



**New Jersey State Legislature  
Office of Legislative Services  
Office of the State Auditor**

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**Motor Vehicle Commission  
Non-Payroll Expenditures**

July 1, 2010 to July 31, 2012

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**Stephen M. Eells  
State Auditor**

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# New Jersey State Legislature

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Enclosed is our report on the audit of the Motor Vehicle Commission, Non-Payroll Expenditures for the period of July 1, 2010 to July 31, 2012. If you would like a personal briefing, please call me at (609) 847-3470.

A handwritten signature in black ink, reading "Stephen M. Eells".

Stephen M. Eells  
State Auditor  
November 26, 2012

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## *Scope*

We have completed an audit of the Motor Vehicle Commission (MVC), Non-Payroll Expenditures for the period July 1, 2010 to July 31, 2012. Our audit included financial activities accounted for in the MVC's General and Capital Funds. Our audit did not include a review of non-payroll expenditures from the Division of Motor Vehicles Surcharge Fund or the Alcohol Education, Rehabilitation and Enforcement Fund. Non-payroll expenditures of the agency for fiscal years 2011 and 2012 were \$129 million and \$134 million, respectively. The primary responsibility of the MVC is to promote motor vehicle safety for New Jersey citizens by delivering secure, effective, and professional motor vehicle services.

## *Objectives*

The objectives of our audit were to determine whether financial transactions were in compliance with contractual terms, were related to the agency's programs, were reasonable and necessary, and were recorded properly in the accounting systems.

This audit was conducted pursuant to the State Auditor's responsibilities as set forth in Article VII, Section I, Paragraph 6 of the State Constitution and Title 52 of the New Jersey Statutes.

## *Methodology*

Our audit was conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

In preparation for our testing, we studied legislation, the administrative code, circular letters promulgated by the Department of the Treasury, contracts related to the MATRX project and the enhanced inspections and maintenance/repair program, memorandums of understanding with municipal police departments and the Division of State Police, and policies of the agency. Provisions we considered significant were documented and compliance with those requirements was verified by interview, observation, and through our sampled testing of financial transactions. We also read the budget messages, reviewed financial trends, and interviewed agency personnel to obtain an understanding of the programs and the internal controls.

A nonstatistical sampling approach was used. Our samples of financial transactions were designed to provide conclusions about the validity of transactions, as well as internal control and compliance attributes. Sample populations were sorted and transactions were judgmentally selected for testing.

### *Conclusions*

The MVC's financial transactions were found to be in compliance with contractual terms, related to the agency's programs, reasonable and necessary, and recorded properly in the accounting systems. In making these determinations, we have identified potential savings in the current inspection contract, re-inspection function, and security functions. We have also identified opportunities for the commission to enhance monitoring over its vehicle fleet and to improve safeguarding and recording of fixed assets.

## Vehicle Inspections

### *Safety Inspections*

**The MVC could save \$7.8 million by amending its inspection contract to eliminate payments for the discontinued safety inspections.**

Although safety inspections were eliminated as part of the required vehicle inspection, the cost of these safety inspections was not removed from the per vehicle inspection rate paid by the state. The Motor Vehicle Commission (MVC) contracted with Parsons Environment & Infrastructure Group (Parsons) to implement, manage, and operate the Enhanced Inspection/Maintenance hybrid program in New Jersey for fiscal years 2009 through 2013. During January 2010, the MVC proposed the elimination of safety tests for all passenger vehicles and the extension of the initial inspection for newer cars from four to five years. Public Law 2010, Chapter 29, effective July 1, 2010, reflected these proposed inspection changes. The MVC budgeted \$11.5 million savings for fiscal year 2011 based on the expectation that the \$3.24 safety component of the inspection rate, which was then \$21.60, would be eliminated.

The state and Parsons negotiated changes to the contract in March 2011. The basis of the negotiations was not made available to the auditors by the Division of Purchase and Property in the Department of the Treasury. The amendments included a reduction in the inspection rate by \$0.67 to \$20.93 “in light of the change in law”, and permission for Parsons to close three facilities and reduce their operating hours. However, no change to the rate was made due to the elimination of the safety inspection. Subsequent to the changes in the law and the contract, we noted that Parsons had an average monthly reduction in their lane technician staffing by 121 positions, or 26 percent.

Between August 1, 2010 and September 30, 2012, the MVC missed the opportunity to save \$12.6 million based upon the continued inclusion of the safety component in the inspection rate even though this function was no longer being performed by Parsons. The MVC could save approximately \$556,000 a month by eliminating the safety component from the inspection rate. The MVC anticipates 1,373,700 passenger vehicle inspections to be conducted from October 2012 through the end of the contract period in May 2013 and thus could save \$4.5 million during this period. It is incumbent upon the contractor to continue services for a maximum period of 180 days after the expiration of the contract if a new contractor has not been awarded. The potential savings for the extended period would be \$3.3 million, bringing the total potential savings to \$7.8 million.

### **Recommendation**

We recommend that the state amend the contract with Parsons to reflect the elimination of the safety inspection component.



### ***Re-Inspections***

**The MVC should reduce the number of state-funded re-inspections and save \$2 million.**

The Motor Vehicle Commission (MVC) paid the standard inspection rate to Parsons for passenger vehicles re-inspected more than once at its centralized inspection facilities (CIF) 114,070 times during the period September 1, 2010 to April 30, 2012. Based upon this data, the MVC spent \$3.1 million on these re-inspections between September 2010 and September 2012. If no change is made to the re-inspection policy and re-inspections occur at the same historical rate, the commission will spend approximately \$144,000 monthly or \$2 million for vehicles re-inspected more than once from October 2012 to November 2013, which represents the remainder of the contract period and the 180-day extension period.

The MVC Chief Administrator has the authority to determine if a vehicle should be re-inspected at a CIF or at a private facility. The MVC's current policy permits unlimited state funded re-inspections at the CIFs after an initial failed inspection. About 1.8 million inspections are performed annually at the CIFs, which includes initial inspections and all re-inspections. In the event that the MVC implements the preceding safety component finding recommendation, the amount that will be saved on the implementation of the re-inspection finding recommendation will be reduced by \$22,000 per month.

### **Recommendation**

We recommend that the MVC revise its policy and initiate the process necessary to limit the number of state-funded re-inspections to one re-inspection.



## **The MATRX Project**

**Contracts for long-term projects should be realistically developed.**

The contracts for the information technology overhaul project (MATRX) did not allow a realistic time frame to complete the project and did not provide the Motor Vehicle Commission (MVC) management with the ability to budget costs. While it is difficult to determine the duration of major projects in their beginning stages, it should have been apparent to those preparing these contracts that a project of this magnitude would require more time than was allotted. As a result of these poorly written contracts, the duration and cost of the MATRX project were not accurately projected, necessitating numerous contract extensions and leading to significant cost overruns.

The MATRX information technology project was initiated after the 2002 Fix DMV Commission's report recommended a substantial investment in technology including an upgrade of hardware and software. To accomplish this, the MVC and the Division of Purchase

and Property within the Department of the Treasury procured two major contracts: first, a contract for the oversight of the project and second, a contract for the actual project implementation. In March 2006, the MVC awarded a contract for two years, with an optional third year, to Mathtech Inc. to serve as the third party oversight vendor. Mathtech was tasked with developing the request for proposal (RFP) for the MATRX project contract, reviewing bids received, and overseeing the build and implementation of the MATRX system. In September 2008, Hewlett Packard State & Local Enterprise Services, Inc. (HP) was awarded the MATRX project contract. The fixed-price contract provided HP three years for implementation and one year of operational support with an option for four additional years of operational support.

A summary of the project costs as of July 2012 is presented below (in millions).

Vendor	Commencement Date	Original	Additions	Potential Additions	Projected Total	Percentage Cost Added
MATHTECH	March 2006	\$ 2.7	\$ 12.5	\$ -	\$ 15.2	463.0%
HP	September 2008	\$ 59.8	\$ 9.6	\$ 19.5	\$ 88.9	48.7%
Total		\$ 62.5	\$ 22.1	\$ 19.5	\$ 104.1	66.6%
<i>Additions include expended and negotiated amounts. Potential additions are costs currently being negotiated. The project is not complete; therefore, projected totals may vary.</i>						

Significant contract additions due to extensions and cost overruns include the following.

- The Mathtech oversight contract was written for only two years with an optional third year because this was the typical contract duration at the time it was written. This was an unrealistic time frame at the outset, as it included time for the development and review of the RFP for the project implementation and 24 months (which could be extended an additional 12 months) of project management oversight upon the selection of the project contractor. This was obviously insufficient time for project management oversight, given the fact that the initial contract with HP was for four years. The Mathtech contract has been extended five years and eight months through seven extensions, which has cost the MVC an additional \$3.8 million.
- The latest Mathtech extension, which ends November 2014, will cost the MVC at least \$3.2 million, but could cost as much as \$5.9 million depending upon actual task termination dates.
- The Mathtech contract was written as a \$2.7 million fixed-price contract, but included unlimited hourly price lines reserved for "optional engagements". The MVC has paid \$3.7 million for these optional engagements as of July 2012, nearly half of which was spent before the MATRX contract had been awarded and Mathtech was exercising its project management oversight. Cost proposals were submitted and approved by the MVC for all these engagements; however, such costs should have been anticipated in the original contract or added to the contract via change order.



- The three-year implementation period of the HP contract was also an unrealistic time frame. The original period expired in February 2012, but final implementation is not scheduled for completion until July 2014. There is no guarantee that this massive undertaking will be completed by then. Because of the time required to complete the implementation, HP has requested an additional \$19.5 million. The MVC and HP are currently in negotiations regarding this compensation, which would be in addition to the \$19.7 million in remaining contract deliverables.

### **Recommendation**

We recommend that the state ensure future contracts provide for a realistic timeframe and that they properly budget costs. The state should also hold firm to the fixed-price contract with HP.



## **Security Services**

### ***Local Agencies***

**The MVC could save up to \$1.2 million annually by using armed security guards in agencies.**

The Motor Vehicle Commission (MVC) provides security for 30 of its 39 agencies through agreements with local police departments, instead of exclusively using the existing state-wide armed security guard contract. Total payments to the local police departments were \$3.3 million in fiscal year 2012. The MVC could save at least \$1.2 million annually if they discontinued using all local law enforcement and utilized the existing state contract.

In 2002 the Fix DMV Commission issued a report recommending that a police presence be implemented at agency locations. The Motor Vehicle Security and Customer Service Act, enacted in 2003, only states that armed security guards are needed in order to prevent fraud. The MVC acquired police security services via a purchase order waiver and used the Fix DMV Commission recommendations as the basis for the waiver.

We recognize that some agencies have experienced illegal activity and that retention of a police presence in specific agencies may be justified.

### **Recommendation**

The MVC should continue to evaluate the necessity of the use of local police officers in agencies, discontinue that service accordingly, and replace it with the armed security guard vendor.

### ***Trenton Office Complex***

#### **The MVC should use the security vendor at its Trenton Office Complex.**

The Motor Vehicle Commission (MVC) has a memorandum of understanding with the Division of State Police to provide civilian security guard service for five posts at the MVC headquarters. However, these services are also available through the state-wide armed security guard contract. The agreement with the State Police states that the MVC shall pay for the actual salaries of the assigned security guard, uniform maintenance, radio equipment maintenance, and leave benefit time. The MVC must also pay overtime for posts which are scheduled for less than a full shift, as well as any overtime incurred to fill in for a guard utilizing leave benefit time. The MVC expended approximately \$383,000 for these services in fiscal year 2011. Conversely, payments for the state-wide contract are not subject to overtime, leave benefit payments, clothing allowance or equipment maintenance. The MVC could save approximately \$63,000 annually if the state-wide vendor is used for this function.

#### **Recommendation**

The MVC should use the security vendor service at the Trenton Office Complex.



### ***Contract Payment Controls***

#### **The MVC should review contract prices to ensure accuracy of the payments.**

The Motor Vehicle Commission (MVC) utilizes the armed security guard vendor at 19 of its 39 agencies. We sampled five payments during fiscal year 2012 totaling \$187,000. We found that the MVC overpaid the vendor nearly \$38,000 because it used old contract rates that were higher. Had we not found the error, the MVC may have overpaid an additional \$55,000. This error was brought to the attention of the MVC procurement personnel and they took immediate action to recoup the overpayments and to correct the remaining invoices.

#### **Recommendation**

The MVC should ensure that contract price terms are adhered to when paying vendor invoices.



## Vehicle Fleet

### *Monitoring*

**The MVC should monitor its fleet more frequently to determine underutilization.**

Although the Motor Vehicle Commission (MVC) records indicated that its fleet of vehicles is not meeting the minimum mileage usage criteria, no follow-up action has been taken. The MVC has 249 vehicles in its fleet: 135 individually-assigned and 114 non-individual vehicles, including 81 pool vehicles. Our tests of usage indicated that the mileage for 12 of 20 sampled individually-assigned vehicles was not within 10 percent of the compliance range for three consecutive months and five were not in compliance for six consecutive months. The mileage for five of 15 sampled pool vehicles was not within the compliance range for three consecutive months and two did not meet the compliance range for six consecutive months. Our review also indicated that the fleet manager is not conducting vehicle use audits on a regular basis.

State regulations establish the monthly business mileage criteria for individually and pool-assigned vehicles at 1,250 miles and 750 miles, respectively, and set forth the policy and procedures for auditing vehicle use. If vehicle use is non-compliant and valid justification is not provided, the vehicle should be reassigned or returned to Central Motor Pool Fleet for disposition. The MVC's internal policy reinforces the state regulations and states that the MVC Fleet Manager must recommend retrieval of underutilized vehicles if vehicles are not meeting mileage requirements.

### **Recommendation**

Regular vehicle use audits should be performed by the fleet manager and proper follow-up action should be taken for vehicles that do not meet the standard mileage requirement.



### *Documentation*

**The MVC should properly document and monitor vehicle usage to identify potential abuses.**

By comparing E-ZPass charges, we found eight individually-assigned vehicles were driven on 17 days when the assigned drivers charged personal leave time. However, the Motor Vehicle Commission (MVC) can not determine if fleet vehicles are being used during personal leave time because it does not enforce the completion of required documents when vehicles are temporarily assigned. State regulations and MVC internal policy prohibit the personal use of a permanently or temporarily-assigned vehicle. These policies require proper documentation to be completed and distributed in the event that individually-assigned vehicles are transferred between drivers. Our test revealed that 29 employees did not submit the proper documentation on 69 occasions to indicate that a transfer of drivers was made. Since these documents are not

being completed or submitted, the fleet manager can not monitor fleet usage and abuses may occur.

### **Recommendation**

We recommend MVC fleet management enforce the existing policies which require documentation be filed when switching drivers of vehicles and they match leave and E-ZPass records as a monitoring tool.



## **Fixed Assets**

**The MVC should properly safeguard and record its fixed assets.**

Motor Vehicle Commission (MVC) management has certified to the State Treasurer annually that a physical inventory count has been conducted as required, though none has actually been performed since 2008. In accordance with Circular Letter 11-19-OMB, at least one physical inventory of all agency assets should be completed every fiscal year and subsidiary records should contain a minimum specified description associated with each asset.

The MVC's inventory list consists of 7,838 items. One hundred percent of the inventory items do not have a payment voucher identifier, 5,683 do not have an associated cost, and 768 items do not indicate a budget code, which are all required as part of the minimum asset description. We sampled 20 items from their records and identified five missing items, including printers and a refrigerator, and seven assets that had an inaccurate location recorded. We attempted to trace a separate sample of 20 tagged items to the inventory list and found that seven were not included in the MVC's fixed assets system and six were at different locations.

### **Recommendation**

The MVC should perform at least one physical inventory of all assets every fiscal year. The fixed asset system should be appropriately updated, and any missing items should be investigated and their disposition documented.



## **State Police Reimbursement**

**The MVC should seek reimbursement from the Division of State Police for an information technology project.**

The Division of State Police (division) has not paid for specialized functions provided in the new MATRX system that they requested and that are provided solely for their purposes. The

division has specialized functions within the Motor Vehicle Commission's (MVC) existing mainframe transactional system and they requested the same functions be provided in the MATRX system. The MVC accommodated these requests and the functions were added to the project via change orders to the contract totaling \$5.8 million. However, the division has not reimbursed the MVC for any of these costs.

The State Police had originally agreed to fund all implementation costs of these functions. The division has signed a Memorandum of Understanding (MOU) agreeing to pay \$2.7 million. A separate MOU was prepared that documented the division's responsibility to pay for the remaining costs of the changes; however, this MOU was never signed by either party.

The added functionality of these change orders has no bearing on the operations, functions, responsibilities, or objectives of the MVC. Additionally, the enhanced data protection functionality related to these change orders would not have been required in the system if not for the added functionality requested by the State Police. Furthermore, since these costs were not budgeted by the MVC, the expenses are not eligible to be paid from the Capital Bond Fund. The MVC will be forced to pay for these additional costs from their General Fund, which has a direct bearing on their operations.

### **Recommendation**

We recommend the MVC seek reimbursement from the Division of State Police for the cost of the additional change orders and enforce the existing MOU.





# New Jersey Motor Vehicle Commission

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STATE OF NEW JERSEY

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**Kim Guadagno**  
Lt. Governor

**Raymond P. Martinez**  
Chairman and Chief Administrator

November 2, 2012

Stephen M. Eells  
State Auditor  
Office of the State Auditor  
P.O. Box 067  
Trenton, New Jersey 08625-0067

Dear Mr. Eells:

This correspondence is in response to your October 11, 2012 draft audit report of the New Jersey Motor Vehicle Commission (MVC) for non-payroll expenditures. It is my understanding that this is the first of four audits to be performed at the Commission.

To provide some context to your findings, the Commission relied on information from preceding years that addresses some of your recommendations. MVC relies heavily on other State agencies with regards to procurements, contract negotiations, and contract extensions. The following is our response to the findings raised in the draft report:

## **Subject: Vehicle Inspections – Safety Inspections**

### *Finding:*

The MVC could save \$7.8 million by amending its inspection contract to eliminate payments for the discontinued safety inspections.

### *Management Response:*

The current contract with Parsons Environment and Infrastructure Group (Parsons) is a Treasury contract. Amendment 2 was signed in March 2011 requiring extensive negotiations by Treasury, MVC and the Department of Law and Public Safety's Division of Law. However, the contract very clearly also states that the Director of the Division of Purchase and Property (Treasury) and the contractor "shall negotiate an equitable adjustment" to the contract price if there is an increase or a decrease in the cost of the contractor's performance of services as a result of a change in law or regulation affecting the services that are the subject of the contract.

The fact that safety inspections were eliminated and therefore removed from the scope of the contract does not in and of itself translate into a reduction in the contract price for the State. The purpose of an equitable adjustment in a government contract is to put the contractor into a position it would have been in had the change not been made. The removal of safety inspections cannot be reviewed in a vacuum rather it must be viewed in context.

**Subject: Vehicle Inspections: Re-Inspections**

*Finding:*

The MVC should reduce the number of State-funded re-inspections and save \$2 million.

*Management Response:*

MVC will review the current contract with Parsons to determine the validity of this recommendation. The State of New Jersey has not determined the timeline of the current contract. Research is currently being done to review "best practice" models across the country.

Furthermore, New Jersey law does not provide the MVC with the authority to charge a motorist for a re-inspection at a centralized inspection facility (CIF). The Legislature would have to amend the statutes to require motorists to pay for a re-inspection at the CIFs. With regard to redirecting motorists to the private inspection facilities (PIFs) for re-inspections, N.J.S.A. 39:8-4 states that the motorist must get a re-inspection for an emission-related adjustment or repair and that the Chief Administrator may direct the motorist to return to either a CIF or PIF. However, in order to require that the motorist return to a PIF for re-inspection, the MVC should have a regulation stating so and there is no such regulation at this time. Additionally, the contract with Parsons provides that the contractor would perform re-inspections at CIFs. Thus, redirecting customers to PIFs may very well result in another equitable adjustment.

**Subject: The MATRX Project**

*Finding:*

Contracts for long-term projects should be realistically developed.

*Management Response:*

This Administration does not disagree that the former administration and the Office of Information Technology's (OIT) review of the Request for Proposal (RFP) and its implementation timeline was unrealistic and has cost the Commission overruns with the oversight vendor. The Commission is currently in negotiations with the vendor for additional work in order to complete the next phase of the project. An agreement with the oversight vendor has been reached with reduced rates.

In order to properly plan and execute the project, the Commission has conducted high level research and executive planning to determine the scope, objectives, process improvements, new services, and other expectations of the new system. In addition, research was conducted with a variety of companies to understand available solutions, timeframe requirements, efforts and vendor capabilities.

MVC conducted internal business process analyses to understand the impact of changing business operations as part of implementing a new system and developed detailed business requirements, technical requirements, and project management requirements in order to properly define the scope and expectations of the project.

The award was made to an established vendor after conducting a thorough procurement process which allowed for substantial information exchange with vendors. However, the timeframe for the project was unrealistic.



With regard to oversight of the contract, MVC did engage the support of an oversight vendor to guide and assist the MVC through all stages of the project. The intent of the oversight RFP was to provide MVC with comprehensive services from a single qualified management consulting firm to support all phases of the MVC IT modernization endeavor through oversight and technical guidance.

Mathtech Inc. was awarded the oversight contract in March of 2006. The MATRX contract was not awarded until September of 2008 and the MATRX work did not begin until January of 2009. The Mathtech contract extensions were necessary due to the delay in the award of the MATRX contract and were required to conform to the MATRX schedule once the contract was awarded. It became necessary to procure additional contracted services deemed critical to the MATRX project with the last amendment that was issued on August 8, 2012 which reflects rate reductions for three of the services that have been provided by Mathtech Inc. since the award of their contract.

***Subject: Security Services – Local Agencies***

*Finding:*

The MVC could save \$1.2 million annually by using armed security guards in agencies.

*Management Response:*

The Commission, following the express advice of the *Fix DMV Commission*, has made the informed and deliberate decision to pay the extra funds to ensure that criminals who attempt to infiltrate the MVC enterprise can be investigated, interviewed, detained and arrested in all circumstances where warranted. As expressly and appropriately reflected in the State contract the security guards in New Jersey cannot investigate crime or interview, detain, or arrest suspects under any circumstances. Furthermore, there is no legal requirement to use the State contract.

The MVC acknowledges that the State could save over \$1.2 million, however, this is a deliberate decision and the funds are well spent. The deterrent effect of the presence of uniformed law enforcement in MVC agencies can only be measured by the annual decline in criminal activity at these sites.

It is a flawed hypothesis to suggest that because criminal activity is relatively at bay today, in comparison to the deplorable era prior to the efforts delineated in the *Fix DMV Report*, that there must be no need for the presence and added expense of law enforcement. The MVC believes that it is worth the expenses rather than allowing the pendulum to swing back to the point where the need for the presence of law enforcement becomes patently evident again.

***Subject: Security Services: Trenton Office Complex***

**FINDING:**

The MVC should use the security vendor at its Trenton Office Complex.



*Management Response:*

The Commission believes that this is not a MVC issue rather it is a State issue on whether they choose to privatize this service. MVC is very satisfied with the current service and the direct bridge it provides to the New Jersey State Police (NJSP) services and interaction. If privatization of that service were to occur, it would have to be initiated by the NJSP.

***Subject: Security Services - Contract Payment Controls***

*Finding:*

The MVC should review contract prices to ensure accuracy of the payments.

*Management Response:*

MVC agrees with this finding and has instituted policies to review current contract prices. As stated in the report, MVC took immediate action to recoup the over-payment and correct remaining invoices.

***Subject: Vehicle Fleet - Monitoring***

*Finding:*

The MVC should monitor its fleet more frequently to determine under-utilization.

*Management Response:*

MVC agrees with this finding and is instituting a policy for a quarterly review of vehicle utilization by Commission staff.

***Subject: Vehicle Fleet - Documentation***

*Finding:*

The MVC should properly document and monitor vehicle usage to identify potential abuses.

*Management Response:*

The Commission currently has a policy that governs employees that assign and/or use a State-owned or leased vehicle in which all employees are to document the use of the vehicle. MVC will enforce this policy.

***Subject: Fixed Assets***

*Finding:*

The MVC should properly safeguard and record its fixed assets.

*Management Response:*

The MVC instituted an inventory system in 2006 that included barcoding features that resulted in a complete physical inventory. As items were purchased, they were placed on the inventory listing. The value of each item was \$100 or more. The Division of Facilities and Support Services plans to appoint various liaisons to conduct an annual inventory

prior to the end of the fiscal year and change the value to \$1,000. In addition, the Division of Information Technology will provide staff to assist with the backlog of items into the system and put in place a process to evaluate the data within the current system against the location of the asset being audited.

**Subject: State Police Reimbursement**

*Finding:*

The MVC should seek reimbursement from the Division of State Police for an information technology project.

*Management Response:*

MVC negotiated two Memorandums of Understanding (MOUs) with the Department of Law and Public Safety to include functionality in the MATRX system that was not identified in the Request for Proposal (RFP) and to address the additional cost to procure said functionality. Currently, this functionality is provided and supported by the Office of Information Technology (OIT) in the MVC mainframe system. It is necessary to include this functionality in the MATRX system as the MVC mainframe system will be shut down once MATRX is fully implemented.

MVC and the NJ State Police have signed an MOU that requires the NJ State Police to reimburse MVC for functionality that the State Police needs in MATRX to help them achieve their law enforcement mission. MVC has determined that other functionality that was discussed with the NJ State Police aligns more with the MVC mission and that it is appropriate for MVC to be responsible for the cost.

Reimbursement from the State Police will not occur until work has been performed by the vendor.

Respectfully Submitted,



Raymond P. Martinez  
Chair & Chief Administrator  
Motor Vehicle Commission

RPM/CH/rmg

cc: Denise L. Coyle, Deputy Chief Administrator  
Richard Miller, Deputy Administrator Finance & Administration  
Carol-Ann Hollows, Director of Financial Management