inc., to complete customization of the software, identification, and implementation of needed changes to our current procedures while we work toward completing this upgrade.
- ✓ Enhancement of the AASHTOWare Project software identified the need to develop online forms to be used by our staff to document construction project activities.
- ✓ Currently, we are 83 percent complete with this action.

OIA ASSESSMENT - In Progress

The enhancement of AASHTOWare Project is still underway. OIA concurs this rule is in progress of being completed.

**ARDOT
Rule**



**In response to
Recommendation 7**

ARDOT Primary Oversight: Assistant Chief Engineer - Maintenance

Coordinate implementation of the selected systems and processes with implementation of Recommendation 3 to enhance publication of the status of construction projects.

OIA ASSESSMENT - Not Started

This rule has not been started because completion of preceding rules is required before implementation.

**ARDOT
Rule**



**In response to
Recommendation 7**

ARDOT Primary Oversight: Assistant Chief Engineer - Maintenance

Provide needed training to implement the selected systems and processes.

OIA ASSESSMENT - Not Started

This rule has not been started because completion of preceding rules is required before implementation.

MAINTENANCE PROJECTS

**ARDOT
Rule**



**In response to
Recommendation 7**

ARDOT Primary Oversight: Assistant Chief Engineer - Maintenance

- Evaluate the need for a Maintenance PMO.
- ✓ The Maintenance Division serves as the PMO for maintenance projects. They will continue in their assigned role as this recommendation is implemented.
 - ✓ This action is complete.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

**ARDOT
Rule**

2b

**In response to
Recommendation 7**

ARDOT Primary Oversight: Assistant Chief Engineer - Maintenance

Finalize the review of existing planning and project management protocols currently in use by ARDOT to determine the software used and their capabilities for maintenance projects.

- ✓ Efforts are underway to develop and implement a MMS. As part of this effort, we participated in a Domestic Scan Peer Exchange with other state DOTs to learn how they utilize software to manage their maintenance efforts based on asset condition. We met with the following state DOTs: North Carolina, Mississippi, and Louisiana, and visited onsite with the Texas DOT to evaluate how each state uses MMS to accomplish maintenance projects. We also evaluated NCHRP reports to assist in our development of how we will use our MMS to manage our maintenance projects.
- ✓ In November 2021, the Commission selected DTS, LLC to provide this system.
- ✓ Negotiations with DTS, LLC were completed, and the contract was submitted to this Subcommittee on August 25, 2022. The Subcommittee considers this contract to be reviewed.
- ✓ The Department executed a contract with DTS, LLC, to implement this software.
- ✓ This action is complete.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

**ARDOT
Rule**

3b

**In response to
Recommendation 7**

ARDOT Primary Oversight: Assistant Chief Engineer - Maintenance

Prepare a comparison of the planning and project management protocols currently in use by ARDOT and those that will be provided by the MMS for maintenance projects against systems and processes used by other state DOTs to identify potential benefits from the implementation of the identified systems.

- ✓ This action is complete.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

**ARDOT
Rule**



**In response to
Recommendation 7**

ARDOT Primary Oversight: Assistant Chief Engineer - Maintenance

Select identified systems and processes for implementation.

- ✓ This action is underway and will continue as we implement the MMS.
- ✓ Currently, we are 80 percent complete with this action.

OIA ASSESSMENT - In Progress

The implementation of the MMS is still underway. OIA concurs this rule is in progress of being completed.

**ARDOT
Rule**



**In response to
Recommendation 7**

ARDOT Primary Oversight: Assistant Chief Engineer - Maintenance

Coordinate implementation of the selected systems and processes with implementation of Recommendation 3 to enhance publication of the status of maintenance projects.

OIA ASSESSMENT - Not Started

This rule has not been started because completion of preceding rules is required before implementation.

**ARDOT
Rule**



**In response to
Recommendation 7**

ARDOT Primary Oversight: Assistant Chief Engineer - Maintenance

Provide needed training to implement the selected systems and processes.

OIA ASSESSMENT - Not Started

This rule has not been started because completion of preceding rules is required before implementation.

**GUIDEHOUSE
Recommendation****Implement best practices
in construction project
design.**

The Subcommittee recommends adopting, implementing, and documenting best practices in construction project design. ARDOT lacks formal frameworks to ensure the consistent use of best practices in construction design, limiting their ability to demonstrate cost savings and strengthen institutional knowledge. By adopting and documenting such procedures, ARDOT may reduce project costs and improve achievement of system targets.

Implementation:

1. Develop formal framework around use of performance-based practical design;
2. Conduct VE earlier in design (i.e., at 30 percent complete) and more often; and
3. Evaluate gap between original bid and final payment amounts to inform best practices in design.

Considerations:

1. Not all projects are well suited to or would benefit from such approaches; frameworks should identify when to use them; and
2. ARDOT is already employing many of these practices, so implementing this recommendation will not require creation of new technical practices; rather, formalizing and documenting existing practices.

**ARDOT
Rule**

1

**In response to
Recommendation 8**

ARDOT Primary Oversight: Assistant Chief Engineer - Design

Establish formal procedures for practical design, VE, and a comparison of engineer's estimates against final cost.

- ✓ This action is complete.
- ✓ Practical Design - The formalization of this process has been completed and approved by management.
- ✓ VE - While VE of projects was being accomplished according to FHWA guidelines, the Design Staff revisited the process and made the following updates and additions:
 - The VE Guidelines and Procedures Manual was updated and distributed October 2021 encouraging additional projects that have the highest potential for value improvements be considered for the VE process. The additional screening criteria included, but was not limited to, the following:
 - More than one alternative solution
 - Relative complexity in design
 - Accelerated time schedule in planning and design phases
 - Opportunity for implementation of state-of-the-art practices
 - Complicated maintenance of traffic requirements
 - A VE Flow Chart was developed to aid Engineers in determining when a project meets the criteria for VE.
 - An additional entry was added to the Design Decision Document stating the results of the Flow Chart determination.
 - Additional entries will be made in the ARDOT Staff Minutes alerting staff of the VE requirements for each project.
- ✓ Comparison of the Engineer's Estimate Against Final Cost
 - Design Staff will continue to review the overruns and underruns of contract pay items when the project is completed and finalized. Any revisions to current design practices, deemed necessary by the Roadway Design Engineer, will be submitted in writing to the Assistant Chief Engineer - Design for review.

OIA ASSESSMENT - Complete

OIA's report dated September 1, 2023, stated, "OIA's review of the VE Guidelines and Procedures Manual dated October 2021, VE Flow Chart, Design Decisions form, and the annual VE Program Evaluation Report indicate that formal procedures are in place for VE."

ARDOT added an appendix and flowchart for Performance Based Practical Design to their Roadway Design Plan Development Guidelines to provide engineers with additional guidance on how to design safe and efficient projects that focus on solving identified problems and producing outcomes, while recognizing limited financial resources and the need to spend public funds wisely with a long-term, system-wide outlook in Arkansas.

While the procedures for the comparison of the engineer's estimate against final cost are not written, ARDOT's Roadway Design Division confirms that the current practice is to review overruns and underruns of contract pay items when projects are completed and finalized. Then communication takes place between the appropriate division head and the Assistant Chief Engineer-Design for consideration of any revisions to current design practices that may be deemed necessary as a result of the review. The Roadway Design Division reports that the Arkansas State Highway Commission adopted the AASHTO Practical Guide to Cost Estimating as the policy for developing construction estimates. This guidance is used while aligning with bid-based cost history. OIA concurs this rule is complete.

**ARDOT
Rule**

2

**In response to
Recommendation 8**

ARDOT Primary Oversight: Assistant Chief Engineer – Design

Establish the analysis which will identify benefits, cost savings, and return of investment from the use of practical design, VE, and a comparison of engineer's estimates against final cost.

- ✓ This action is complete.
- ✓ Design Staff record cost savings from the implementation of practical design elements during the design process. This is accomplished through the use of a Microsoft Access database which enhances our ability to perform analysis of the data. The staff will expand the recording of cost savings to the VE process if/when those savings present themselves.
- ✓ Cost Savings realized in 2021 was \$116 million.
- ✓ Cost Savings realized in 2022 was \$59 million.
- ✓ Cost Savings realized in 2023 was \$19.5 million.

OIA ASSESSMENT - Complete

OIA reviewed the 2021, 2022, and 2023 Roadway Design Cost Savings reports. The savings reported are from the implementation of Practical Design elements during the design process. As discussed at the August 24, 2023, HCRAS meeting, ARDOT designs a project and then looks for ways to reduce the cost. This practice has been done for years, however, ARDOT did not track the related cost savings. The reported amounts are what ARDOT has been able to put together since the Guidehouse recommendations occurred. This is an effort by ARDOT staff to take the original design and compare it to the design that has been modified in order to save as much cost as possible.

ARDOT utilizes Roadway Design Plan Development Guidelines, as well as various AASHTO and FHWA manuals and guides, during the design decision process. ARDOT does not have a cost savings procedure formally documented. Therefore, no formal documentation was provided to demonstrate how the savings were calculated.

The Roadway Design Cost Savings reports were utilized by OIA to select a judgmental sample of all projects reporting a cost savings of \$1 million or more which resulted in a sample of 32 from the total population of 83. OIA reviewed the documentation provided by ARDOT for each item in the sample. OIA made no attempt to validate the design decisions, or the lengths used in the calculations. OIA reviewed the documentation provided to validate the costs used in the calculations. Nine of the 32 items in the sample were reviewed for OIA's report dated September 1, 2023, and deemed to have sufficient documentation. The remaining 23 items were reviewed for this report. ARDOT engineers utilize several resources to determine the costs used in the savings calculations including consultants, engineer's judgement, historical pricing, weighted average unit prices, and estimated CPM sheets. The CPM sheets state, "This sheet is intended to aid planners in obtaining a rough estimate for projects in early planning phases. The figures are averages for the past three years and should be adjusted if your job is outside the ordinary scheme of work." The majority of the costs validated by OIA utilized weighted average unit prices and CPM sheets. Based on OIA's review, ARDOT reported a reasonable representation of savings through the Practical Design process. OIA concurs this rule is complete.

**ARDOT
Rule**



**In response to
Recommendation 8**

ARDOT Primary Oversight: Assistant Chief Engineer - Design

Establish processes which will identify needed changes to design approach for projects most likely to have change orders that exceed estimated completion dates and are likely to benefit from practical design solutions.

- ✓ A draft Constructability Review Procedures Manual has been created and submitted to management for review. The manual will establish uniform policies and procedures for Constructability reviews within ARDOT.

OIA ASSESSMENT - In Progress

The draft Constructability Review Procedures Manual is under management review. OIA concurs this rule is in progress of being completed.

INFORMATION TECHNOLOGY

FOCUS AREA 5

GUIDEHOUSE Recommendation



Build an IT Governance Structure to guide the Department's IT investments.

The Subcommittee recommends building an IT governance structure to determine ARDOT's IT investments. ARDOT's IT investments have grown 155 percent since FY 2016 to \$23M in FY 2020 under unclear enterprise level guidance. Leading practices suggest that establishing a formal governance structure will enable the IT Division of ARDOT to support business objectives, help optimize ARDOT operations, manage enterprise risk, and meet internal and external stakeholder needs.

Implementation:

1. Lay the groundwork to establish a robust governance structure;
2. Establish a governance structure that identifies a cross-section of business and IT personnel to create a charter and decision-making framework; and
3. Create and execute on a governance roadmap; measure and communicate progress.

Considerations:

1. This is an ongoing process;
2. Leadership support is needed;
3. Emphasize how IT enables business performance and reduces risk; and
4. Cascading of enterprise level goals through the IT Division to actual underlying processes.

ARDOT Rule



In response to Recommendation 9

ARDOT Primary Oversight: Assistant Chief – Administration

Establish an IT Governance Committee made up of ARDOT leadership including the appropriate Assistant Chiefs and Division Head that reports through the Chief – Administration to the Director.

- ✓ This action is complete. The committee met with all District Engineers and Division Heads to inform them of the goals of this committee.

OIA ASSESSMENT - Complete

In OIA’s report dated September 1, 2023, OIA concurred that this rule was complete. The Technology Steering Committee will continue to meet to fulfill its purpose. The Committee met three times between May 1, 2023, and April 30, 2024. OIA obtained meeting minutes from ARDOT and attended these meetings.

As a result of the ARDOT reorganization, the Committee members changed to include the Assistant Chief-Administration (Chair), Assistant Chief Engineer-Planning, Assistant Chief Engineer-Design, Assistant Chief Engineer-Program Delivery, Assistant Chief Engineer-Construction, Assistant Chief Engineer-Maintenance, Chief Fiscal Officer, and Chief Information Officer.

ARDOT Rule



In response to Recommendation 9

ARDOT Primary Oversight: Assistant Chief – Administration

Establish a framework and charter for the Committee.

- ✓ Meetings were held in June 2022 to develop a draft framework and charter.
- ✓ The Committee adopted the final version of the framework and charter at the meeting in October 2022. This action is complete.

OIA ASSESSMENT - Complete

In OIA’s report dated September 1, 2023, OIA concurred that this rule was complete.

The Technology Committee Charter was updated on December 19, 2023. Three small verbiage changes were made to the Committee Responsibilities section, the Committee members were updated due to the ARDOT reorganization, and several changes were made to the Procedures section. Based on OIA’s review of the changes and discussion with ARDOT leadership, the changes to the charter are reasonable.

**ARDOT
Rule**

3

**In response to
Recommendation 9**

ARDOT Primary Oversight: Assistant Chief – Administration

Establish governance focus areas and priorities.

- ✓ Meetings were held in June 2022 to begin identification of focus areas and priorities for the Committee.
- ✓ The Committee adopted focus areas and priorities at the meeting in October 2022.
- ✓ This action is complete.

OIA ASSESSMENT – Complete

In OIA’s report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

**ARDOT
Rule**

4

**In response to
Recommendation 9**

ARDOT Primary Oversight: Assistant Chief – Administration

Establish needed subcommittees to address each focus area.

- ✓ The IT Governance Committee determined that subcommittees are not needed at this time. This action is complete.

OIA ASSESSMENT – Complete

In OIA’s report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

**ARDOT
Rule**

5

**In response to
Recommendation 9**

ARDOT Primary Oversight: Assistant Chief – Administration

Establish a framework and charter for each subcommittee.

- ✓ Since no subcommittees are needed at this time, this action is complete.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

ARDOT Rule



In response to Recommendation 9

ARDOT Primary Oversight: Assistant Chief - Administration

Establish frequency for committee and subcommittee meetings.

- ✓ The Committee established the frequency of their meetings at their meeting in October 2022.
- ✓ This action is complete.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete.

As discussed for Rule 2, the Technology Committee Charter was updated on December 19, 2023. One of the changes under the Procedures section was to change the meeting frequency from quarterly to annually unless more frequent meetings are needed. The change was made as ARDOT did not want to require a quarterly meeting if there was nothing to discuss. However, they acknowledged that at a minimum the Technology Steering Committee would need to meet annually to discuss the technology budget. Based on OIA's review of the change and discussion with ARDOT leadership, the change to the meeting frequency is reasonable.

ARDOT Rule



In response to Recommendation 9

ARDOT Primary Oversight: Assistant Chief - Administration

Identify KPIs to evaluate performance.

- ✓ The Committee plans to review the KPIs developed by the KPI Oversight Committee (see Recommendation 1) to determine which of those KPIs will be used to evaluate IT governance in the future. Additional KPIs may be suggested by members of the Committee for consideration.

OIA ASSESSMENT - In Progress

While the Technology Steering Committee has discussed developing KPIs, KPIs to evaluate performance have not been identified. OIA concurs this rule is in progress of being completed.

**GUIDEHOUSE
Recommendation**

10

Implement mid-term IT initiatives that can optimize business operations.

The Subcommittee recommends the adoption of IT initiatives that optimize business operations. ARDOT spends ~\$5.3M on software applications and has 300+ databases. Implementing leading data management and software application rationalization practices can deliver cost savings and unlock data value.

Implementation:

1. Build a software application and database inventory;
2. Assess and score each software application and database;
3. Identify target state for each application and database; and
4. Build phased roadmap for migration processes.

Considerations:

1. Requires upfront investment to yield mid-to long-term savings;
2. Requires leadership buy-in and change management to overcome resistance and assist staff in shifting to a new model;
3. Requires software application such as the planned ITSM tool; and
4. Requires implementation plan for continuity of operations.

**ARDOT
Rule**

1

**In response to
Recommendation 10**

ARDOT Primary Oversight: Assistant Chief – Administration

Determine preliminary ARDOT data governance and application development standards.

✓ This action is complete.

OIA ASSESSMENT - Complete

In OIA’s report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

**ARDOT
Rule**

2

**In response to
Recommendation 10**

ARDOT Primary Oversight: Assistant Chief – Administration

Complete the existing application and database inventory including known policies, procedures, training and database schema categorized by business function.

✓ This action is complete.

OIA ASSESSMENT - Complete

In OIA’s report dated September 1, 2023, OIA described the review of the application inventory and database inventory provided by ARDOT. In addition, OIA stated, “Rule 2 also includes known policies, procedures, training, and database schema categorized by business function. Testing on this portion of the rule has not yet been performed. Therefore, OIA will not issue an opinion for this review cycle.”

OIA reviewed an updated spreadsheet listing of ARDOT’s application inventory that included a notation for whether ARDOT had policies, procedures, and training for each application. Of the 54 applications listed, none have policies, five have procedures, and none have training.

OIA reviewed an updated spreadsheet listing of ARDOT’s database inventory that included a notation for whether ARDOT had policies, procedures, training, and database schema for each database. Of the 934 databases listed, none have policies, procedures, training, or database schema.

ARDOT lacks policies, procedures, training, and database schema for the applications and databases identified in the inventory process. Once ARDOT determines the applications and databases that will be retained, creating this documentation will be done as part of Rules 5 and 6. OIA concurs this rule is complete.

ARDOT Rule



In response to Recommendation 10

ARDOT Primary Oversight: Assistant Chief – Administration

Establish application and database scoring system based on business function relevancy, risks, and cost of ownership.

- ✓ This action is complete for the application component.
- ✓ The data survey and assessment being completed by the KPI Oversight Committee (see Recommendation 1) will include all data sources, and that information will be used by to score each database for the purposes of this recommendation.
- ✓ A revised draft data survey was resubmitted to the Recommendation #1 Oversight Committee. The members of the committee will provide input regarding survey recipients. Workshops will be held for survey recipients prior to their completion of the survey.

OIA ASSESSMENT - In Progress

In OIA’s report dated September 1, 2023, OIA reviewed the scoring system for ARDOT developed applications and concurred the rule was complete for the application component.

A scoring system has not been established for databases. A data survey is being conducted as part of Recommendation 1. The data survey seeks to gather all data sources. The information will be used to establish a scoring system for databases for the purposes of Recommendation 10. OIA concurs this rule is in progress of being completed.

ARDOT Rule



In response to Recommendation 10

ARDOT Primary Oversight: Assistant Chief – Administration

Review and validate scoring assessment with internal SMEs.

- ✓ This action is complete for the application component.

OIA ASSESSMENT - In Progress

In OIA's report dated September 1, 2023, OIA evaluated the review and validation of the scoring assessment of ARDOT developed applications and concurred the rule was complete for the application component.

A scoring system has not been established for databases. Therefore, a review and validation by internal SMEs cannot yet be conducted. OIA concurs this rule is in progress of being completed.

ARDOT Rule



In response to
Recommendation 10

ARDOT Primary Oversight: Assistant Chief - Administration

Create an overall assessment for all applications and databases in the inventory, which will, in part, evaluate the security and configuration of each one.

- ✓ This action is underway.
- ✓ Currently, we are 50 percent complete.

OIA ASSESSMENT - In Progress

ARDOT is in the beginning stages of creating an overall assessment for all applications and databases in the inventory. OIA concurs this rule is in progress of being completed.

ARDOT Rule



In response to
Recommendation 10

ARDOT Primary Oversight: Assistant Chief - Administration

Establish a phased approach for implementation based on the needed actions as identified in the assessment as follows:

- Phase 1 - Retain as is or eliminate
- Phase 2 - Re-engineer
- Phase 3 - Migrate
- ✓ Initial training with software that will be used to develop and deploy modernized applications is now underway

OIA ASSESSMENT - In Progress

This rule has not been started because completion of preceding rules is required before implementation. However, ARDOT's Application Services team has participated in training on tools that are expected to be used in implementing this rule.

**GUIDEHOUSE
Recommendation**

Develop critical pillars necessary to establish IT as an effective business partner.

The Subcommittee recommends developing the critical pillars within ARDOT to establish the IT Division as an effective business partner. Currently, ARDOT's IT Division is not able to definitively articulate what services it will deliver, when it will deliver them, and its standards for effective delivery. Implementing an ITSM framework may yield enhanced IT service delivery, improved internal customer satisfaction, and reduced IT costs.

Implementation:

1. Establish baseline policies and procedures, and preliminary service catalog;
2. Select appropriate software tools; and
3. Establish a long-term ITSM Plan that includes appropriate communications and training to staff, and mature service catalog.

Considerations:

1. Yield quick wins by establishing a basic service catalog and standards, capturing IT demand, and tracking requests;
2. Include recommended project management infrastructure in the long-term ITSM plan; and
3. Communication and training will be critical to mitigate resistance to change.

**ARDOT
Rule**



**In response to
Recommendation 11**

ARDOT Primary Oversight: Assistant Chief – Administration

Evaluate industry standards and protocols for ITPM.

- ✓ This action is complete.

OIA ASSESSMENT – Complete

In OIA’s report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

**ARDOT
Rule**



**In response to
Recommendation 11**

ARDOT Primary Oversight: Assistant Chief – Administration

Select a preliminary set of ITPM tools, templates, and success metrics.

- ✓ We have selected Smartsheet Enterprise as our project management software which provides us with tools and templates we need to measure our success metrics.
- ✓ This action is complete.

OIA ASSESSMENT – Complete

For OIA’s report dated September 1, 2023, OIA reviewed documentation and screenshots for Smartsheet as well as tested the success metrics provided. OIA concurred this rule was complete. However, OIA stated, “OIA has not reviewed a demonstration of Smartsheet but will do so in the next review cycle.”

OIA reviewed a demonstration of Smartsheet on May 6, 2024, and confirmed that the IT Division is utilizing Smartsheet for project management. Two other divisions have expressed interest in implementing Smartsheet. In addition, ARDOT utilized Smartsheet outside of project management as it was used to develop the Data Survey for Recommendations 1 and 10. OIA’s review of this rule is complete.

**ARDOT
Rule**

3

**In response to
Recommendation 11**

ARDOT Primary Oversight: Assistant Chief – Administration

Establish and provide training to staff members to implement the ITPM tools, templates, and success metrics.

✓ This action is complete.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

**ARDOT
Rule**

4

**In response to
Recommendation 11**

ARDOT Primary Oversight: Assistant Chief – Administration

Complete implementation of the ITSM already selected and installed at ARDOT including:

- Service desk capabilities;
✓ This action is complete.
- Service catalog management;
✓ This action is complete.
- Risk management;
✓ This action complete.
- Asset catalog;
✓ This action is complete.
- Project Management capabilities including tracking and reporting.
✓ This action is complete.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA reviewed the service desk capabilities and service catalog management implemented in phase one for CSM and discussed ARDOT's plan for phases two and three. OIA reviewed a demonstration of CSM on May 6, 2024, and confirmed that the IT Division is utilizing CSM for incident management and service request management.

Risk management has been implemented but is not currently being used. Currently, there is a spreadsheet template that is being used which will eventually be loaded into the risk management module.

Asset management\Ivanti Neurons Discovery Tool allows the IT Division to track all IT related assets including devices (with warranty information), versions of Microsoft Windows, applications, and memory. ARDOT provided a copy of the CSM asset catalog which currently contains 2,806 assets including computers and servers.

The project management capabilities have been implemented but are not being utilized. CSM does not provide the appropriate project management functionality that is needed at ARDOT. Therefore, ARDOT implemented Smartsheet as its project management solution.

Phase 3 of ARDOT's ITSM implementation will include beginning to utilize change management and problem management as well as expanding asset management utilizing the Ivanti Neurons Discovery Tool. Phase 3 will also include migrating to a new Ivanti/CSM "converged" software solution. The desired customization will be done in the new solution versus doing it in the current ITSM and migrating over. As reported in OIA's report dated September 1, 2023, under Rule 5, Ivanti acquired CSM in 2021.

While OIA concurs implementation of the CSM tool is complete, it is recognized that certain components of the tool will not be utilized. The utilization of various components is expected to be expanded; in addition, a migration is required due to the Ivanti acquisition.

**ARDOT
Rule**



**In response to
Recommendation 11**

ARDOT Primary Oversight: Assistant Chief – Administration

Establish a multi-year long-range plan for management and use of the ITSM.

✓ This action is complete.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

PEOPLE CAPABILITIES

FOCUS AREA 6

GUIDEHOUSE Recommendation

12

**Ensure staff can develop
in their careers at the
Department.**

The Subcommittee recommends developing a career development plan for ARDOT employees. Nearly half of ARDOT staff do not believe they can advance their careers, and turnover is rising. By developing career ladders and lattices, ARDOT may increase retention, reduce turnover related costs, strengthen its talent pipeline, and improve morale. In addition, the Subcommittee recommends the State Highway Commission establish a merit pay system for employees of the Department that incorporates performance evaluation standards, including an employee's attendance, completion of projects and assignments, and increased competence in the employee's job duties.

Implementation:

1. Verify roles at high risk of turnover and important to succession planning;
2. Conduct compensation study;
3. Develop and publicize career, skill, and salary progression;
4. Promote buy-in among staff for the performance-based pay and evaluation practice; and
5. Implement a merit pay system that incorporates employee performance evaluation standards.

Considerations:

1. Ability to promote may be limited by low turnover in desirable positions – consider career lattices when traditional career ladders are inaccessible; and
2. Career development activities are closely aligned with training and KM.

**GUIDEHOUSE
Recommendation**

13

**Improve staff
capabilities to align with
current/future
organizational needs.**

The Subcommittee recommends ARDOT improve staff capabilities to align with the current and future needs of ARDOT. Staff and supervisors report that training resources are limited. By strengthening training, ARDOT may improve job satisfaction and retention, increase productivity, and instill confidence in staff who then become more willing and able to take on greater responsibility within ARDOT.

Implementation:

1. Align trainings to job descriptions and career planning activities;
2. Identify and fill training gaps;
3. Assign trainings as part of performance evaluation process;
4. Reinstitute manager training;
5. Consider cross-training in high turnover districts and positions; and
6. Consider formalizing on-the-job, practical training.

Considerations:

1. Training will likely need to be updated over time, for example as new equipment is used or new programs are developed;
2. Training need not be restricted to entry-level roles, senior level employees can benefit as well; and
3. Priorities must be identified to focus rollout on training where it will have the most impact.

The Rules for Recommendations 12 and 13 should be combined into one set of actions since they are so closely connected.

**ARDOT
Rule**

1

**In response to
Recommendations
12 and 13**

ARDOT Primary Oversight: Assistant Chief – Administration

Continue to monitor turnover and identify high turnover positions that are important to ARDOT’s continuity of operations for accomplishment of the Strategic Plan.

- ✓ This action is complete.
- ✓ The most common reasons for turnover and the groups of employees which appear to be the least engaged are identified biannually as part of the Employee Engagement Survey. The survey results are used to refine our Workforce Strategic Plan which supports the overall ARDOT Strategic Plan and enhances our ability to provide continuity of operations.
- ✓ We calculate turnover rates by job category quarterly to identify trends and high turnover groups. This information is used to identify actions that can be taken to increase retention and enhance our ability to provide continuity of operations.

OIA ASSESSMENT - Complete

In OIA’s report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

**ARDOT
Rule**

2

**In response to
Recommendations
12 and 13**

ARDOT Primary Oversight: Assistant Chief – Administration

Continue implementing the existing Workforce Strategic Plan, and adjust as needed, in order to mitigate the impact of turnover and increase employee engagement.

- ✓ This action is complete.
- ✓ The Workforce Strategic Plan is adjusted every two years upon receipt of the Employee Engagement Survey results and is also adjusted as needed when the ARDOT Strategic Plan is revised.
- ✓ The Workforce Strategic Plan has been updated to correspond with the 2023-2028 ARDOT Strategic Plan.

OIA ASSESSMENT - Complete

ARDOT indicated that the Strategic Workforce Plan is updated every two years upon receipt of the Employee Engagement Survey results and is also adjusted as needed when the ARDOT Strategic Plan is revised.

The last Employee Engagement Survey was conducted in February\March 2023. ARDOT updated their Strategic Plan and their Strategic Workforce Plan in 2023. ARDOT's 2023-2028 Strategic Plan includes four goals with strategic objectives listed for each goal. The 2023-2028 Strategic Workforce Plan is modeled from the Strategic Plan and includes the same four goals. The relevant strategic objectives are included with points under each one on how the objective will be accomplished.

OIA reviewed the results from the 2023 Employee Engagement Survey. Overall, there was a positive trend from the prior survey. OIA noted the comments in the survey in which the overall average yielded a result of less than high performing and then reviewed the objectives in the Strategic Workforce Plan to see if the areas were addressed. Of the twelve comments reviewed, six are specifically addressed in the Strategic Workforce Plan; one is addressed by Recommendation 12/13 Rules 3 and 5; two are addressed by ARDOT conducting Employee Engagement Surveys, including Employees as a goal in the Strategic Plan, and having a separate Strategic Workforce Plan; and three are not specifically addressed. OIA's review confirmed that ARDOT has made an effort to address employee comments expressed in the most recent Employee Engagement Survey. OIA concurs this rule is complete.

**ARDOT
Rule**

3

**In response to
Recommendations
12 and 13**

ARDOT Primary Oversight: Assistant Chief – Administration

Continue to establish how pooled positions can be used to properly align our employee's compensation with their competencies and responsibilities.

- ✓ This action is complete.
- ✓ During the SFY 2022-2023 appropriation cycle, we incorporated the use of pooled positions for the first time. Approximately 64 percent of our appropriated positions were pooled, giving us flexibility to create career ladders and lattices for our employees.
- ✓ For SFY 2024-2025, we submitted a plan to expand existing pools and add additional pools. Our budget proposal was approved by the full legislature and enacted, which means approximately 97 percent of our appropriated positions are pooled, giving us even greater flexibility to provide opportunities for employees to advance their careers, within budget constraints.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

**ARDOT
Rule**



**In response to
Recommendations
12 and 13**

ARDOT Primary Oversight: Assistant Chief – Administration

Identify and publicize the steps required for advancement within career paths with respect to competencies, experience, training, and certifications.

- ✓ This action is complete.
- ✓ We placed HR Specialists in every District to improve communications with field employees and give employees direct access to someone who can help with career development and coaching.
- ✓ We implemented a Career Path Promotion Program that allows employees to promote along established career paths by meeting certain measurable objectives. Eligibility criteria is published so that employees are aware of the objectives they must meet to be eligible for consideration.
- ✓ A centralized library of Career Path Promotion Program documents, that include steps in the process and minimum requirements, was created on our Intranet and linked through our Human Resource Information System. All employees have access to this information.
- ✓ Career Path Promotion Program documents have been developed for the most common career path promotions and are available to employees and supervisors as stated above. Additional career path promotion processes and associated documents will be developed and published as needed.

OIA ASSESSMENT – Complete

OIA reviewed documentation to confirm that a HR Specialist was assigned to each district. The primary office of these HR Specialists is at the district headquarters office for the district they serve for direct access by employees.

ARDOT implemented a Career Path Promotion Program. The Program was designed to provide a more streamlined and efficient process for promoting employees within established career paths. To make this program possible, ARDOT pooled many career path positions, providing the flexibility to fill eligible positions without advertising. As an employee gains more knowledge, skills, and abilities; pooled positions provide a logical career path progression. OIA reviewed the Career Path Promotion Program Opportunities document which is a question-and-answer document to provide employees information about the program.

OIA reviewed the Career Path Promotion Process documents developed by ARDOT. Each process document includes how the promotion is initiated and the types of questions to include in the interview script and written assessment. The process document also includes a step-by-step

procedure from the initial contact of the candidate, the interview and skills assessment process, and how the review panel should handle the promotion decision-making process.

The library of Career Path Promotion Program documents is available on the ARDOT Intranet site and linked through the HR Information System. OIA observed the documents on the ARDOT Intranet site and noted that the information was easy to find and navigate. The documents were organized in list form with filters and sort functionality available. There is also a tile for the Career Path Promotion Program on the UKG Pro (ARDOT's HR system) native application that can be accessed from an employee's mobile devices.

Employees were made aware of the Career Path Promotion Program and the library of documents through email communication, staff meetings, supervisor communications and meetings, talking with HR Specialists, new employee orientation, and the video screens. OIA concurs this rule is complete.

**ARDOT
Rule**

5

**In response to
Recommendations
12 and 13**

ARDOT Primary Oversight: Assistant Chief – Administration

Consider the benefit of a compensation study.

- ✓ This action is complete.
- ✓ We hired an experienced Classification and Compensation Specialist to analyze compensation trends, develop a compensation strategy, monitor market conditions, and conduct ongoing job analysis for key positions and also upon request to ensure pay and job duties are in line. We believe this continual process is preferable to a one-time compensation study.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. However, to gain a better understanding of the compensation strategy and methodology used by the Classification and Compensation Specialist, OIA met with several members of the HR staff, including the Classification and Compensation Specialist, on June 25, 2024.

ARDOT does not have a written compensation strategy in place. As a matter of practice, turnover is monitored, hiring trends reviewed, and the number of applicants received for job postings is considered.

Analysis is performed based on need and/or request. The process begins with data collection of internal employee data including the job specifications/descriptions and any other requirements for the position. Survey data is compiled by job title and description that matches ARDOT's needs. The average median is used in the analysis. The Economic Research Institute and AASHTO are the two main sources of survey data. Others include the North Arkansas Human Resources Association, Bureau of Labor Statistics, and Occupational Employment and Wage Statistics. States that are comparable to Arkansas are reviewed. While the goal is to be as consistent as possible in the

analysis process, the data sources may be expanded for positions that are hard to fill or those that do not have as much salary data available. The data is compiled, and a determination is made as to how ARDOT compares in relation to the market. Findings and recommendations are made to the HR management team. If the recommendations are accepted, a summary is prepared and sent to the Assistant Chief-Administration to distribute to the appropriate decision makers. OIA's review of this rule is complete.

ARDOT Rule



In response to Recommendations 12 and 13

ARDOT Primary Oversight: Assistant Chief - Administration

Evaluate the ACE employee performance evaluation process to ensure that the accomplishment of training, attendance, completion of projects and assignments, and increased competencies are taken into consideration.

- ✓ This action is complete.
- ✓ We took actions to ensure that the performance evaluation process includes competencies related to self-development (training), dependability and/or reliability (attendance), completion of assignments, and technical competence.
- ✓ Our Administration also emphasizes manager accountability for accurate ratings.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

ARDOT Rule



In response to Recommendations 12 and 13

ARDOT Primary Oversight: Assistant Chief - Administration

Continue to identify and fill training gaps and prioritize training where it will have the most impact.

- ✓ This action is complete.
- ✓ In 2019, we conducted a Training Needs Assessment which helped us identify gaps regarding how best to deliver training to different groups and barriers to participation. Many employees requested more hands-on equipment training, as well as more leadership development opportunities. This reinforced our belief that our top priorities should be the development of a MTA and a LDP.
- ✓ Since the implementation of our LMS, we continually expand online learning opportunities. This is important due to the number of employees and supervisors citing a lack of time to attend classroom training.

- ✓ We have increased our Workforce Development staff, to create a team of professionals who are dedicated to expanding and enhancing our training programs, publishing learning paths, developing curriculum for online and classroom training, and coordinating the LDP and MTA.
- ✓ We have Health & Safety Officers in every District, to achieve greater focus on work zone safety training and expansion of the MTA.
- ✓ The Health & Safety Officers also deliver the newly mandated ELDT program to all employees whose positions require a commercial driver's license (about 75 percent of our workforce). This program includes classroom and behind-the-wheel training.
- ✓ All employees receive a refresher course of Anti-Fraud and Ethics Code and all new employees complete this course as part of their orientation within the first 90 days of employment.
- ✓ Work Zone Safety training is offered to all maintenance employees, and all new maintenance employees receive it as part of their orientation.
- ✓ Training Needs Assessments will be conducted at least every three to five years, and the results are used to make adjustments to our training program.

OIA ASSESSMENT - Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. OIA stated that a demonstration of the LMS software would be observed in a future review cycle.

OIA met with several members of ARDOT's HR staff on June 25, 2024, to discuss and conduct an observation of the LMS. From the ARDOT Intranet site, employees can access everything related to HR, including the LMS, through the UKG tile. UKG is ARDOT's HR system. Employees can also access this tile using mobile devices.

OIA observed each of the following system capabilities as reported in OIA's report dated September 1, 2023, and confirms these capabilities exist in the LMS.

- A transcript is available for the employee and management to view.
- Training offerings are housed in the LMS for employees to preview, attend, and add to their training record as their schedule allows.
- Employees can enter training completed on their own so that their professional development record is an accurate reflection of their efforts.
- Supervisors can assign courses in response to an employee's desire for growth or observed points of need in their performance.
- Supervisors can view the status of required or assigned training for their direct reports.
- Tracks professional certificates with renewal deadlines and reminders.

- Courses can be grouped into “learning paths” or “development plans” to assist in outlining goals and tracking progress.

For courses that are deemed mandatory by HR or the employee’s supervisor, the employee is enrolled, the course is marked as mandatory, and a due date is set. Email reminders are sent from the system as the due date approaches with the supervisor copied. For any third-party training in which an employee participates, the training is manually entered into LMS after attendance is verified. OIA’s review of this rule is complete.

**ARDOT
Rule**



**In response to
Recommendations
12 and 13**

ARDOT Primary Oversight: Assistant Chief – Administration

Encourage supervisors to utilize employee development plans, including training and other activities, as part of the performance evaluation process.

- ✓ This action is complete.
- ✓ The ACE system provides the tools supervisors need to quickly and easily assign performance tasks, goals, learning, and development plans. These can be created and assigned anytime throughout the year, or as part of the annual performance evaluation process.
- ✓ Supervisors are advised of the availability of these tools and encouraged to utilize them.

OIA ASSESSMENT – Complete

In OIA’s report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

**ARDOT
Rule**

9

**In response to
Recommendations
12 and 13**

ARDOT Primary Oversight: Assistant Chief – Administration

Continue providing manager training both in-house and by utilizing our existing external partners.

- ✓ This action is complete.
- ✓ Most of our existing supervisors have completed a Dale Carnegie leadership training program and many also completed UALR's Leadership Academy.
- ✓ All new supervisors attend Supervisor Onboarding training to help them make the transition to leadership, provide Day 1 need-to-know information, and give them team-building skills from the start. Follow-up training is also provided on the hiring process and performance management within the first 90 days of placement for a new supervisor.
- ✓ Each year, all District and construction managers attend a two- or three-day conference with an agenda focused on leadership and communication strategies.
- ✓ Each year, approximately 20 ARDOT leaders attend the AASHTO Management Institute. This is a four-day intensive course which is specifically designed to develop leadership skills of upper level management staff in the transportation industry.

OIA ASSESSMENT – Complete

In OIA's report dated September 1, 2023, OIA concurred that this rule was complete. No further review or testing was performed for this reporting period.

**ARDOT
Rule**

10

**In response to
Recommendations
12 and 13**

ARDOT Primary Oversight: Assistant Chief – Administration

Implement a LDP to further develop existing leaders at all levels, as well as to prepare future leaders.

- ✓ This action is 50 percent complete.
- ✓ The first phase of the LDP is underway, which prioritizes first-time and first-line managers. One hundred and fifteen (115) managers have completed the program and more are anticipated to complete the program.
- ✓ Future phases of the program will include basic leadership development opportunities for employees who consider themselves future leaders, as well as more advanced leadership training for middle managers and executive leaders.

- ✓ Twelve administrative officials participated in a 360-degree feedback pilot program. The program included three professional coaching sessions based on the feedback received from participants. We evaluated the benefit of this type of program, and plan to incorporate it into future phases of the LDP.
- ✓ For SFY 2024-2025, we submitted a plan to add two Workforce Development Specialists to our staff. One of them will help facilitate and coordinate the LDP.
- ✓ Online learning paths have been published in ARDOT University to allow employees who consider themselves future leaders to voluntarily enroll in these courses to begin building the skills needed for future leadership roles. This group of employees will be considered "Level 1" of the LDP once it is fully implemented.

OIA ASSESSMENT - In Progress

ARDOT is still in phase one of implementing the LDP. UALR's Leadership Academy has continued to be offered with the number of managers completing the program increasing from 76 to 114. In preparation for completing the implementation of the LDP, ARDOT updated the LDP document that establishes the foundational framework for the program. They also published a Leadership Development brochure that introduces the LDP including key objectives, program levels, entry into the program, and gives the contact information for the Section Head-Workforce Development. ARDOT published online leadership learning paths in ARDOT University that include Organizational Skills, Leading Now, Teamwork Skills, and Problem-Solving Skills. The course collections are recommended to ARDOT employees seeking to improve skills needed for future supervisory or leadership roles. OIA concurs this rule is in progress of being completed.

ARDOT Rule



In response to Recommendations 12 and 13

ARDOT Primary Oversight: Assistant Chief - Administration

Continue cross training in high turnover areas and for high turnover positions.

- ✓ This action is complete.
- ✓ The positions and areas with the highest turnover are in our field maintenance offices. We recently introduced a method for maintenance supervisors to track/record new employee on-the-job training when learning how to drive single and multi-axle dump trucks.
- ✓ We have formalized and automated a process by which employees can submit training requests to their supervisors for cross-training opportunities. The online cross-training and on-the-job training request form has been developed and made available to employees.

OIA ASSESSMENT - Complete

As confirmed by the Quarterly Turnover Report for January 1, 2023, through December 31, 2023, the Maintenance Division has the highest turnover percentage.

Through coordination of the Maintenance Division supervisors and the ARDOT Health & Safety Section, ARDOT provides new employees the training required to earn their Commercial Driver's License. The supervisors log the hours the employee spends behind the wheel and the Health & Safety Section enters the information into the Federal Motor Carrier Safety Training Registry.

OIA reviewed the paper and online training request forms developed by ARDOT. The form allows an employee to request on-the-job training for specified ARDOT equipment as well as cross-training on a specific position at ARDOT. The form was communicated to employees through an email. There was also an announcement on the video screens, the HR Intranet site, and the ARDOT News and Information page in the HR system. OIA reviewed the two request forms submitted during this review cycle. The first request was for on-the-job training for several pieces of equipment and was approved. The second request was for cross-training and the request was denied. The denial was well documented by the supervisor. OIA concurs this rule is complete.

ARDOT Rule

12

In response to Recommendations 12 and 13

ARDOT Primary Oversight: Assistant Chief - Administration

Complete implementation of the MTA, which offers formalized practical training, including but not limited to equipment operation.

- ✓ This action is complete.
- ✓ Health & Safety Officers in each District are implementing Phase 1 of the MTA during New Hire Orientation twice a month, covering the Safety Manual, drug and alcohol testing, and basic safety procedures.
- ✓ The MTA team was expanded to include members from the HR, Equipment & Procurement, and Maintenance Divisions. The team selected Phase 2 topics for all four quarters of the 2023 training year. Those topics with the highest priority for development and delivery are: Preventive Maintenance, Tractor/Mower Safety, Situational Awareness, Snow Plow & Defensive Driving, and Chainsaw Safety.
- ✓ Preventive Maintenance, Tractor/Mower safety, and Work Zone Safety, Situational Awareness Defensive Driving (which includes a segment on snow plows) and Chainsaw Safety courses are now being delivered on a regular basis.

- ✓ The final phase of the MTA is to offer equipment operation training to employees via simulator. The simulator trailer has been secured, allowing us to transport the simulator to various locations and Districts across the state. The 2024 training schedule for the simulator has been developed, giving employees the opportunity to learn basic operator skills on a backhoe, wheel loader, motor grader, dozer and excavator in a safe, controlled environment.

OIA ASSESSMENT - Complete

The MTA is a statewide training program with a developed curriculum tailored for the maintenance workforce. Individuals receive classroom and hands-on equipment and highway maintenance instruction.

ARDOT confirms the MTA has been fully implemented. The classes are facilitated and tracked by the Health & Safety section. The classes are offered at least quarterly. Some classes are offered seasonally, such as Chainsaw Safety and those around winter weather. Others are offered more often based on need, such as Work Zone Safety. Employee participation in the MTA is maintained in the LMS.

To gauge participation in the MTA, OIA observed a report run in the LMS for the number of employees that had completed the course Basic Work Zone Safety since the LMS was implemented approximately two years ago. The number was 1,296 which is approximately half of the Maintenance Division staff. ARDOT indicated that all new maintenance employees, since the development of the MTA, would have received this training.

In OIA's report dated September 1, 2023, OIA had reviewed the training presentations for the courses for Tractor Mowing Safety, Preventative Maintenance, Situational Awareness, and Work Zone Safety. Two courses were added to the MTA since last year's report: Chainsaw Safety and Defensive Driving (which includes a segment on snow plows). OIA reviewed the training presentation for both courses to confirm that the class objectives were covered.

ARDOT added equipment basic operation training via a simulator to the MTA. As of March 21, 2024, eleven employees have completed simulator training on the backhoe. In addition to the backhoe, future plans include training on the wheel loader, motor grader, dozer, and excavator. OIA concurs this rule is complete.

CONCLUSION

OIA reviewed documentation and performed testing as appropriate to issue an opinion related to the adequacy of ARDOT's implementation of each of the 90 rules for the 13 Guidehouse recommendations. Implementing the Guidehouse recommendations is a long-term process, and ARDOT has continued to make progress as of April 30, 2024, completing 58 of the 90 rules.

ARDOT's implementation status contained within this report is based upon the May 1, 2024, monthly update report. It was noted that Rules 2, 3, and 4 for Recommendation 5 Procurement of Equipment and Materials were complete but not reflected as such in the May 1, 2024, monthly update report, due to the timing of issuance of the report. In the subsequent monthly update report dated June 1, 2024, they were noted as complete and therefore, the status of complete was utilized for the review of these three rules.

Although OIA concurs with ARDOT's reported implementation status for the 90 rules reviewed, the following recommendations for best practice should be considered:

- *Recommendation 8, Rule 1* – Establish formal written procedures for the comparison of the engineer's estimate against final cost process to include how the results of the analysis are documented and communicated as well as referencing the AASHTO guidance followed;
- *Recommendation 8, Rule 2* – Establish formal written procedures for the cost savings calculations performed and how the related documentation is maintained; and
- *Recommendation 12/13, Rule 5* – Formalize and document the ARDOT compensation strategy. In addition, it is recommended that ARDOT establish formal written procedures for the analysis performed by the Classification and Compensation Specialist.

ARKANSAS STATE HIGHWAY COMMISSION

DALTON A. "ALEC" FARMER, JR.
CHAIRMAN
JONESBORO



MARIE HOLDER
LITTLE ROCK

PHILIP TALDO
VICE CHAIRMAN
SPRINGDALE

DAVID M. HAAK
TEXARKANA

KEITH GIBSON
FORT SMITH

P.O. Box 2261 • Little Rock, Arkansas 72203-2261
Phone (501) 569-2000 • Voice/TTY 711 • Fax (501) 569-2400
www.ARDOT.gov • www.IDriveArkansas.com

LORIE H. TUDOR, P.E.
DIRECTOR

September 4, 2024

Mr. Ricky Quattlebaum
Director, Office of Internal Audit
900 West Capitol
Suite 310
Little Rock, AR 72201

Dear Mr. Quattlebaum:

Reference is made to the Arkansas Department of Transportation (ARDOT) Project Review and Efficiency Study as required by Act 298 of 2019. We agree that the information provided in this report accurately identifies the accomplishments made by ARDOT regarding the Arkansas Legislative Council Efficiency Study Recommendations - Rules for Implementation.

We would like to thank the Office of Internal Audit (OIA) for your thoroughness, professionalism, and on-going open communication with ARDOT during the information gathering phase and final compilation of this comprehensive report. Your hard work has resulted in an excellent evaluation of ARDOT's progress in implementing the recommendations and has helped to ensure that we are headed in the right direction. We look forward to continuing to work with OIA during future audit cycles.

We appreciate your confidence in us to complete the implementation of the remaining rules without an annual review. We are committed to fulfilling this very important process.

The recommendations have been an important catalyst to enhance and further develop ARDOT's systems, processes, and other relevant activities. Implementation of these recommendations will provide significant benefit to the citizens of Arkansas by enhancing the efficiency of ARDOT.

Sincerely,

A handwritten signature in cursive script that reads "Lorie H. Tudor".

Lorie H. Tudor, P.E.
Director

c: Highway Commission
Chief Engineer – Operations
Chief Engineer – Preconstruction
Chief – Administration
Assistant Chiefs
Governmental Relations Office
Chief Auditor – Internal Audit

