



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

BRADLEY C. WIEFERICH, P.E.
DIRECTOR

June 30, 2023

Chief Internal Auditor
State Budget Office
Office of Internal Audit Services
111 S. Capitol Ave.
7th Floor, Romney Building
Lansing, MI 48933

Dear Rick Lowe:

In accordance with the State of Michigan Financial Management Guide, Part VII, enclosed is the Michigan Department of Transportation's corrective action plan in response to the Office of the Auditor General performance audit report on the Aggregate Quality Process covering the period October 1, 2018, through June 30, 2021 (Project 591-0420-21).

Questions regarding the corrective action plan should be directed to either Jason Gutting, P.E., Bureau of Field Services-Construction Field Services Division Administrator, at 517-646-4914, or Jack Cotter, CPA, CGMA, Commission Auditor, at 517-373-1500.

Sincerely,

E-SIGNED by Bradley Wieferich
on 2023-06-30 09:04:09 EDT
Bradley C. Wieferich, P.E.
Director

Enclosure

cc: Executive Office
Office of the Auditor General
Senate Fiscal Agency
Senate Transportation Appropriations Subcommittee
Senate Transportation Standing Committee
House Fiscal Agency
House Transportation Appropriations Subcommittee
House Transportation Standing Committee
State Transportation Commission Vice Chair
Office of Commission Audits
Gregg Brunner, MDOT
Jason Gutting, MDOT
Sonja Scheurer, MDOT

Michigan Department of Transportation
 Aggregate Quality Process Audit (591-0420-21)
 Issued by the Office of the Auditor General
 December 2022
 Department Final Corrective Action Plan

Summary Response Matrix

[Provide finding numbers in applicable category:]

	Complied	Will Comply	Partially Complied	Will Not Comply
Agrees	3, 4, 5	1, 2		
Partially Agrees				
Disagrees				

Final Corrective Action Plan (CAP)

Finding Number 1

Finding Title: Improvements needed to Prequalified Aggregate Supplier Program (PASP).

Is this an IT-related finding: No.

If “yes”, identify the IT system: N/A.

Department Response

Management Views:

MDOT agrees with the recommendation.

Planned Corrective Action (Management Response):

MDOT agrees with the recommendation. However, weekly summaries from prequalified aggregate suppliers are not the primary means for quality assurance testing. These summaries serve as a notice to testing staff of quantities shipped and that testing may be needed. Quality assurance testing is evaluated on a project basis and not on supplier shipment documentation. Lack of material testing is flagged at the project level prior to payment of respective work items.

In addition, MDOT has commenced implementation of a database and software solution titled AASHTOWare Project Construction and Materials (APCM) for managing construction work completed by contractors. APCM includes a module for aggregate quality assurance (QA) testing, which will provide a single unified repository for all testing-related information, and the department will implement aggregate material reporting to project and testing personnel. The APCM aggregate module and training performed with a core group of laboratories is expected to be completed by September 1, 2023, and MDOT anticipates it will complete program-wide functionality, training, and implementation of the aggregate module by January 1, 2024.

Anticipated Compliance Date (Estimated or Actual Compliance Date):

January 1, 2024.

Responsible Individual(s):

Bureau of Field Services-Construction Field Services Division (Gregg Brunner/Jason Gutting) and Highway Operations Regions.

Finding Number 2

Finding Title: Improved testing of non-prequalified aggregate sources needed.

Is this an IT-related finding: No.

If “yes”, identify the IT system: N/A.

Department Response

Management Views:

MDOT agrees with the recommendation.

Planned Corrective Action (Management Response):

MDOT agrees with the recommendation. MDOT has commenced implementation of a database and software solution titled APCM for managing construction work completed by contractors. APCM includes a module for aggregate QA testing, which will provide a single unified repository for all testing-related information, and the department will implement aggregate material reporting to project and testing personnel. The APCM aggregate module and training performed with a core group of laboratories is expected to be completed by September 1, 2023, and MDOT anticipates it will complete program-wide functionality, training, and implementation of the aggregate module by January 1, 2024.

Anticipated Compliance Date (*Estimated or Actual Compliance Date*):

January 1, 2024

Responsible Individual(s):

Bureau of Field Services-Construction Field Services Division (Gregg Brunner/Jason Gutting) and Highway Operations Regions.

Finding Number 3

Finding Title: Improvement needed over biennial laboratory inspections.

Is this an IT-related finding: No.

If “yes”, identify the IT system: N/A.

Department Response

Management Views:

MDOT agrees with the recommendation.

Planned Corrective Action (Management Response):

MDOT agrees with the recommendation based on requirements during the audit. The requirements were outdated and MDOT has worked with Federal Highway Administration (FHWA) to implement changes to the Procedures for Aggregate Inspection and the Materials Quality Assurance Procedures Manual, which have eliminated biennial inspections. In addition, as a result of staffing limitations in the aggregate area, MDOT allocated staff to areas deemed more critical than biennial inspections. The completion of biennial inspections was not a priority risk because QA testing and testing staff certifications are the primary controls.

Anticipated Compliance Date (*Estimated or Actual Compliance Date*):

March 1, 2023.

Responsible Individual(s):

Bureau of Field Services-Construction Field Services Division (Gregg Brunner/Jason Gutting).

Finding Number 4

Finding Title: Improvements needed over PASP approval process.

Is this an IT-related finding: No.

If “yes”, identify the IT system: N/A.

Department Response

Management Views:

MDOT agrees with the recommendation.

Planned Corrective Action (Management Response):

MDOT agrees with the recommendation based on requirements during the audit. The requirements were outdated and MDOT has worked with FHWA to implement changes to the Procedures for Aggregate Inspection and the Materials Quality Assurance Procedures Manual. In addition, as a result of staffing limitations in the aggregate area, MDOT allocated staff to more critical aggregate functions and tasks. The completion of initial laboratory inspections was not a priority risk area because QA testing and testing staff certifications are the primary controls. By June 1, 2023, MDOT expected to update procedures to include a quality control plan checklist and identify the area(s) responsible for review and completion of the checklist.

Anticipated Compliance Date (*Estimated or Actual Compliance Date*):

June 1, 2023.

Responsible Individual(s):

Bureau of Field Services-Construction Field Services Division (Gregg Brunner/Jason Gutting).

Finding Number 5

Finding Title: Independent Assurance Tests (IATs) not performed for all aggregate technicians.

Is this an IT-related finding: No.

If “yes”, identify the IT system: N/A.

Department Response

Management Views:

MDOT agrees with the recommendation.

Planned Corrective Action (Management Response):

MDOT agrees with the recommendation. MDOT has commenced implementation of a database and software solution called APCM for managing construction work completed by contractors. Record keeping of IATs and other field certification for construction staff was incorporated into APCM in December 2021. The incorporation of certification data (including IATs) into APCM will improve MDOT's ability to identify and maintain missing and expired certifications. The new process maintains records for access and review within APCM, and it provides a single repository for all certification information, which was not previously available. MDOT expected to start sending out IAT reports in April 2023.

Anticipated Compliance Date (*Estimated or Actual Compliance Date*):

April 30, 2023.

Responsible Individual(s):

Bureau of Field Services-Construction Field Services Division (Gregg Brunner/Jason Gutting) and Highway Operations Regions.