



THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



CHRISTOPHER D. CLEMENT, SR.
COMMISSIONER

JEFF BRILLHART, P.E.
ASSISTANT COMMISSIONER

December 10, 2014

Her Excellency, Governor Margaret Wood Hassan
State House
Concord, New Hampshire 03301

RE: Executive Order 2014-03: An order directing state agencies to report on progress implementing the recommendations of performance and financial audits.

Governor Margaret Wood Hassan,

In response to your Executive Order 2014-03, the Department of Transportation, Operations Division, is reporting the progress and responding to recommendations of the audit as found in the Fleet Management Performance Audit Report prepared by the Office of the Legislative Budget Assistant and presented to the Joint Legislative Fiscal Committee at its meeting November 10, 2014.

Please see the following attachment for the details of the audit recommendations and the actions taken by the Department to resolve them.

Should you have any additional questions or comment, please do not hesitate to contact me.

Sincerely,

Christopher D. Clement, Sr.
Commissioner

FOR

Attachment



State of New Hampshire
Department of Transportation
Operations Division
Fleet Management

LBA Performance Audit Report
November 2014

Current Status of DOT Observation Responses

Observation No. 1: Periodically Review Fleet Size and Composition

Department Corrective Action Plan:

The Department is preparing to establish a special subcommittee of the Departments Equipment Needs Committee to more formally review and document right sizing of existing and contemplated equipment needs.

It is anticipated that the work and results of the subcommittee will be completed by the fall of 2015.

Observation No. 2: Review Controls Over DOT Fleet Purchases

Department Corrective Action Plan:

The Department is continuing to obtain all required legislative approvals regarding fleet purchases and use. The Department is also working to apply internal fleet management processes and reporting to insure we are consistent across Divisions and Bureaus.

It is anticipated that the work and results of the Department will be completed by the summer of 2015.

Observation No. 3: Adopt Formal Guidelines and Review Fleet Utilization

Department Corrective Action Plan:

The Department is currently preparing monthly utilization reports from our M-5 Fleet management system. The Equipment Needs Committee will fine tune the target hours per year and target miles per year for each equipment category and develop a process for Districts and Bureaus to explain why certain utilization thresholds are not met.

It is anticipated that the work and results of the committee will be completed by the summer of 2015.

Observation No. 4: Track Utilization of Rented Equipment

Department Corrective Action Plan:

The Departments Equipment Needs Committee will develop a standard monthly report by District and Bureau that will identify the equipment utilization and cost. The Department will manage the equipment based on the information in the report to minimize the hourly cost for each equipment category.

It is anticipated that the work and results of the committee will be completed by the summer of 2015.

Observation No. 5: Consistently Report Non-Business Mileage

Department Corrective Action Plan:

The Department will seek clarification and work with the Department of Administrative Services on this policy.

It is anticipated that the work and results of the Department will be completed by February 2015.