

2018-104 AUDIT SCOPE AND OBJECTIVES

Metropolitan Transportation Commission, Bay Area Toll Authority, and California Department of Transportation—Project Costs

The audit by the California State Auditor will provide independently developed and verified information related to the management of Bay Area bridge costs by the Metropolitan Transportation Commission (MTC), the Bay Area Toll Authority (BATA), and the California Department of Transportation (Caltrans). The audit's scope will include, but not be limited to, the following:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Review records related to the Bay Bridge construction project to determine the following:
 - a. The source of funding used to pay for cost overruns of the Bay Bridge project and whether there are any existing obligations, including debt, from those overruns.
 - b. Whether the Bay Bridge project cost overruns affected capital improvement projects on other Bay Area bridges. If funding was diverted from other projects to pay for the overruns, determine what plans exist to pay for those other projects.
 - c. Whether there is any continued financial risk as a result of the construction of the Bay Bridge and, if so, what funding source is planned to cover the risk.
3. Determine the total cost of Bay Bridge defects identified by MTC, BATA, and Caltrans and the source of funds that have been used or are planned to be used to pay for remediation of those defects. To the extent possible, for each defect, determine the cost associated with remediation.
4. Determine whether MTC and Caltrans have modified their approaches to prevent and address cost overruns on major infrastructure projects since the construction of the Bay Bridge. As part of this effort, identify any steps that MTC and Caltrans have taken to reduce project defects or budget for defect remediation.
5. Identify any risk-management plans MTC has developed to properly spend and effectively manage any future funding for infrastructure projects.
6. Determine how long it will take to pay off the debt obligations for the Toll Bridge Seismic Retrofit Program and what will be the total cost of the program.
7. Review and assess any other issues that are significant to the audit.