PERFORMANCE
&
PRODUCTION REVIEW
OF THE
DEPARTMENT OF
TRANSPORTATION
YEAR END FY 1995/96

The Florida
Transportation
Commission

October 25, 1996

Dear Governor Chiles, President Scott and Speaker Wallace,

At its public meeting on August 29, 1996, the Commission conducted the *FY 1995/96 Performance and Production Review of the Florida Department of Transportation.* Secretary Watts and all eight district secretaries participated in the review.

In most major areas, Department performance was good to excellent -- making this the fifth consecutive year of overall high performance ratings. In key production areas of consultant acquisition, right of way acquisition and construction lettings, the Department accomplished 90% or above of what it had planned. Sustained high levels of production have culminated this year in a record $1.057 Billion in construction contracts let to bids.

The Department continued to perform well under three measures of sound financial management -- "Cash Balance as a Percent of Total Outstanding Obligations," "Commitment of Federal Funds" and "Administrative Costs as a Percent of the Total Program." The Department's cash on hand at year-end of $399 Million was 17% of its total contractual commitments of $2.4 Billion. This means that the Department has on hand 17% or about one-sixth of what it owes for work underway.

For the third consecutive year, we are concerned with upward trends in construction time *and* cost, which we measure by comparing *original* contract time and cost to *final* time and cost and reporting the percentage increase over the life of the contract. This year, time increased by 32.1% (compared to 28.7% last year), and cost increased by 11.0% (compared to 10.8% last year). Although both areas need improvement, we are particularly concerned that projects are taking almost one-third longer to complete than originally was provided in the contract. Public confidence that projects are completed expeditiously, with minimal delay and disruption, is critical to building support for needed transportation improvements.

Following last year's review, we directed our Working Group to work with the Department to gather and analyze additional data on time and cost increases for the purpose of (1) identifying with greater specificity the reasons for increases, and (2) determining what portion of these increases were within the Department's control (i.e., were avoidable). The January, 1996 report by the Office of Program Policy Analysis and Government Accountability (OPPAGA) added to what we knew and gave greater impetus to the efforts underway by the Working Group and Department.

The OPPAGA report's findings were widely reported by the media, and unfortunately, several of those accounts implied that *all* added costs were "dollars wasted." Although we were confident that was not the case, no data was available as evidence to the contrary. We therefore considered it imperative that *this year* we be able to report what portion of added costs resulted in valuable product and what portion did *not* add value to the project (i.e., delay costs, payment of a "premium" for materials, work re-done).

The Department is to be commended for the time and resources it committed to restructuring its data collection process and gathering the needed data for all contracts completed during the year. Of the final amount paid on these contracts, the portion that did *not* add value to the projects was 2.3%, of which 0.8% was *unavoidable* (not foreseeable, e.g., discovery of unsuitable subsoil material) and 1.5% was *avoidable* (should have been foreseen, e.g., design omissions or errors). Thus, we are able to report for the first time that 97.7% of the final amount paid on completed contracts added value to the projects. Regarding the 1.5% of "no value added" costs that were avoidable, the Department should strive to eliminate them and, where 3rd parties are responsible, recover such costs through legal action (see page 18 for data on responsible parties).

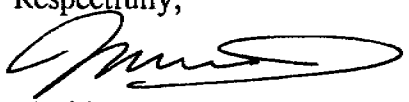
Secretary Watts has implemented a comprehensive plan for attacking the problem from the different angles dictated by its complexity. He presented his plan at our February, 1996 meeting and provided a thorough status report at our year-end review. We are confident that Secretary Watts accords highest priority to curbing time and cost increases and will keep his management team focused on these corrective actions and others that no doubt will be discovered as the districts analyze and learn from the new data. We will monitor these actions closely and direct our Working Group to continue to concentrate on these areas, especially more meaningful data on time extensions authorized by the Department.

A notable area of improvement was the number of right of way parcels acquired by negotiation (as opposed to condemnation), which increased by eight percentage points from 56% last year to 64% this year. However, of those parcels negotiated, 41% were purchased within 10% of the Department's appraised value, a steady decline from 65% four years ago. The Department is analyzing data to identify reasons for this trend of more costly negotiated settlements. We have asked the Working Group to evaluate the appropriateness of the 10% standard.

We believe these reviews demonstrate that the performance evaluation process is working well: areas of concern emerge, better data is sought and gathered, causes are identified, corrective actions are taken and improvements are made. The result is that the Department is continuously improving the products and services it provides taxpayers.

We hope this report is both meaningful and clear. Your comments are welcome.

Respectfully,



Florida Transportation Commission
Malcolm R. Kirschenbaum, Chairman

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EXECUTIVE SYNOPSIS
FY 1995/96

Consultant Acquisition: The statewide plan was to execute **340** consultant contracts. During the year, a total of **319** were executed, **94%** of the total planned. A total of 16 consultant contracts were added to the plan and executed during the year. The plan was 13% smaller than in FY 1994/95 and achievement of plan was 1% lower.

Actual dollar commitments of $170.5 M. were 87% of the total consultant acquisition plan of $195.4 M., leaving $24.9 M. uncommitted. However, additions totaling $7.2 M. were executed.

Right of Way Acquisition: The statewide right of way plan was to certify **87** projects. During the year, a total of **78** projects were certified, **90%** of the total planned. Of the 9 projects not certified on schedule, two (2) have resulted in delay to the planned contract letting date. Nine (9) projects were advanced from future years and certified during the year. Eleven (11) projects were added and certified during the year. The plan was 18% smaller than the plan for FY 1994/95, and achievement of plan was 2% lower than in FY 1994/95.

Of total parcels acquired during the year, 64% were negotiated purchases, which is 8% higher than the negotiation rate in FY 1994/95. Of parcels acquired by negotiation, 41% were acquired within 10% of the Department's appraised value, 12% lower than in FY 1994/95.

Of total right of way expenditures of $325.0 M., slightly over 75% purchased land. About 19% or $61.2 M. paid landowner fees and costs, of which $37 M. was paid to landowners' attorneys.

Construction Contract Lettings: The statewide construction plan was to let **470** contracts. During the year, a total of **450** contracts were let, **96%** of the total planned. Fifteen (15) contracts were advanced from future years to letting during the year, and 37 projects were added to the plan and let during the year. The plan was 12.8% smaller than the plan for FY 1994/95 and achievement of plan was 1% lower than in FY 1994/95.

The 450 projects let were estimated to cost a total of $901.0 M., and were let at an actual cost of $908.3 M., or 0.8% over estimated cost.

In dollars, the Department achieved 87% of plan, letting $908.3 M. of a planned $1,043.0 M. in construction contracts, leaving $134.7 M. uncommitted. Advanced and added projects let (totaling $148.7 M.) increased the year's letting to a grand total of $1.057 B., a increase of 9.2% from the amount let in FY 1994/95.

Construction Contract Time Adjustments: For the 285 contracts completed during the year, the original contract time

increased by **32.1%** during the life of the contracts due to added days (excluding weather days).

The percentage increase in original contract time of 32.1% due to additional days granted (excluding weather days) is 3.4% higher than in FY 1994/95.

Excluding days added due to weather conditions --
On 48.8% of contracts completed, original time increased less than 20%;
On 20.0% of contracts completed, original time increased by 20% to <40%; and
On 31.2% of contracts completed, original time increased by 40% or more.

Construction Contract Cost Adjustments: For the 285 contracts completed during the year, the total original contract amount of $657.4 M. increased **11.0%** due to supplemental agreements, for a total contract amount of $730.0 M.

The percentage increase in original contract amount of 11.0% was 0.2% higher than in FY 1994/95.

On 64.2% of contracts completed, original cost increased less than 10%;
On 17.2% of contracts completed, original cost increased by 10% to <20%; and
On 18.6% of contracts completed, original cost increased by 20% or more.

Of the final amount paid on completed contracts during 1995/96 of $730 M., a total of $16.7 M. or 2.3% did not add value to the projects. Of the $16.7 M. that did not add value to projects completed, $5.6 M. or 33.6% was unavoidable (not foreseeable), while $11.1 M. or 66.4% was avoidable (should have been foreseen). Of those costs that were avoidable, 42.3% was attributable to third parties, primarily local governments and utility companies.

Disadvantaged Business Enterprise (DBE) Achievement: For all construction and consultant contracts financed in part by federal funds, DBE participation was **16.4%**, exceeding the 10% statutory goal. This performance was the same percentage as in FY 1994/95.

For all consultant contracts (including 100% state funded), DBE participation was **16.6%**, exceeding performance for FY 1994/95 by 0.1%.

Value Engineering: Cost-savings resulting from implementation of value engineering recommendations totaled $133.4 M. during the year (the cost of administering the VE program is $1.2 M. annually). This savings was a 5% increase from FY 1994/95, when $126.8 M. in savings were achieved.

Commitment of Federal Funds: As of September 30, 1996 the Department had committed 100% ($602 M. of a total of $602 M.) of federal funds subject to forfeiture at federal fiscal year end (September 30th) if not committed.

The Department requested an additional $68.8 M. in federal funds and received $6.9 M. of the total requested.

Management of Administrative Costs: Department administrative costs were 2.0% of the total program for the year, or $64.6 M. of a total program of $3.2 B. Although administrative costs as a percentage of total program did not change in FY 1995/96, based on actual dollar amounts of administrative costs, there was a 1.7% increase in FY 1995/96 compared to FY 1994/95.

Cash Management: The year end cash balance of $399.4 M. was 17% of total outstanding contractual obligations of $2.4 B., 2% lower than in FY 1994/95.

Management of Toll Facility Operational Costs: The Department's cost to operate toll facilities during the year was **16.8 cents** per toll transaction. This operational cost is 2.5 cents higher than in FY 1994/95. See note on page 74 for explanation.

Bridge Repair and Replacement: Of **185** bridge repairs planned for letting, **185** bridge repairs or **100%** were let. In addition, the Department repaired 5 bridges planned for future fiscal years. Nine (9) bridges were added and repaired during the year.

Of **39** bridge replacements planned for letting, **37** bridge replacements or **95%** were let. In addition, seven (7) bridges were added and replaced during the year.

For FY 1995/96, the percentage of state-maintained bridges rated in good condition was 93%, exceeding the proposed goal of 90%.

Resurfacing: Of the **1,934** lane miles planned for resurfacing (let to contract), **1,876** lane miles or **97%** were let. In addition, the Department resurfaced eight (8) lanes miles planned for future fiscal years. Seven (7) lane miles were added and resurfaced during the year.

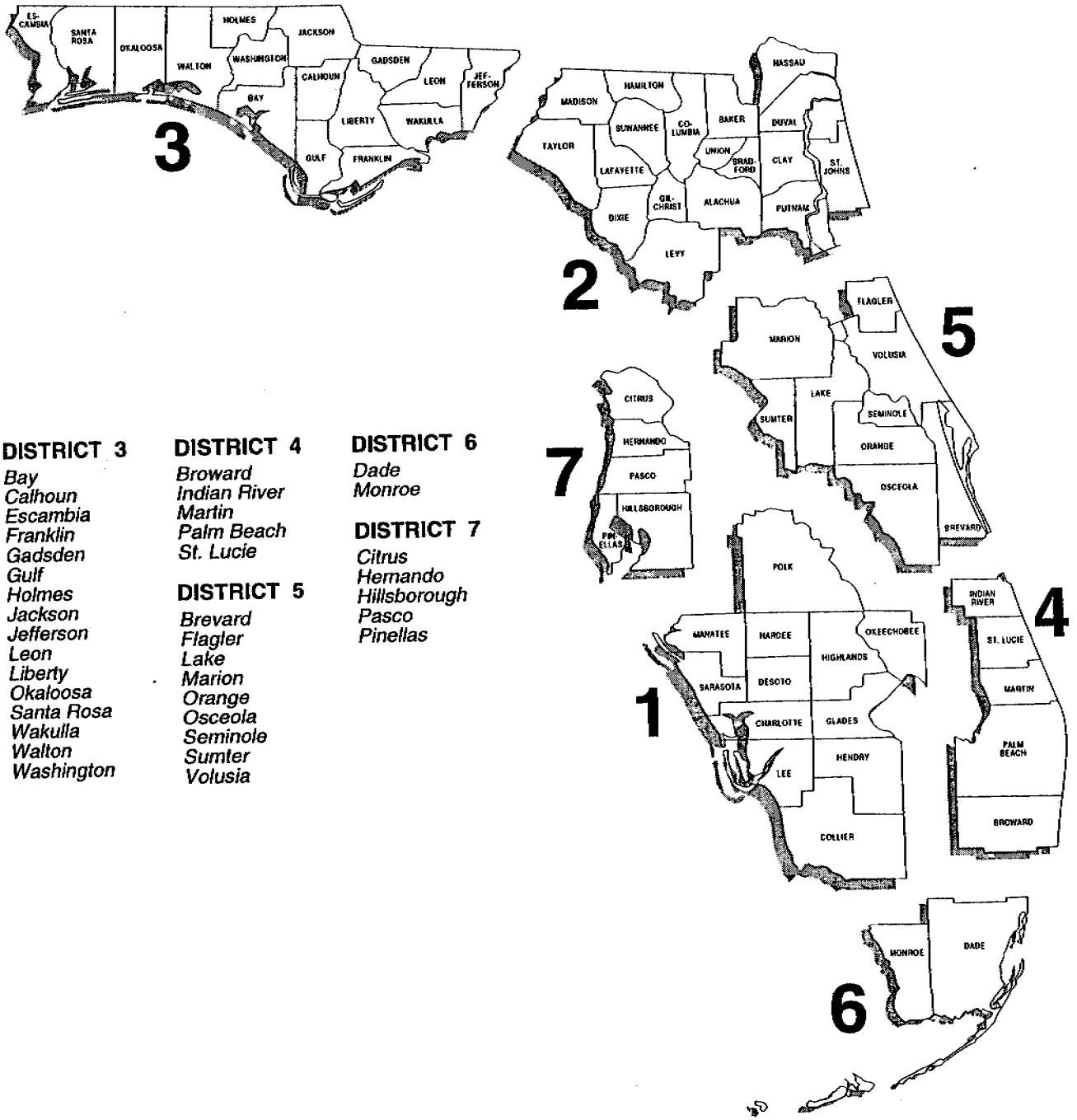
For FY 1995/96, the percentage of state road lane miles rated in good condition was 81%, exceeding the proposed goal of 80%.

Routine Maintenance: For FY 1995/96, the Department achieved 105% of the objective of a system-wide maintenance rate of 80.

Capacity Improvements, Highway: Of **347** lane miles of capacity improvements planned for letting, **317** lane miles or **91%** were let.

Capacity Improvements, Public Transportation: The Department achieved **67%** of plan, committing **$154.1 M.** of a total plan of **$229.3 M.** in public transportation capacity improvement projects. Advanced projects totaling $10.0 M. increased commitments to a total of $164.1 M. The plan was 8% smaller than in FY 1994/95 and achievement of plan was 11% lower than in FY 1994/95.

Safety: For the State Highway System, the preliminary CY 1995 fatal crash rate was 1.89 fatal crashes per 100 million vehicle miles traveled, exceeding the preliminary national rate of 1.55. This fatal crash rate for state roads was an increase of 0.5% over CY 1994. Florida's rate exceeds the national rate by 22%.



DISTRICT 1

Charlotte
Collier
De Soto
Glades
Hardee
Hendry
Highlands
Lee
Manatee
Okeechobee
Polk
Sarasota

DISTRICT 2

Alachua
Baker
Bradford
Clay
Columbia
Dixie
Duval
Gilchrist
Hamilton
Lafayette
Levy
Madison
Nassau
Putnam
St. Johns
Suwannee
Taylor
Union

DISTRICT 3

Bay
Calhoun
Escambia
Franklin
Gadsden
Gulf
Holmes
Jackson
Jefferson
Leon
Liberty
Okaloosa
Santa Rosa
Wakulla
Walton
Washington

DISTRICT 4

Broward
Indian River
Martin
Palm Beach
St. Lucie

DISTRICT 5

Brevard
Flagler
Lake
Marion
Orange
Osceola
Seminole
Sumter
Volusia

DISTRICT 6

Dade
Monroe

DISTRICT 7

Citrus
Hernando
Hillsborough
Pasco
Pinellas

COST-EFFICIENT & EFFECTIVE BUSINESS PRACTICES:

PRODUCTION

CONSULTANT ACQUISITION

The production cycle of a road or bridge begins with the preliminary engineering and design phases. Although the Department employs engineers who perform these functions, it presently contracts with private-sector engineering consultants to produce approximately 65% of design plans. Unlike the construction contracting process in which the firm submitting the lowest responsible bid receives the contract, the consultant acquisition process is carried out pursuant to state law requiring competitive negotiations. Selection of consultants is based on quality of the technical proposal submitted. Following selection, price is negotiated.

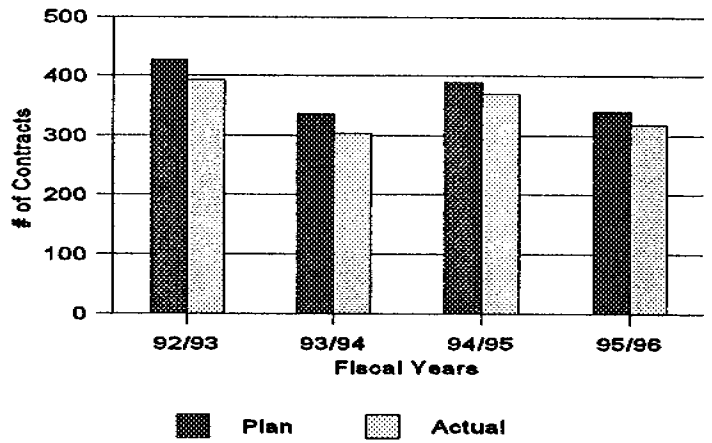
In order for a project to progress on schedule to right of way acquisition and construction, the design consultant contract must be negotiated and signed (executed) in a timely manner. Further, delays in right-of-way acquisition and construction usually mean increased project cost.

Measure	Number of Consultant Contracts Executed vs. Total Contracts Planned.
This Measure assesses Department performance in initiating project engineering and design in accordance with the schedule committed to in the work program.	

Statewide Performance:

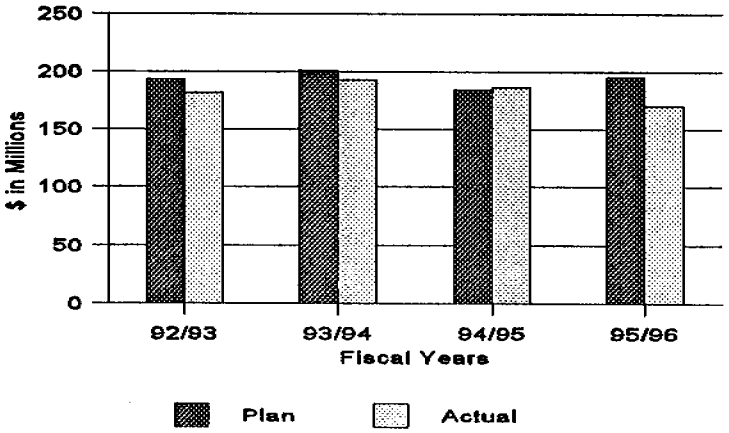
- The Department achieved 94% of plan, having executed 319 of 340 contracts planned for the year. A total of 16 consultant contracts were added and executed during the year.
- Actual dollar commitments of $170.5 M. were 87% of the total consultant acquisition plan of $195.4 M. A total of $7.2 M. in contracts were added to the plan and executed during the year.
- The plan for FY 1995/96 was 13% smaller than the plan for FY 1994/95.
- Department achievement of plan was 1% lower in FY 1995/96 than in FY 1994/95.

Number of Contracts Executed by Fiscal Year



	Fiscal Year			
	92/93	93/94	94/95	95/96
Plan	426	336	390	340
Actual	393	303	370	319
% of Plan	*92%*	*90%*	*95%*	*94%*
Additions	29	40	16	16
Total Executed	422	343	386	335

$ Amount Executed by Fiscal Year



	Fiscal Year			
	92/93	93/94	94/95	95/96
Plan	$193.3	$201.3	$184.2	$195.4
Actual	$181.4	$192.8	$186.7	$170.5
% of Plan	*94%*	*96%*	*101%*	*87%*
Additions	$6.5	$8.9	$3.0	$7.2
Total Executed	$187.9	$201.7	$189.7	$177.7

Explanation of 21 Planned Contracts Not Executed:

- Four design contracts for bridge widening projects were deleted due to a change in the Department's bridge policy.
- One PD&E contract for an interchange with Interstate 75 at Golden Gate Blvd. was delayed pending completion of the requisite Interstate Master Plan. Master planning efforts were delayed due to local government land use plan changes.
- One design contract to widen a bridge was deleted per the PD&E/Cost Feasibility Study. The bridge cannot be widened due to encroachment on railroad right of way.
- One design contract to replace a bridge was deleted based on the recommendation of a Value Engineering evaluation that the bridge did not need replacing.
- One design contract to rehabilitate concrete pavement was deferred to avoid maintenance of traffic conflicts. An adjacent project, Fuller Warren Bridge replacement, was advanced creating the project conflict.
- New welcome station at Florida/Alabama State line - The scope for this project will be scaled down to include only a conceptual design in order to set right of way. When this conceptual design is complete, the project will be handled as a design/build project.
- One design contract deleted because the Metropolitan Planning Organization deleted it from their program.
- One design contract to add bike paths delayed due to change of scope of the project by the Metropolitan Planning Organization.
- One design contract to add bike paths deleted at request of local government.
- One demonstration contamination contract deferred to FY 1996/97. The contract is not needed until November 1996.
- Two design contracts delayed due to Location/Design Approval not to be completed until FY 1996/97; design cannot begin until Location/Design Approval is completed.
- One final design contract delayed due to negotiations with consultant taking longer than anticipated.
- One design contract to add sidewalks deleted at request of local government due to unanticipated requirement of additional right of way.
- Two I-4 Study Projects were delayed due to late completion of the Master Plan.
- One design contract deleted due to pending reevaluation of the design concept of the Pinellas County - US 19 corridor on which it is located.
- One design contract was deleted at the request of the Metropolitan Planning Organization.

RIGHT OF WAY ACQUISITION

Since no construction contract is let until all right of way parcels needed for the project are acquired and certified as "clear" (ready for construction to proceed), an efficient and economically effective right of way program is an essential component of productivity.

Although the Department successfully negotiates the purchase of about 64% of right of way parcels, costly and lengthy condemnation proceedings must be pursued on the remaining 36% of needed parcels (title to a parcel is acquired by the State a few months after filing suit allowing construction to commence; however, court proceedings to determine the amount of compensation to be paid to the property owner may occur 2 or 3 years later). Federal and state constitutional provisions, as well as state statutes, provide safeguards for the property owner whose land is being taken, including payment of his attorney fees and costs, and the right to a 12-member jury trial to determine just compensation. The timing of required court proceedings and the amount ultimately paid for the property are subject to many factors beyond the Department's control.

A successful right of way program is one that maximizes cost avoidance strategies during negotiation and condemnation, and completes parcel acquisition in a timely manner, avoiding delays in letting the project to construction.

In the usual production cycle of a road or bridge referred to above, the necessary right of way is acquired immediately prior to the start of construction. When feasible, the Department acquires needed right of way in advance of construction - purchasing now, rather than later when value has appreciated, land that will be needed for planned future roads or for widening existing roads. In many cases, not only will the State receive the benefit of today's lower prices, but it will also buy needed land before commercial or residential development has occurred, thereby avoiding large sums paid to property owners in damages and relocation expenses.

Measure	Number of Projects Certified vs. Number of Projects Scheduled for Certification
This Measure assesses how well the Department performs in acquiring all parcels needed for construction letting of a project. Failure to certify on schedule all parcels for a given project may delay the project and increase project cost.	
Explanatory Data	Number of parcels acquired by negotiation vs. condemnation.
	For litigated parcels, final judgment amount vs. total DOT estimated compensation vs. total property owner's claim.
	Of total right of way expenditures, the percent and dollar value used to purchase land vs. percent and dollar value expended for associated costs and fees.

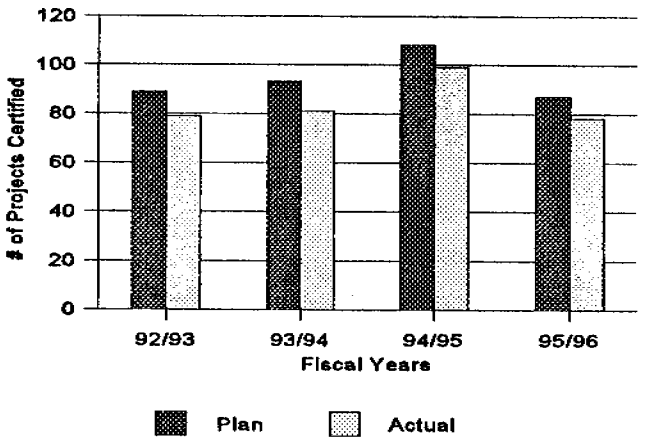
Statewide Performance:

- The Department achieved 90% of plan, having certified right of way on 78 of 87 projects planned for the year. Of the nine (9) projects not certified, two have delayed planned construction lettings. Nine (9) projects planned for certification in future years were advanced to certification in FY 1995/96. Eleven (11) projects were added and certified during the year.
- The plan for FY 1995/96 was 18% smaller than the plan for FY 1994/95. Department achievement of plan was 2% lower in FY 1995/96 than in FY 1994/95.
- Of the total parcels acquired during FY 1995/96, 64% were negotiated purchases, which is 8% higher than the negotiation rate in FY 1994/95 of 56%.

- Of parcels acquired by negotiation during FY 1995/96, 41% were acquired at or within 10% of the Department's appraisal, 12% lower than FY 1994/95, when 53% were acquired within 10% of Department appraisal.
- From the standpoint of where final judgment amounts fell in the spread between the Department's appraised value and the landowner's appraisal or demand, the following occurred during FY 1995/96:
  - For the average settlement, the final judgment was 41% of the spread;
  - For the average mediation, the final judgment was 36% of the spread;
  - For the average verdict, the final judgment was 42% of the spread.

  Comparing with prior year:
  - For the average settlement, final judgments in FY 1995/96 were 2% more toward the landowner's demand than in FY 1994/95 when they were 39% of the spread.
  - For the average mediation, final judgments in FY 1995/96 were 1% more toward the Department's appraisal than in FY 1994/95 when they were 37% of the spread.
  - For the average verdict, final judgments in FY 1995/96 were 1% more toward the Department's appraisal than in FY 1994/95 when they were 43% of the spread.
- Right of Way expenditures totaled $325.0 M. during FY 1995/96. Of that total, slightly over 75% purchased land. About 19% or $61.2 M. paid landowners' fees and costs, 61% or $37 M. of that being paid to landowners' attorneys.

Number of Projects Certified by Fiscal Year

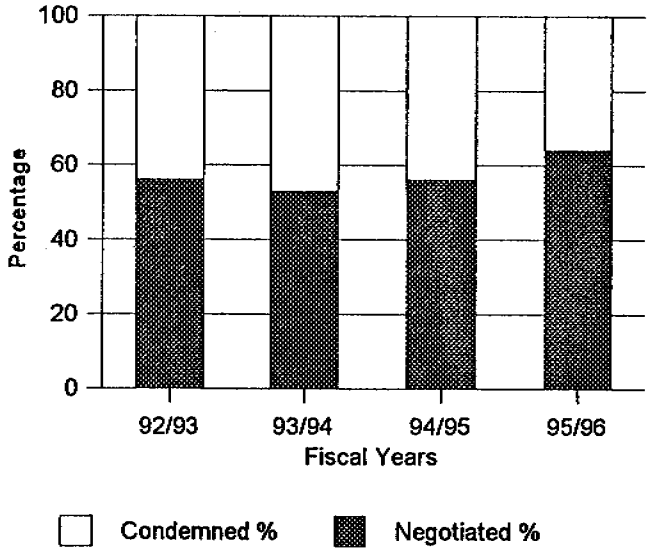


	Fiscal Year			
	92/93	93/94	94/95	95/96
Plan	89	93	108	87
Actual	79	81	99	78
% of Plan	*89%*	*87%*	*92%*	*90%*
Advanced FY	2	8	8	9
Additions	12	34	15	11
Total Certified	93	123	122	98

Explanation of 9 Planned Projects Not Certified:

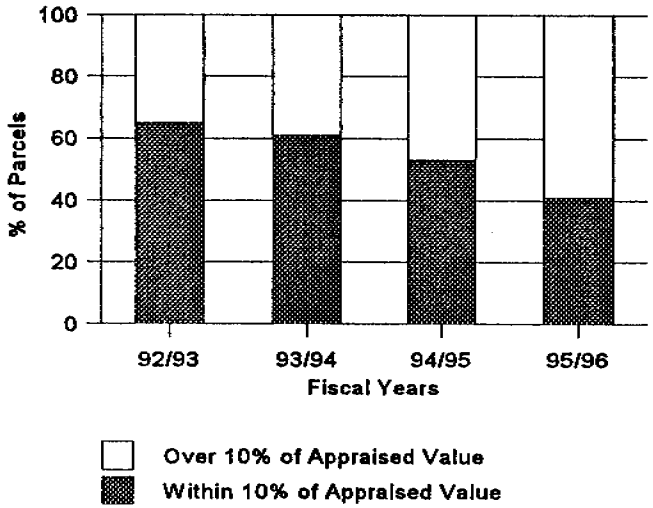
- One project (bike trail) not certified due to property owner negotiation. County originally planned to get property donated. Property owner would not donate requiring negotiation by the Department.
- One project not certified due to requested changes to retention pond locations by the property owner.
- One project not certified due to Order of Taking not being granted until a year after the Order of Taking hearing. Due to this delay the parcel could not be certified until FY 96/97. All parcels were acquired.
- One project not certified due to a revised appraisal and a change of ownership which delayed the Order of Taking hearing. Forty-eight of 49 parcels have been acquired.
- Three projects not certified due to permitting issues and administrative hearing. These projects are part of the US-1 SOUTH improvement program. The contract lettings were deferred until FY 1997/98 to allow time for the Department to undergo the administrative hearing process and obtain the required permits.
- One project not certified due to substantial increases in right of way costs on the project. This is attributed to higher than anticipated business/severance damage claims due to frontage roads.
- One project (Section 4 of the Polk County Parkway) not certified due to the Department unable to obtain an Order of Taking from one property owner, with hearing dates under constant continuance by the defense.

Negotiated and Condemned Parcels
Percentage Rate by Fiscal Year



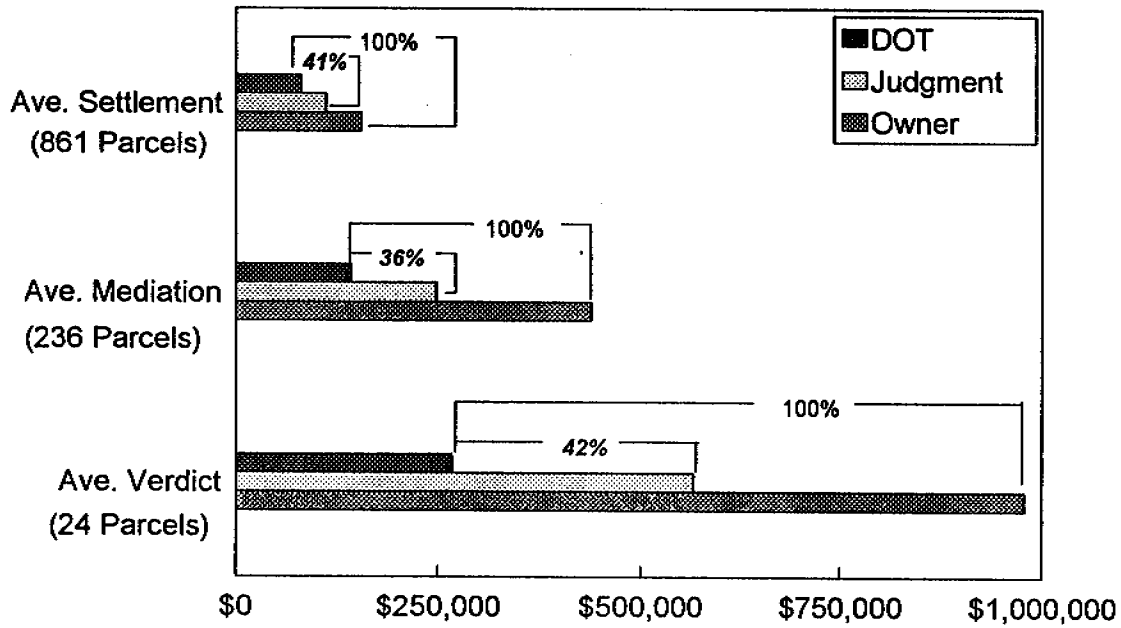
	Fiscal Year			
	92/93	93/94	94/95	95/96
Condemned %	44%	47%	44%	36%
Negotiated %	56%	53%	56%	64%
Condemned #	1,091	1,343	1,166	965
Negotiated #	1,394	1,533	1,480	1,695

Parcels Negotiated Within 10% of DOT Appraised Value
Percentage Rates by Fiscal Year



	Fiscal Year			
	92/93	93/94	94/95	95/96
Over 10%	35%	39%	47%	59%
Within 10%	65%	61%	53%	41%

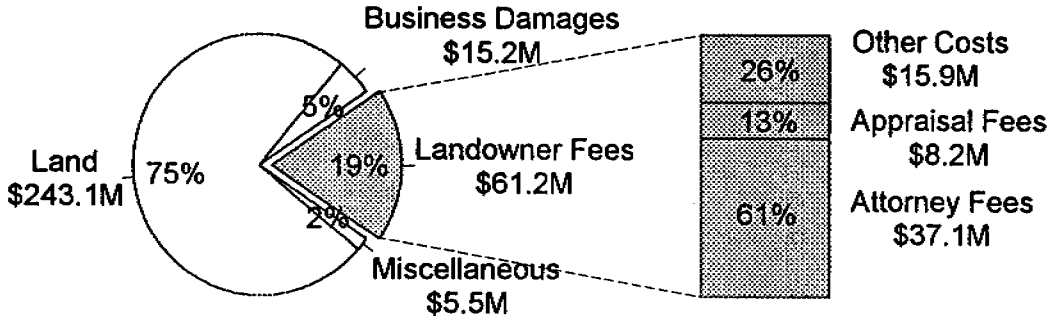
Condemned Parcels - Average Final Judgment as % of Spread Between DOT Appraisal and Owner's Demand



	DOT	Judgment	Landowner
Settlement	$81,072	$112,097	$156,088
Mediation	$143,747	$248,617	$439,317
Verdict	$268,435	$566,704	$978,701

Note:
"Settlement" is a final judgment wherein all interests in a parcel are resolved prior to trial and outside mediation.
"Mediation" is a settlement achieved during a formal session mediated by an approved 3rd party mediator.
"Verdict" is a final judgment following trial.

Right of Way Expenditures
Statewide Summary FY 1995/96



Statewide Total = $325.0 M

R/W Expenditure	FY 1994/95		FY 1995/96		Change	
Statewide	$	%	$	%	$	%
Land	$228.6	75%	$243.1	75%	$14.5	0%
Business Damages	$12.4	4%	$15.2	4%	$2.8	0%
Landowner Fees	$58.6	19%	$61.2	19%	$2.6	0%
Miscellaneous	$4.0	2%	$5.5	2%	$1.5	0%
Total	$303.6	100%	$325.0	100%	$21.4	

R/W Expenditure	FY 1994/95		FY 1995/96		Change	
Statewide	$	%	$	%	$	%
Attorney Fees	$34.9	60%	$37.1	61%	$2.2	1%
Appraisal Fees	$7.6	13%	$8.2	13%	$0.6	0%
Other Costs	$16.1	27%	$15.9	26%	$0.2	(1)%
Total	$58.6	100%	$61.2	100%	($2.6)	

CONSTRUCTION CONTRACTS

Each year, the Department develops a detailed plan (work program) of the transportation projects it has committed to undertake during the next and ensuing 4 years. The Department schedules each project by phase (e.g., design, right-of-way, construction) and estimates the cost of each phase. The construction phase cannot begin until the Department lets the project (carries out the bidding process) and awards a construction contract to the lowest responsible bidder, the construction firm that will actually build the facility, be it a road, bridge or other structure.

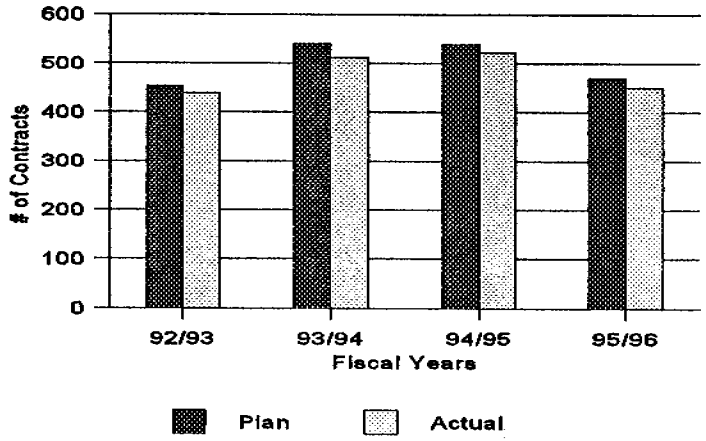
The construction phase results in the final, tangible product of the Department and the construction program comprises 39% of total dollars in the work program. The public's foremost concern is "Did the Department build the projects it committed to build, and did it do so *when* it promised to?" The following measure and data, collectively, assess the department's performance in keeping its commitments to initiate the construction of planned roads, bridges and other transportation facilities.

Measure	Number of Projects Let vs. Planned for Letting.
	This Measure assesses how well the Department performed in letting construction contracts on the projects it committed to let to construction during the year.
Explanatory Data	Actual Contract Amount of Projects Let vs. Total Plan Amount.

Statewide Performance:

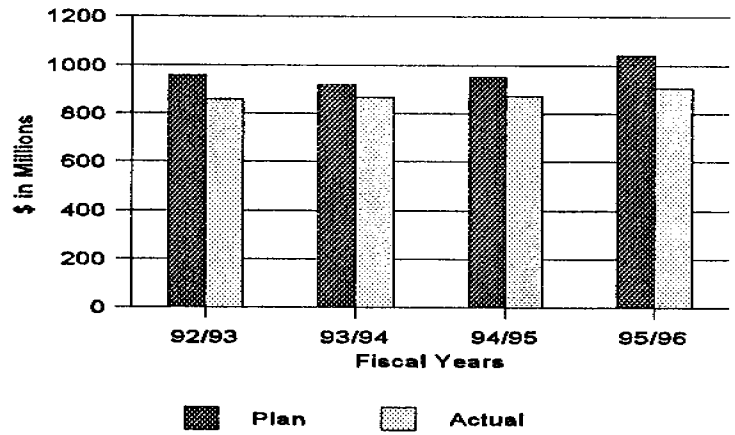
- The Department achieved 96% of plan, having let 450 of 470 projects planned for the year. Fifteen (15) projects were advanced from future fiscal years to letting in FY 1995/96. Thirty-seven (37) projects were added and let during the year.
- Dollar commitments of $908.3 M. were 87% of total planned construction lettings of $ 1,043.0 M., leaving $134.7 M. uncommitted for the fiscal year. However, $23.8 M. in projects were advanced from future years to letting in FY 1995/96 and $124.9 M. in projects were added to the plan and let during the year, increasing total lettings in FY 1995/96 to $1.057 B.
- The 450 projects let were estimated to cost a total of $901.0 M., and were let at an actual cost of $908.3 M., or 0.8% over estimated cost.
- The plan for FY 1995/96 was 12.8% smaller than the plan for FY 1994/95. Department achievement of plan was 1% lower in FY 1995/96 than in FY 1994/95.
- From a dollar standpoint, the plan for FY 1995/96 was 9.5% larger than the plan for FY 1994/95.
- The total dollar volume let (includes additions and advances) during FY 1995/96 ($1,057.0 M.) was a increase of 9.2% from the amount let in FY 1994/95 ($968.4 M.).
- With regard to advancements, the Department advanced 15 projects during FY 1995/96 compared to 29 projects advanced to letting from future years in FY 1994/95.

Number of Contracts Let by Fiscal Year



	Fiscal Year			
	92/93	93/94	94/95	95/96
Plan	453	540	539	470
Actual	438	512	522	450
% of Plan	*97%*	*95%*	*97%*	*96%*
Advanced FY	5	10	28	15
Additions	41	37	14	37
Total Let	484	559	565	502

$ Amount Let by Fiscal Year



	Fiscal Year			
	92/93	93/94	94/95	95/96
Plan	$956.9	$919.5	$952.6	$1,043.0
Actual	$858.6	$868.0	$872.3	$908.3
% of Plan	*90%*	*94%*	*92%*	*87%*
Advanced FY	$3.6	$85.8	$65.6	$23.8
Additions	$30.7	$18.0	$30.5	$124.9
Total Let	$892.9	$971.8	$968.4	$1,057.0

Explanation of 20 Planned Contracts Not Let:

- One bridge replacement (Anna Maria Bridge) contract delayed due to lengthy process of obtaining a dredge and fill permit from The Department of Environmental Protection and objections filed during administrative hearing process.
- One bike path contract delayed at the request of the County.
- Two intersection improvement projects deleted at request of local governments.
- One contract delayed due to change in scope of the project. Local government requested additional drainage.
- One recreational bike trail contract delayed at the request of local government and The Department of Environmental Protection to consolidate two projects.
- One sidewalk contract deferred due to delay in executing railroad agreements.
- One contract delayed due to right of way certification. The Order of Taking was not granted until a year after the Order of Taking hearing. Due to this delay the parcel could not be certified until FY 1996/97.
- One contract delayed due to the need for an Army Corps of Engineer permit which will not be granted until FY 1996/97.
- Two contracts delayed so that construction will not impact truck study on I-95 and Turnpike.
- One Motorist Call Box System contract was deferred pending completion of shoulder widening projects by Orlando-Orange Expressway Authority at the same location.
- Three contracts deferred until FY 1997/98 due to permitting issues and administrative hearing. These projects are part of the US-1 SOUTH Improvement Program. The Department was successful in obtaining a positive recommendation from the South Florida Water Management District's (SFWMD) staff regarding the issuance of the required state permits. However, four petitions for an Administrative Hearing were filed against the staff recommendation. At the November, 1995 Board Meeting, the SFWMD Governing Body forwarded the permitting issue to the Division of Administrative Hearings. The administrative hearing is scheduled to begin on September 3, 1996, and is anticipated to last until September 27, 1996. A final Recommended Order from the hearing officer is anticipated to be completed in December, 1996, and a final decision from the SFWMD is anticipated to take place at the March, 1997, Board Meeting.
- One contract deferred due to substantial increases in right of way costs on the project.
- One contract (Section 4 of the Polk County Parkway) delayed due to lack of right of way certification. The Department has been unable to obtain an Order of Taking from one property owner, with hearing dates under constant continuance by the defense.
- Two Weigh In Motion (WIM) projects delayed until the six-laning of I-95 in St. John County has occurred.
- One contract delayed. This project requires an agreement with the Miccosukee Tribe; agreement not expected until FY 1996/97.

CONSTRUCTION CONTRACT ADJUSTMENTS

After the Department and construction firm contract for construction of a road or bridge project and construction commences, the contract time (number of days to complete the project established by the Department) and contract amount (cost of the project established by lowest responsible bid) may be adjusted due to a variety of factors. These factors include time lost due to rain or other inclement weather conditions, unanticipated environmental or soil conditions (e.g., discovery of hazardous waste on a site), design changes or omissions, and equipment, material, or workforce-related problems of the construction contractor.

Some extension of time beyond the original contract time is expected due to unfavorable weather conditions. However, when a contractor fails to complete the project within the original contract time plus any authorized time extensions, he is declared delinquent by the Department and must pay liquidated damages for each day he is delinquent.

It is generally accepted in the construction industry that the contract amount will increase by a small percentage of the original low bid amount due to a variety of unanticipated conditions and unexpected events. Such cost increases are authorized by "supplemental agreement" (contract amendment authorizing contractor to perform additional work and to receive additional payment). In the event that the Department disagrees with a request for additional payment by the contractor, the contractor files a claim, which when resolved (through administrative or legal channels), may be paid in part or in full and may also add to project cost.

The public expects that a project will be delivered "within budget and on schedule." It is important to assess how well the Department manages its construction contracts as it relates to containment of cost and time increases. As explained above, however, some increases are beyond the Department's control.

On the following pages, Contract Time Adjustments and Contract Cost Adjustments are covered in detail.

CONSTRUCTION TIME ADJUSTMENTS

The original contract time will predictably increase due to time extensions granted for inclement weather conditions. These increases are excluded from the performance measure since they are unavoidable. Beyond "weather days," additional time is granted for a variety of other reasons, including extra work, special events (parades, etc.), plan or design changes, material testing delays, and utility relocation delays. Additional days are granted by the Department through time extensions, which grant additional time only, and through supplemental agreements, which authorize additional work and often necessitate additional time. The bulk of added days are authorized through supplemental agreements.

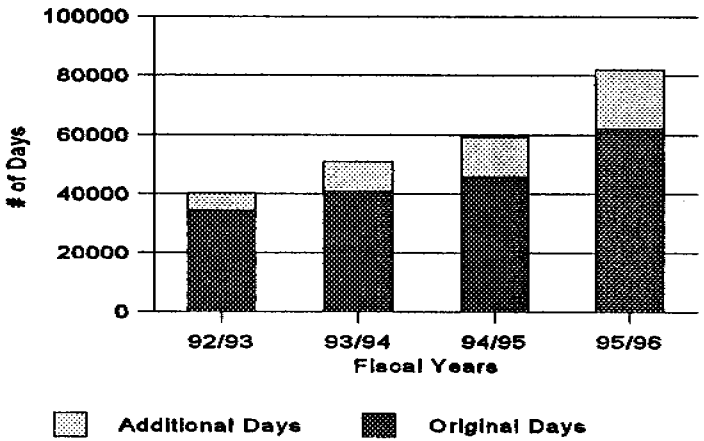
Measure	For all Construction Contracts Completed during the Fiscal Year, the Original Contract Time vs. Final Contract Time (excluding weather days).
	This Measure assesses the Department's performance in containing contract time increases and indicates, for those factors within the Department's control, where Department performance can improve.
Explanatory Data	Contracts completed broken down by percentage over original time: less than 20% over original time; 20% to less than 40% over original time; and 40% or more over original time.

Statewide Performance:

- For the 285 contracts completed during FY 1995/96, the original contract time increased by 32.1% as a result of added days (excluding weather days).
- The percentage increase in original contract time of 32.1% due to additional days granted (excluding weather days) is 3.4% higher than in FY 1994/95.
- On 48.8% of all contracts completed during the year, the original contract time increased by less than 20% as a result of additional days granted (excluding weather days); on 20.0%, the original contract time increased by at least 20% but less than 40%; and on 31.2% of all contracts completed, the original contract time increased by 40% or more.

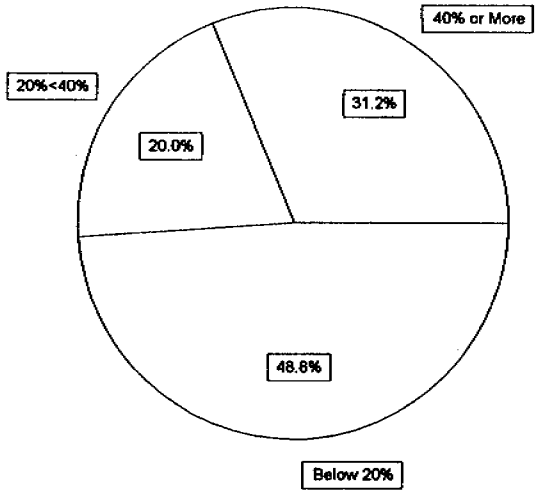
Note: "Contracts completed" are contracts on which final estimate was completed, all known claims were settled and documentation passed to Comptroller Office for final payment during the fiscal year.

Original Time vs. Final Time by Fiscal Year
(Excludes Weather Days)



	Fiscal Year			
	92/93	93/94	94/95	95/96
Additional Days	5,707	10,070	13,229	19,895
Original Days	34,690	40,908	46,063	62,070
Total Days	40,397	50,978	59,282	81,965
% Increase	*16.5%*	*24.6%*	*28.7%*	*32.1%*
# of Contracts	194	216	244	285

Number of Contracts vs. Percentage Over Original Time for FY 1995/96



% Over Original Time	# of Contracts	% of Total
Below 20%	139	48.8%
20% < 40%	57	20.0%
40% or More	89*	31.2%
Total	285	100.0%

***Brief explanation of time adjustments for these 89 contracts available from Transportation Commission office.**

CONSTRUCTION COSTS ADJUSTMENTS
Supplemental Agreements

The measure below compares original contract amount to final project cost. Increases in cost frequently occur due to authorization of additional work as the project progresses. Even though a small percentage increase in cost is generally expected, and the Department reserves funds for this purpose, significant cost increases could result in delaying planned projects and could indicate a problem in quality of design plans and specifications or in contract management.

The Explanatory Data provide insight into the reasons for cost increases and are used by the Department to target areas for improvement. Nearly all supplemental agreements add value to the project in that they purchase additional labor and materials that were necessary for the facility to function properly once completed. There are instances, however, when the Department must pay a higher price for additional material quantities authorized by supplemental agreement, and when "delay costs" are incurred. These costs do not add value to the project and should be eliminated, to the extent they can be avoided. Moreover, to the extent these costs were avoidable and responsible parties are identified, the Department should pursue recovery in those cases where the amount subject to recovery makes legal action a cost-effective remedy.

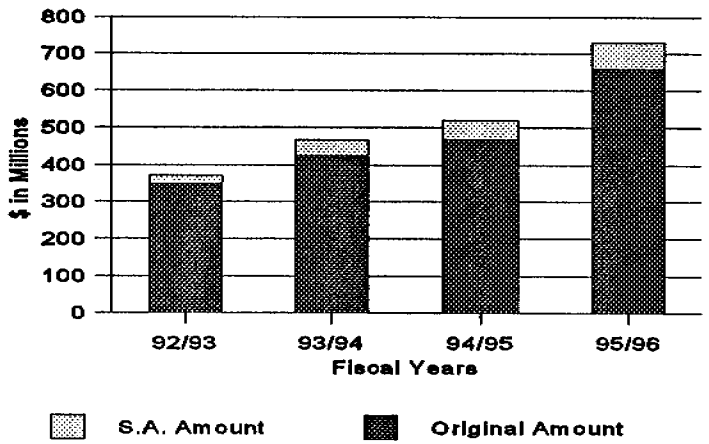
Measure	Original Contract Amount vs. Final Amount Paid on all Construction Contracts Completed during the Fiscal Year.
	This Measure compares the original contract amount with the final contract amount following acceptance of work by the Department and final payment to the contractor. The data shows the percentage increase in cost due to supplemental agreements.
Explanatory Data	Contracts completed broken down by percentage over original cost: less than 10% over original cost; 10% to 20% over original cost; 20% or more over original cost.
Explanatory Data	Of the final amount paid on completed contracts, the portion that did not add value to the projects. That portion is broken down further, and responsible parties are identified for those "no value added" costs that were avoidable.
Explanatory Data	Supplemental agreements categorized by reasons for the supplemental agreement.

Statewide Performance:

- For the 285 contracts completed during FY 1995/96, the total original contract amount of $657.4 M. increased by 11.0% due to supplemental agreements, for a total final contract amount of $730.0 M.
- The percentage increase in original contract amount due to supplemental agreements for FY 1995/96 was 0.2% higher than in FY 1994/95.
- On 64.2% of all contracts completed during the year, the original contract amount increased by less than 10% as a result of supplemental agreements; on 17.2%, the original contract amount increased by at least 10% but less than 20%; and on 18.6% of all contracts completed, the original contract amount increased by 20% or more.
- Of the total final amount paid on completed contracts during 1995/96 of $730 M., a total of $16.7 M. or 2.3% did not add value to the projects.
- Of the $16.7 M. that did not add value to projects completed, $5.6 M. or 33.6% was unavoidable, while $11.1 M. or 66.4% was avoidable. Of those costs that were avoidable, 42.3% was attributable to action/inactions of third parties, primarily local governments and utility companies.

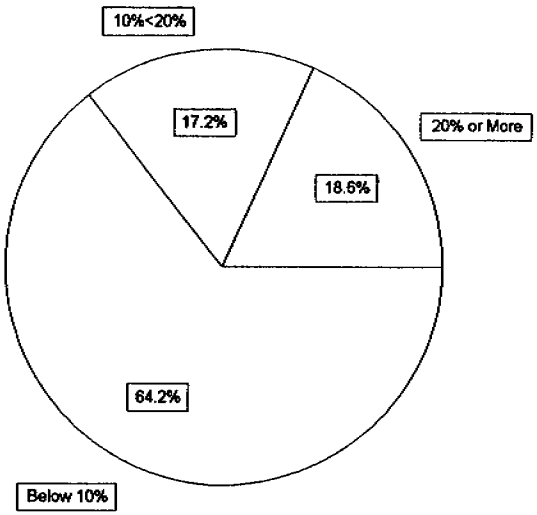
Note: "Contracts completed" are contracts on which final estimate was completed, all known claims were settled and documentation passed to Comptroller Office for final payment during the fiscal year.

Original Contract Amount vs. Supplemental Agreements (S.A.) by Fiscal Year



	Fiscal Year			
	92/93	93/94	94/95	95/96
S.A. Amount	$22.7	$42.2	$50.5	$72.5
Original Amount	$349.1	$425.2	$469.4	$657.4
Total	$371.8	$467.4	$519.9	$730.0
% Increase	*6.5%*	*9.9%*	*10.8%*	*11.0%*
# of Contracts	194	216	244	285

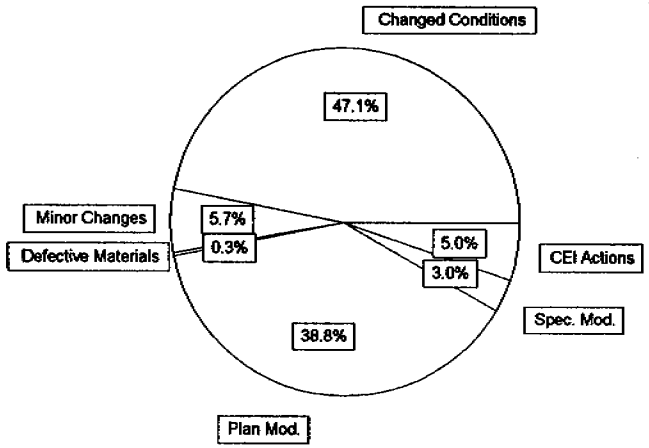
Number of Contracts vs. Percentage Over Original Cost for FY 1995/96



% Over Original Time	# of Contracts	% of Total
Below 10%	183	64.2%
10% < 20%	49	17.2%
20% or More	53*	18.6%
Total	285	100.0%

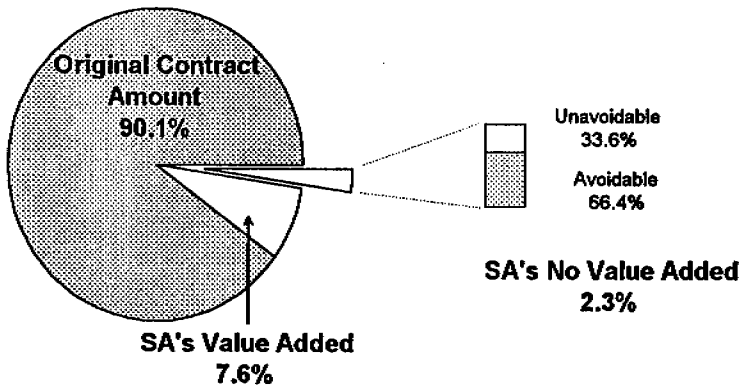
*Brief explanation of cost adjustments for these 53 contracts available from Transportation Commission office.

Supplemental Agreements by Reasons for FY 1995/96



Reason	S.A. Amount	% of Total
Changed Conditions	$34,159,157	47.11%
Plan Modification	$28,130,294	38.79%
Specification Mod.	$2,192,779	3.02%
CEI Actions	$3,661,169	5.05%
Defective Materials	$223,689	0.31%
Minor Changes	$4,147,026	5.72%
Total	$72,514,114	100.00%

Contract Cost Adjustments for Contracts Completed FY 1995/96

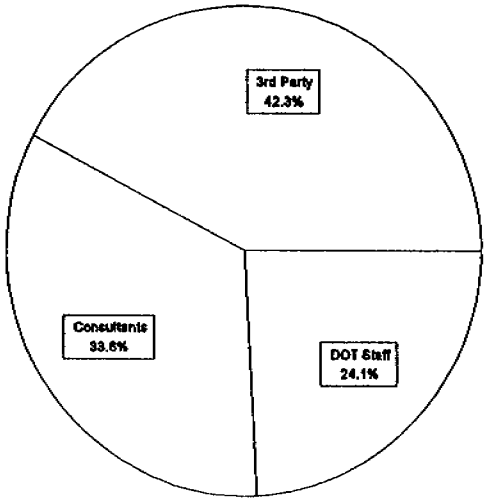


	Amount	%
Original Contract	$657,438,725	90.1%
S.A. Value Added	$55,787,589	7.6%
S.A. No Value Added	$16,726,525	2.3%
Final Amount Paid	$729,952,839	100.0%

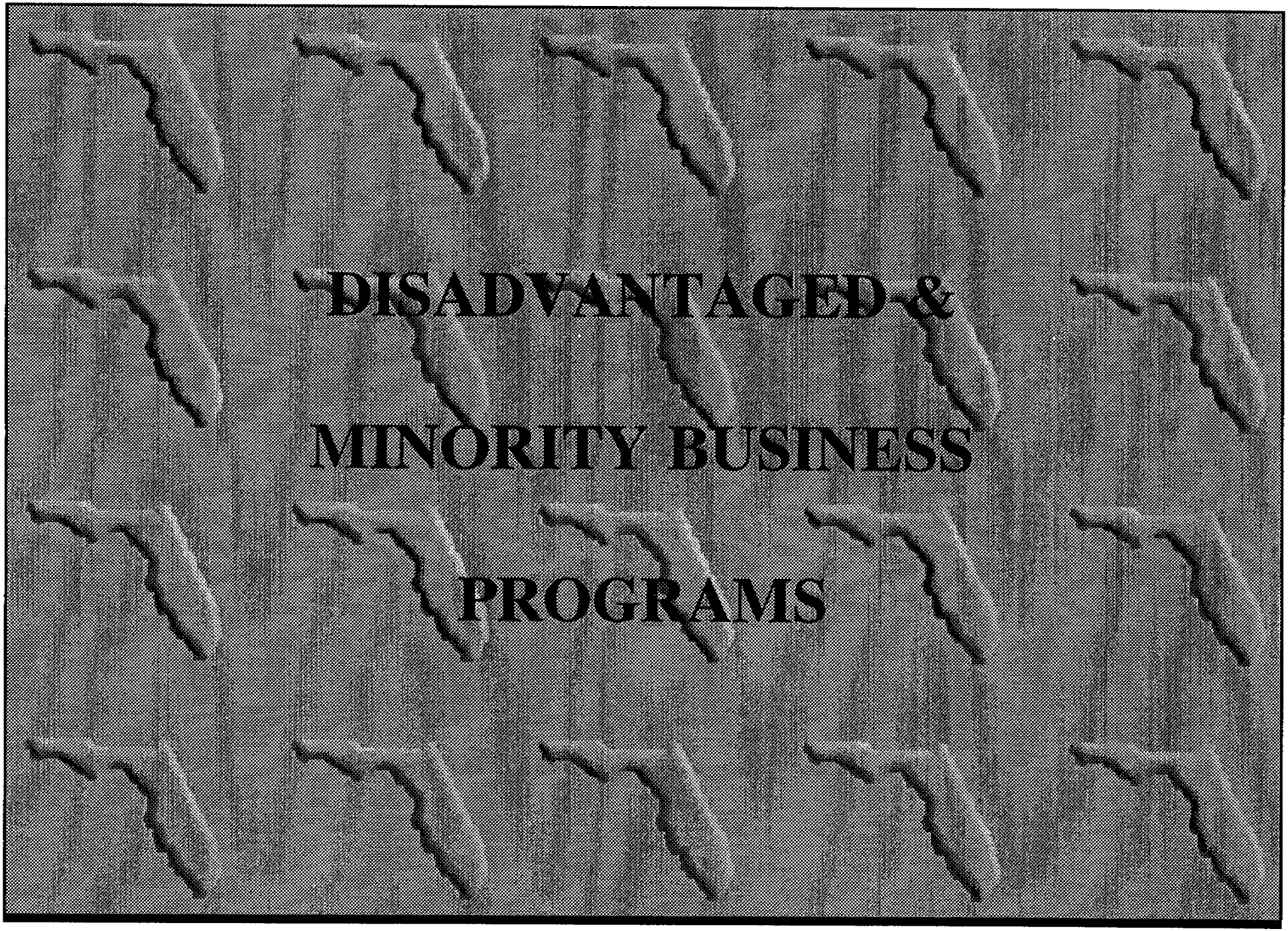
S.A. No Value Added

Unavoidable	$5,612,050	33.6%
Avoidable	$11,114,475	66.4%
Total	$16,726,525	100.0%

Avoidable No Value Added Supplemental Agreements
By Responsible Parties



Responsible Party	Amount	%
3rd Party	$4,700,685	42.3%
Consultants	$3,733,097	33.6%
DOT Staff	$2,680,693	24.1%
Total	$11,114,475	100.0%


DISADVANTAGED &
MINORITY BUSINESS
PROGRAMS

DISADVANTAGED/MINORITY BUSINESS PROGRAMS

Both Federal and State law address utilization of socially and economically disadvantaged business enterprises (DBE) in Department contracts for construction of transportation facilities. Specifically, for all consultant and construction contracts which are in part funded with federal aid, at least 10% of the total contract amount must be spent on small businesses owned and controlled by socially and economically disadvantaged individuals, as defined by law. Failure to attain this goal results in withholding of federal funds.

State law also provides maximum opportunity for increased participation by minority business enterprises (MBE) in State purchases of commodities and contractual services. All agencies, including the Department, are subject to varying goals geared to specific minority groups.

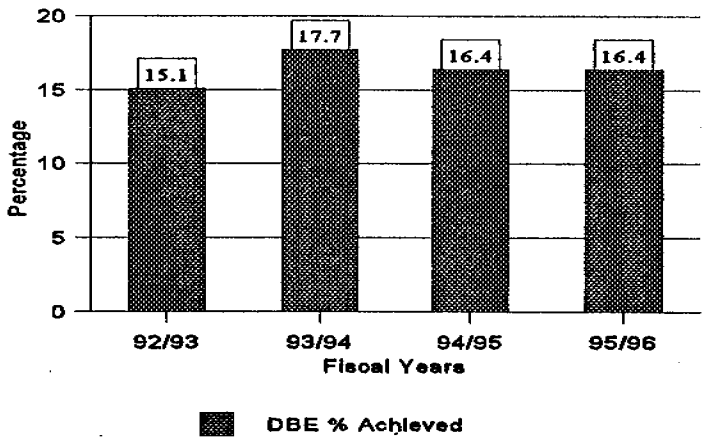
Measure	Dollar Volume of Disadvantaged Business Enterprise Utilization as a Percentage of Total Federal Funded Contracts (10% Statutory Goal)..
Indicator	Progress Toward Attaining Statutory Goals for Individual Minority Business Categories in Four Work Type Areas; Reported as Goal vs. Actual.

Statewide Performance:

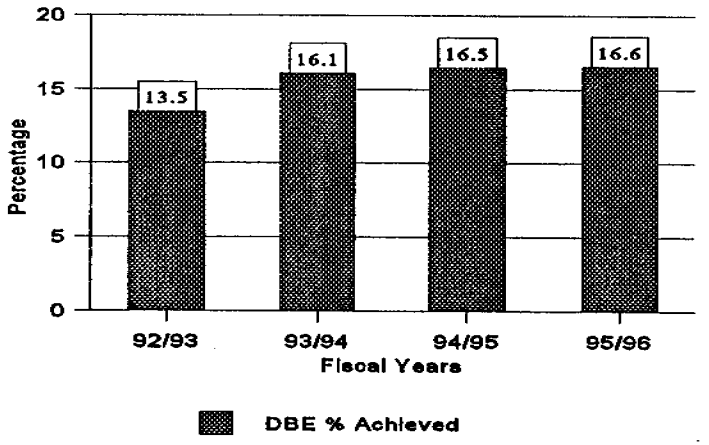
- For all construction and consultant contracts financed in part by federal funds, DBE participation was 16.4%, exceeding the 10% goal.
- For all consultant contracts (including 100% state funded), DBE participation was 16.6%.
- DBE participation rate for FY 1995/96 was the same as FY 1994/95 for all construction and consultant contracts financed in part by federal funds.
- DBE participation rate for FY 1995/96 was 0.1% higher than in FY 1994/95 for all consultant contracts.
- In each of the four work areas, the Department exceeded statutory goals for utilization of MBE's, for a collective achievement of 144% of goal.

Disadvantaged Business Enterprise Achievement by Fiscal Year

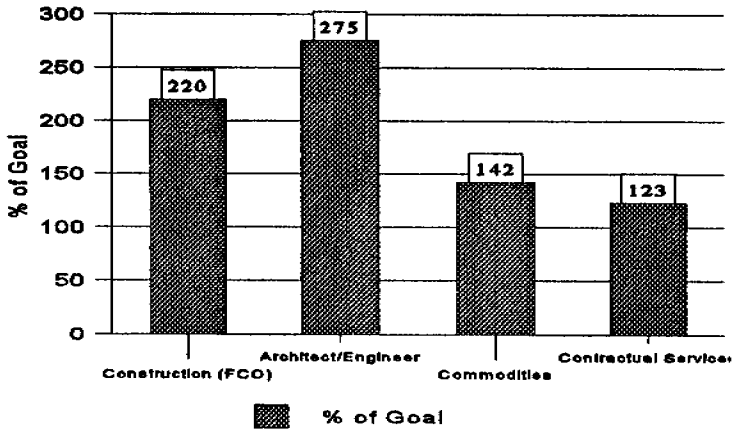
On Executed Federal Funded Contracts



On All Executed Consultant Contracts



Minority Business Enterprise Expenditures by Category



	Fiscal Year			
	92/93	93/94	94/95	95/96
$ Goal	$2.50M	$0.25M	$5.67M	$10.15M
Actual	$5.49M	$0.68M	$8.05M	*$12.52M
% of Goal	*220%*	*275%*	*142%*	*123%*

QUALITY & COST-SAVING INITIATIVES:

PRODUCTION

QUALITY & COST-SAVING INITIATIVES: PRODUCTION

Not only is it important that the Department design and build the transportation projects it has committed to in the work program and that it do so according to schedule and within budget, it is equally important that the resulting product be a quality one, using the best engineering knowledge and materials available. It is essential that the Department have in place, provide strong management support to, and give continuing high priority to, programs whose purpose is improvement of transportation products and the standards, procedures, and decision-making processes that support production activities.

The following four activities improve quality and often lower costs by: evaluating projects in early development phases for cost-saving engineering changes, continuing opportunities for improvement during construction and finally, reviewing recently completed projects to identify Department methods and processes used in production that need improvement on future projects or ones that worked well and should be incorporated in future projects. Thus, quality of products, processes and methods receives attention throughout the production cycle.

VALUE ENGINEERING

The Value Engineering (VE) process uses independent multi-functional teams (design engineer, construction engineer, maintenance engineer, right-of-way agent, etc.) to take a fresh look at complex projects during preliminary engineering and design to determine if improvements can be made which enhance the quality of transportation facilities at a cost savings. If potential cost savings are identified, recommendations are made to the District Secretary. The District Secretary sometimes elects not to implement a VE recommendation due to non-engineering considerations (e.g., a cost-saving design change might be rejected due to an adverse impact on the community).

Where possible, improvements made as a result of VE reviews are incorporated as standard business practice and may involve permanent revisions to the Department's standard specifications and design standards.

Indicator	Savings attributable to Value Engineering reviews vs. cost of administering Value Engineering program.
Indicator	Percent of Value Engineering recommendations implemented.

Statewide Performance:

- During FY 1995/96, a total of 60 projects were reviewed by VE teams, a 35% decrease from FY 1994/95 when 92 projects were reviewed. Of the total recommendations acted on during the year, 51% were implemented, 5.5% lower than in FY 1994/95 when 54% were implemented.
- FY 1995/96 total cost savings due to implemented recommendations was $133.4 million, a 5% increase from FY 1994/95 when savings of $126.8 million were achieved. By contrast with savings achieved, the cost of administering the VE Program is $1.2 million annually or *for every $1 spent the department realized $110 in project savings*.

The following three examples demonstrate the powerful tool that Value Engineering is, and the cost-saving benefits this tool provides to the public.

VE Case Study #1:

A Project Development and Environmental (PD&E) study is being conducted for a new 25 mile, four-lane, limited access tollway named the Suncoast Parkway Project 2. Once completed, this project will function as part of the Florida Intrastate Highway System, providing greater capacity through the mid-western section of Florida.

The Value Engineering team concurred with the methodology, criteria and selection of the preferred highway alignment. The team's investigation was then directed to project issues that would be carried forward into the PD&E process for further analysis. The team reexamined the traffic model used on each of the five proposed interchanges and recommended that the construction of two interchanges be deferred to a later, undetermined date when future traffic volumes warrant their construction. The strategic locations of these interchanges would be preserved, however, by acquisition of the needed right of way during the initial acquisition phase. This recommendation was accepted and reduced the initial project construction cost.

Value Engineering recommendations were also accepted concerning the reexamination of complex issues involving the treatment of the local road network that intersects the proposed 400-foot wide limited access right of way. Property access, community cohesion and local road connectivity issues received a "fresh look" insight from the Value Engineering team. Value Engineering recommendations expanded upon the project concepts of reconnecting local roads disjoined by the Parkway and helped reduce or eliminate local road realignments and construction of frontage roads. Nine of the original 12 recommendations were approved for an estimated savings of $10.5 million.

The benefit that the Value Engineering team brought to the project was trained yet unbiased perspective that did not point fault but advanced the original, sound concepts to increase the project's operational effectiveness at a low initial cost.

VE Case Study #2:
This project involved reconstructing the existing I-95/I-295 interchange to include a SR 9A leg to complete the eastern bypass of Jacksonville. The new interchange would consist of steel box girders to facilitate the construction operation which required a second level ramp to be constructed under a completed, third level ramp. Steel superstructures were specified for all bridges to maintain aesthetic continuity.

The VE team developed an alternative maintenance of traffic plan that permitted the second level ramp to be constructed before the third level, thereby simplifying the construction operations and making the use of precast concrete girders feasible. Additional improvements significantly shortened the length of the dual bridges carrying six lanes of traffic over I-95. VE implemented recommendations resulted in approximately $8.5 million in reduced construction or 9% of the project costs.

VE Case Study #3:
A PD&E study is being conducted in the Fort Lauderdale area to extend Andrews Avenue. The construction of this "missing link" will create a vital north/south corridor reducing congestion in this critical area.

The VE team of experienced staff from design, right of way and construction relied on team synergy to seek improvements in the design while also realizing cost savings. After investigating the project through studying the design and visiting the proposed site, the team launched into their improvement efforts.

The team identified as the project's major cost items, the land purchase of the proposed roadway alignment and the construction of a bridge. Therefore, the team's efforts were concentrated in these two areas, resulting in four recommendations for improvements.

The multi-disciplined team was afforded the luxury of dedicating several days to enhancement of this project which resulted in $8.9 million in project savings or 21% of project cost.

VALUE ENGINEERING CHANGE PROPOSALS

This cost-saving mechanism is not new, but is one that has been given new life following introduction of the partnering process. Value engineering change proposals (VECP's) are cost reduction proposals initiated and developed by the construction contractor to contribute to design cost-effectiveness or significantly improve the quality of the end result. If a VECP is approved by the Department, the contractor receives one-half of the savings.

In FY 1995/96, 31 VECP's were submitted compared to 58 VECP's submitted in FY 1994/95, or a decrease of 47%. The Department took action on 32 VECP's (includes some prior year submittal) of which 19 were approved for a 59% implementation rate. The implemented savings from the 19 VECP's approved is estimated to be $2.7 million, a 20% decrease from FY 1994/95 when estimated savings for approved VECP's was $3.4 million.

PARTNERING

In 1992, the Department initiated the partnering process on major projects. Partnering is a structured process whereby parties with differing interests are brought together at the beginning of the construction phase of a project in order to facilitate open and productive working relationships.

Partnering fosters a climate in which project-related issues are discussed and resolved at the lowest practical level of responsibility. A typical partnering group includes Department employees, federal highway employees, contractors, sub-contractors, local government representatives and utility companies. Key goals of partnering are creation of a cooperative team spirit, trust among members of the "construction team," and a step-by-step problem identification and resolution process -- aimed at reducing the number and complexity of disputes during the project.

Through June, 1996, the Department has conducted 172 partnering workshops on projects valued in excess of $1.7 billion in construction. On projects that have gone through the partnering process, there have been few claims (disputes going to arbitration or court) and communications/coordination between all parties has improved significantly.

PROCESS PERFORMANCE REVIEWS

In FY 1990/91, the Department instituted this critical quality improvement initiative. Process Performance review of transportation facilities is a process and method improvement technique and as such, its focus is not monetary savings (improvements may increase costs in some cases and cut costs in others). Districts randomly select completed projects for review -- about a year and a half after completion in order to allow time for them to get "broken in." A multi-disciplinary department team then evaluates the project to determine how well it is serving its intended purpose. Is it performing as well as anticipated? e.g., is the drainage working properly? Are turn lanes and median openings functioning as intended?

The Process Performance review team identifies: (1) opportunities for improvement, either in district processes or in statewide standards; and (2) outstanding areas -- those things that worked well and merit incorporation in future projects as well. These reviews ensure continual improvement of transportation products and services and the processes by which they are planned, designed and constructed.

During FY 1995/96, a total of 27 Process Performance reviews were conducted, a 31% decrease from FY 1994/95 when 29 reviews were conducted. These resulted in 66 opportunities for improvement, 54 district wide and 12 statewide. Additionally 3 outstanding areas were identified for possible inclusion into the Department's standard operating procedures.

COST-EFFICIENT & EFFECTIVE BUSINESS PRACTICES:

FINANCE & ADMINISTRATION

COMMITMENT OF FEDERAL FUNDS

Federal motor fuel taxes paid by Floridians and visitors are deposited in the Federal Highway Trust Fund and a portion of the total tax amount deposited is returned to Florida as federal funds to be matched by state revenues and used for transportation purposes (e.g., the matching share for Interstate highway construction is 90% federal funds, 10% state funds).

Today, federal funds comprise about 30% of Florida's total transportation revenues and thus play an important role in the State's ability to meet transportation needs. With few exceptions, the Department is responsible for ensuring that all available federal funds are committed to qualifying projects in a timely manner and that all federal requirements are met.

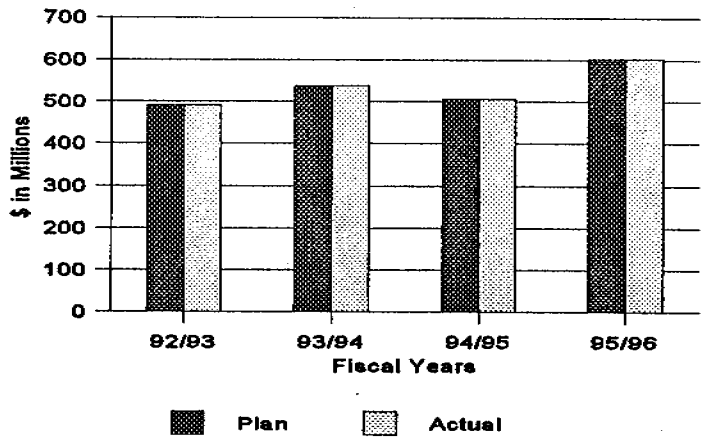
Federal funding must be committed to projects within a specified time period; otherwise, unused funds are forfeited, pooled, and "redistributed" to states that have exhausted their federal funds and have the ability to use additional funds. With transportation needs that far exceed available revenues, it is imperative that the Department manage federal funds in such a manner as to avoid forfeiture.

Measure	Of Federal Funds Subject to Forfeiture at the End of the Federal Fiscal Year, the Percent that was Committed.
	This measure assesses how well the Department manages federal funds to avoid forfeiture of such funds.
Explanatory Data	Amount of redistributed federal funds requested during the Federal fiscal year and amount received, if any.

Statewide Performance:

- As of September 30, 1996, the Department had committed 100% ($602 M. of a total of $602 M.) of federal funds subject to forfeiture at federal fiscal year end if not committed.
- The Department has requested an additional $68.8 M. in federal funds and received $6.9 M. of the total requested.

Commitment of Federal Funds by Fiscal Year



	Fiscal Year			
	92/93	93/94	94/95	95/96
Plan	$491	$539	$506	$602
Actual	$491	$539	$506	$602
% of Plan	*100%*	*100%*	*100%*	*100%*

MANAGEMENT OF ADMINISTRATIVE COSTS

The Department is one of few state agencies that produces a tangible product -- a transportation system composed of roads, bridges, and other ancillary facilities. The Florida taxpayer, who funds construction and maintenance of the state transportation system, has a legitimate expectation that the Department will strive to maximize tax dollars put into actual transportation product by containing administrative overhead and product support costs to the extent possible.

It must be recognized, however, that the Department, as a public agency, is directed by the Legislature to perform many services and activities not required of private sector firms performing similar functions. Thus, a direct comparison of Department overhead costs with those of the private sector is not recommended.

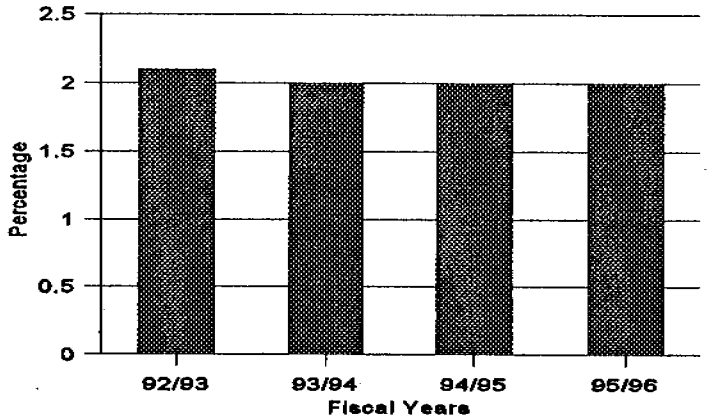
Measure	Administrative Costs as a Percent of Total Program. Dollar Amount of Administrative Costs vs. Dollar Amount of Total Program.
	This measure tracks administrative costs as a percent of the total program (product, product support, operations, maintenance, and administration) and by actual dollar amounts. The measure allows evaluators to assess the reasonableness of administrative costs over time, and where increases occur, to review the administrative budget in greater detail. Since the administrative cost percentage will automatically increase or decrease when total program size is reduced or increased, respectively, absolute dollar amounts must also be reviewed.

Note: Administrative Costs include direct support to the production functions of the Department -- top management (central office and districts), legal and audit staff, public information and government liaison staff, comptroller's office, budget staff, personnel and purchasing staff, contractual services and minority programs, safety office, commission staffs.
Excluded from Administrative Costs ($23 M.) are: Fixed capital outlay, risk management insurance, transfers to the Departments of Community Affairs and Revenue and Division of Administrative Hearings, refunds, transfers, and legislative relief bills.

Statewide Performance:

- Administrative costs were 2.0% of the Total Program for FY 1995/96, or $64.6 M. of a total program of $3.2 B.
- Although administrative costs as a percentage of total program has not changed in FY 1995/96 from FY 1994/95, based on actual dollar amounts of administrative costs, there was a 1.7% increase in administrative costs in FY 1995/96 compared to FY 1994/95.

Administrative Costs as a % of Total Program by Fiscal Year



	Fiscal Year			
	92/93	93/94	94/95	95/96
Administrative Cost	$55.0M	$58.5M	$63.5M	$64.6M
Total Program	$2,671.4M	$2,912.3M	$3,232.2M	$3,246.3M
% of Total Program	*2.1%*	*2.0%*	*2.0%*	*2.0%*

CASH MANAGEMENT

The Department is the only state agency that operates on a "cash flow" basis; that is, the Department is not required to have funds "on hand" to cover all existing contractual obligations and it may let contracts against revenue it expects to receive in the future. The advantage of the cash flow method is that transportation tax collections are returned to the taxpayer in the form of transportation facilities much sooner than would be possible using the more traditional "encumbrance" financing method -- under which all funds for a project must be "in the bank" at the time the contractual obligation is incurred.

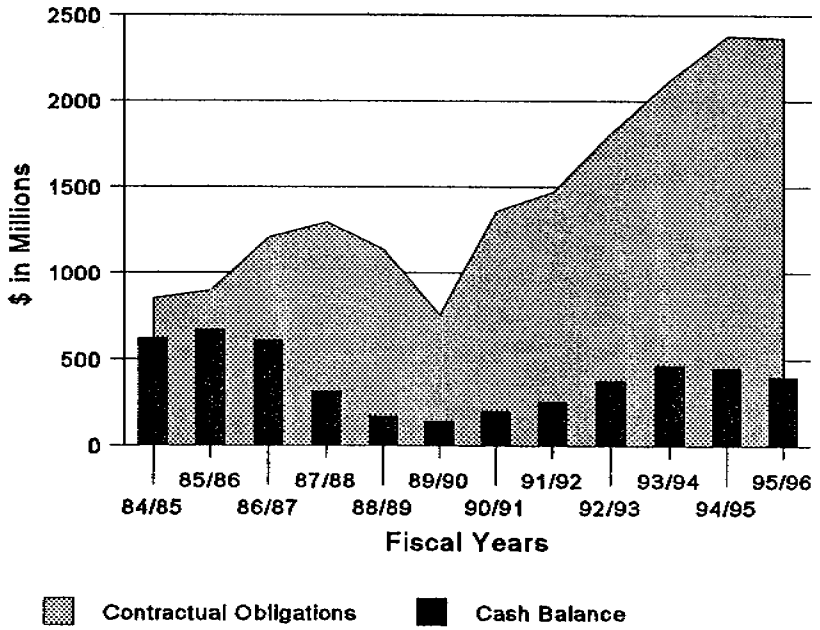
State law requires that the Department maintain a minimum cash balance in the State Transportation Trust Fund of 5% of outstanding obligations or $50 million, whichever is less. In order for the Department to maintain a lawful cash balance and pay its bills promptly under the cash flow method where contractual obligations far exceed available cash, it must carefully forecast future incoming revenues and future expenditures and frequently revise forecasts based on new information. For instance, when economic factors negatively impact gas tax revenues, the Department must adjust its cash forecast to reflect less incoming revenue, which may, in turn, necessitate deferral of projects in the work program. Periodic fine tuning of forecasts of revenues and expenditures is essential to sound financial management.

Measure	Year-end Cash Balance vs. Total Contractual Obligations.
	This measure assesses the effectiveness of Department cash management in maximizing the ability to deliver transportation product as early as possible. For instance, a rising cash balance and a stable or slight decline in the amount of contractual obligations indicates that forecasting assumptions may be too restrictive and that a higher level of commitment is possible -- allowing delivery of transportation products to be accelerated.

Statewide Performance:

- At the end of FY 1995/96, the Department cash balance of $399.4 Million was 17% of its total outstanding contractual obligations of $2.4 Billion, 2% lower than in FY 1994/95 when the ending cash balance was 19% of total contractual obligations.

State Transportation Trust Fund: Fiscal Year-End Cash Balance vs. Total Contractual Obligations by Fiscal Year



Fiscal Year	Cash Balance ($ in Millions)	Contractual Obligations ($ in Millions)	% Cash of Obligations
84/85	$619	$851	73%
85/86	$668	$896	75%
86/87	$609	$1,206	50%
87/88	$314	$1,295	24%
88/89	$170	$1,137	15%
89/90	$139	$755	18%
90/91	$200	$1,359	15%
91/92	$255	$1,470	17%
92/93	$376	$1,809	21%
93/94	$467	$2,122	22%
94/95	$454	$2,378	19%
95/96	$399	$2,366	17%

MANAGEMENT OF TOLL FACILITY OPERATIONAL COSTS

The collection of tolls on 64 of Florida's toll facilities is the responsibility of the Department. By far, the largest and highest revenue-producing toll facility is the Florida Turnpike, which is managed by the Department.

Toll revenues are used to pay debt service on bonds issued for construction and maintenance of a facility. After the bonds are paid off, toll revenues are used for facility maintenance and other transportation purposes. To the extent that operational costs (e.g., salaries of toll collectors, utilities, building maintenance) to collect tolls increase, less net toll revenue is available for debt service or other purposes.

Since tolls are fees paid by toll facility users who have an expectation that the maximum amount of tolls collected be used to pay off the debt or for other transportation improvements, toll collection costs should be contained and carefully managed.

Measure	Operational Costs per Toll Transaction
	This measure provides the evaluator with the "cost per transaction" by dividing total operational costs (for toll collectors, supervisors, management) by the number of toll transactions. The cost per transaction can then be monitored over time and will provide the basis for measuring improved efficiency.

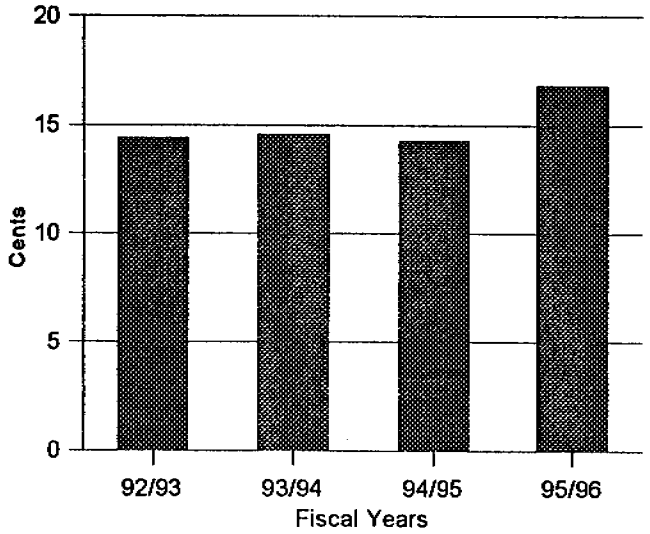
Statewide Performance:

- For FY 1995/96, the Department's cost to operate toll facilities was 16.8 cents per toll transaction.
- The cost to operate toll facilities for FY 1995/96 was 2.5 cents higher per toll transaction than in FY 1994/95.

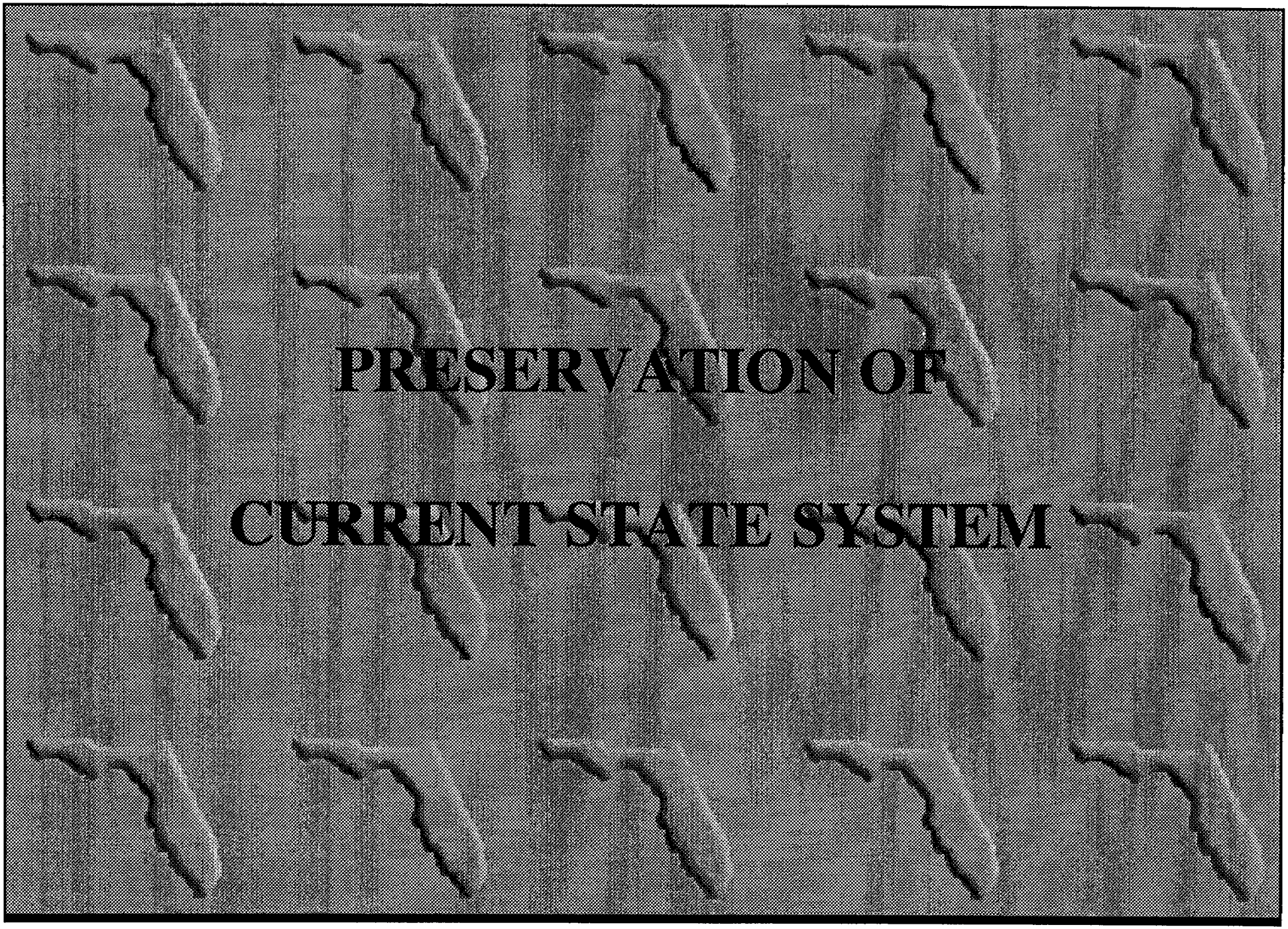
Note: Some of the factors contributing to increase per toll transaction:

1. Transfer of Orlando-Orange County Expressway Authority (OOCEA) System operational responsibilities to the Expressway Authority -
   The operational costs per toll transaction is a function of dividing total operating cost by the number of toll transactions. Many of the costs associated with operating a toll facility are not dependent upon the number of vehicles processed, i.e., utilities, insurance, maintenance of building and area, minimum staffing level. The OOCEA System were high volume facilities with a low cost per transaction due to their location and the length of time that they have been in operation. The transfer of these facilities to OOCEA had an impact on the Department's average operational cost per transaction.
2. Opening of new facilities -
   Historically, new toll plazas initially have a higher cost per toll transaction because of the lower traffic volume. During FY 1995/96, several new facilities opened and impacted the average cost per toll transaction.

Operational Cost Per Toll Transaction by Fiscal Year



	Fiscal Year			
	92/93	93/94	94/95	95/96
Operational Cost	$55.4M	$62.4M	$68.3M	$64.9M
# of Transactions	384.5M	427.9M	476.7M	387.5M
Cost Per Transaction	*14.4¢*	*14.6¢*	*14.3¢*	*16.8¢*


PRESERVATION OF
CURRENT STATE SYSTEM

PRESERVATION OF CURRENT STATE SYSTEM

Billions of taxpayer dollars have been invested over many years in constructing Florida's roads, bridges and other transportation facilities. Our transportation "infrastructure," as it is frequently called, is an asset serving nearly every Floridian on any given day.

Failure to adequately maintain our transportation assets would not only allow deterioration of a costly investment, but also would adversely impact the State's economy, jeopardize the safety of the traveling public, and accelerate deterioration of motor vehicles, to name just a few. With limited revenues, it is not possible to maintain every road and bridge in "like new" condition, or immediately replace or upgrade every facility that becomes obsolete. However, the public has a right to expect structural deficiencies to be corrected before safety is threatened and before damage is allowed to become so severe as to necessitate major reconstruction.

BRIDGE REPAIR & REPLACEMENT

There are over 11,000 bridges in Florida and 6,183 of these are the responsibility of the Department. All bridges maintained by the Department are inspected for structural deficiencies at least once every two years (bridges with certain identified deficiencies are inspected more frequently). The Department's Bridge Repair and Replacement Program monitors the need for repair, rehabilitation and replacement of state-maintained bridges. No bridge is allowed to become unsafe.

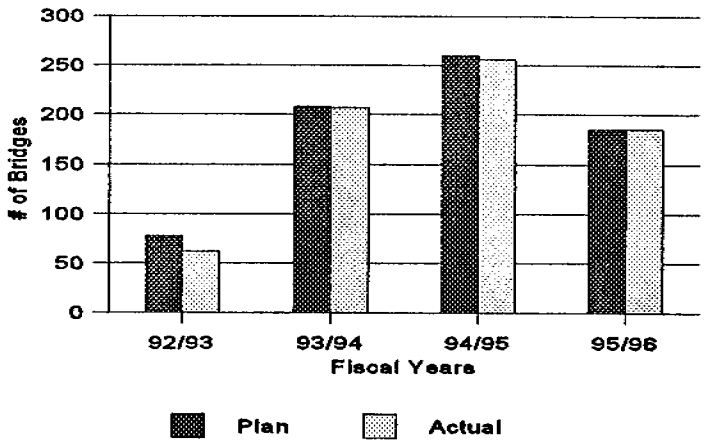
Florida law requires the Department to "meet the annual needs for ... repair and replacement of bridges on the system."

Measure	Of the number of bridges planned for repair during the year, the number of bridges actually repaired (let to contract) during the year.
Measure	Of the number of bridges planned for replacement during the year, the number of bridges actually replaced (let to contract) during the year.
Measure	Of the total number of state-maintained bridges, the percentage rated in good condition, i.e., not in need of repair or replacement. Proposed goal is 90% of bridges in good condition. It is emphasized that the remaining 10%, while in need of repair or replacement, are safe for use by the public.

Statewide Performance:

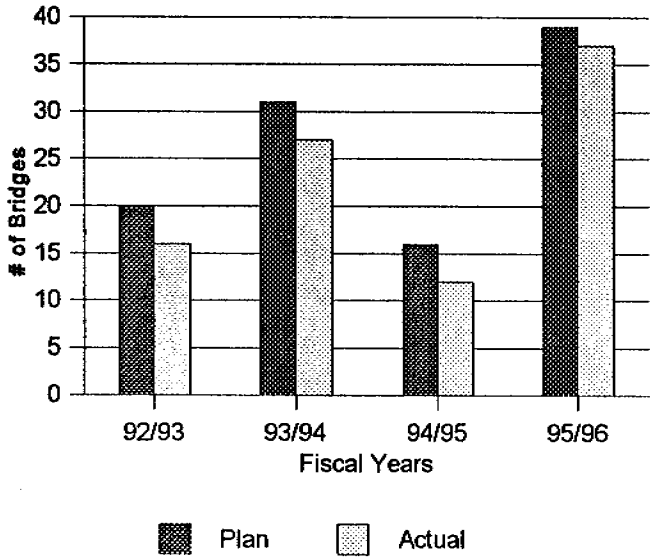
- The Department achieved 100% of plan, having repaired 185 bridges of 185 planned. The Department repaired 5 bridges planned for future fiscal years. Nine (9) bridges were added and repaired during the year.
- The Department achieved 95% of plan, having replaced 37 bridges of 39 planned. Seven (7) bridges were added and replaced during the year.
- For FY 1995/96, the percentage of state-maintained bridges rated in good condition was 93%, exceeding the proposed goal of 90%.

BRIDGE REPAIR - Number of Bridges by Fiscal Year



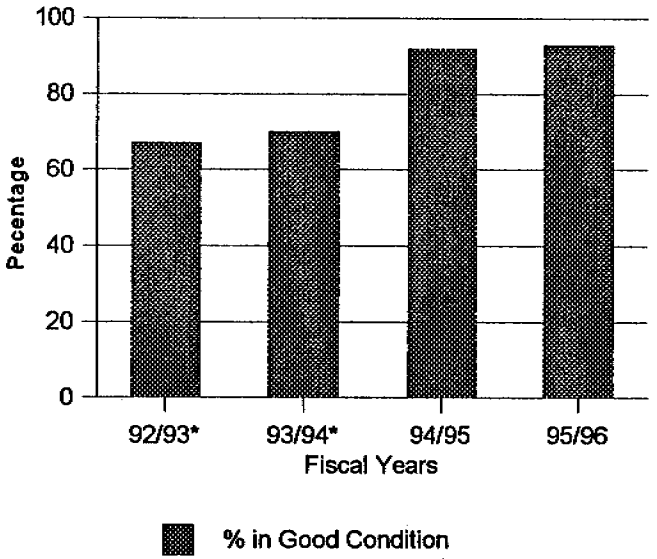
	Fiscal Year			
	92/93	93/94	94/95	95/96
Plan	78	208	260	185
Actual	62	207	256	185
% of Plan	*79%*	*100%*	*98%*	*100%*
Advanced FY	0	0	2	5
Additions	4	9	1	9
Total Repairs	66	216	259	199

BRIDGE REPLACEMENT - Number of Bridges by Fiscal Year



	Fiscal Year			
	92/93	93/94	94/95	95/96
Plan	20	31	16	39
Actual	16	27	12	37
% of Plan	*80%*	*87%*	*75%*	*95%*
Advanced FY	0	0	1	0
Additions	0	0	0	7
Total Replaced	16	27	13	44

Percentage of State-Maintained Bridges in Good Condition by Fiscal Year



	Fiscal Year			
	92/93*	93/94*	94/95	95/96
# in Good Condition	3,996	4,228	5,650	5,740
Total Bridges	5,997	6,046	6,124	6,183
% in Good Condition	*67%*	*70%*	*92%*	*93%*

Note:
"Good Condition" means those bridges not in need of repair or replacement.
* Included functionally obsolete bridges, i.e., bridges that are structurally sound, but that need to be brought to current design standards for width, etc.

RESURFACING

Road pavements require periodic resurfacing; however, the frequency of resurfacing depends on the volume of traffic, type of traffic (heavier vehicles cause more "wear and tear") and weather conditions to which a road pavement is subjected.

Resurfacing preserves the structural integrity of highway pavements and includes pavement resurfacing, pavement rehabilitation and minor reconstruction. Failure to timely resurface a road results in damage to the road base, necessitating costly reconstruction work. The Department measures the condition of road pavements on an annual basis and road segments that do not measure up to predefined pavement condition standards are considered deficient and are subsequently scheduled for repair in the Department's 5-Year Work Program. Priority scheduling is accorded to roads with the most severe deficiencies.

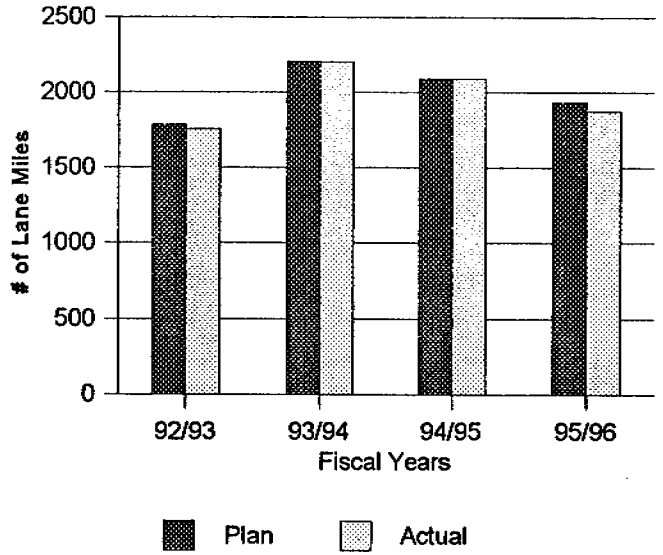
Florida law requires the Department to "meet the annual needs for resurfacing of the state highway system...."

Measure	Of the number of lane miles of state roadway planned for resurfacing during the year, the number actually resurfaced (let to contract) during the year.
Measure	Of the total lane miles of state roads, the percentage rated in good condition. Proposed goal is 80% of lane miles in good condition (rated 7 or above in pavement condition survey where one is worst and 10 is best).

Statewide Performance:

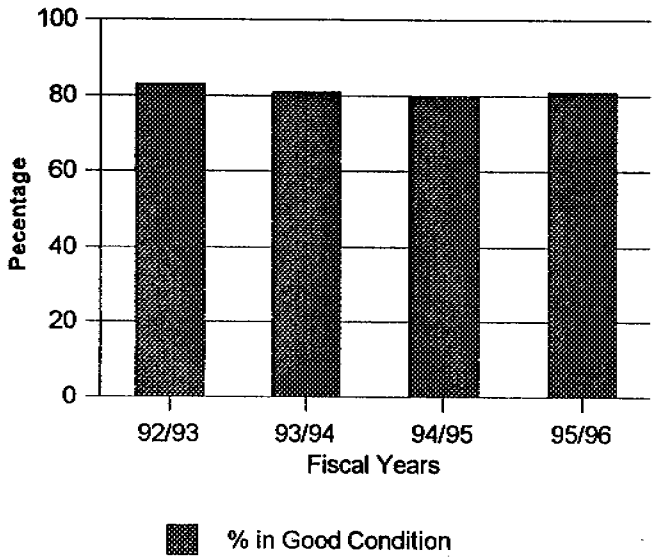
- The Department achieved 97% of plan, having resurfaced 1,876 of 1,934 lane miles planned. The Department resurfaced 8 (eight) lane miles planned for future fiscal years. Seven (7) lane miles were added and resurfaced during the year.
- For FY 1995/96, the percentage of state road lane miles rated in good condition was 81%, exceeding the proposed goal of 80%.

RESURFACING - Number of Lane Miles by Fiscal Year



	Fiscal Year			
	92/93	93/94	94/95	95/96
Plan	1,785	2,202	2,089	1,934
Actual	1,755	2,198	2,089	1,876
% of Plan	*98%*	*100%*	*100%*	*97%*
Advanced FY	22	13	76	8
Additions	0	88	54	7
Total Resurfaced	1,777	2,299	2,219	1,891

Percentage of Highway Pavement in Good Condition by Fiscal Year



	Fiscal Year			
	92/93	93/94	94/95	95/96
# in Good Condition	31,228	30,607	30,623	31,396
Total Lane Miles	37,554	37,780	38,168	38,558
% in Good Condition	*83%*	*81%*	*80%*	*81%*

Note:
"Good Condition" means that pavement was rated 7 or above (scale 1 worst to 10 best) in annual pavement condition survey conducted be the Department.

ROUTINE MAINTENANCE

Routine maintenance encompasses highway repairs (repairing potholes, patching, etc.), roadside upkeep (mowing, litter removal), drainage management, and traffic services (road signs, re-striping). Adequate, uniform road maintenance on a statewide basis is essential from structural and safety standpoints and is important for aesthetic and environmental reasons.

Florida law requires the Department to provide routine and uniform maintenance of the State Highway System. The measure below is the Department's current operating policy implementing the statutory provision.

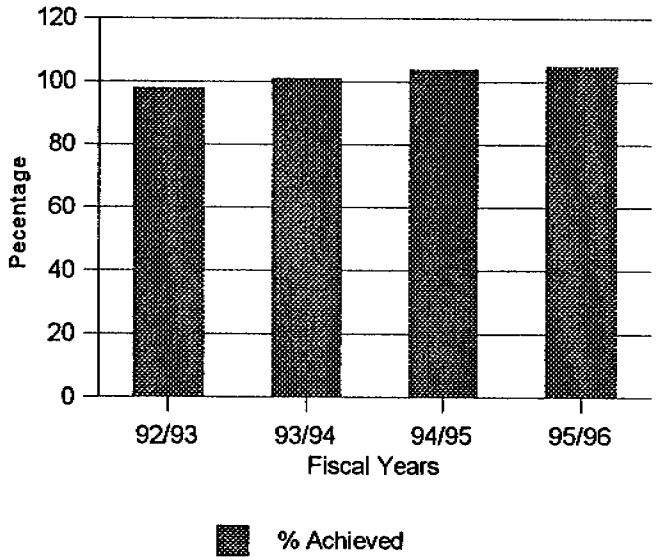
Measure	Achieve a Maintenance Rating of 80 on the State Highway System.

Note: The "maintenance rating" goal of 80 referred to is based on the Department's evaluation of its performance using the Maintenance Rating Program. This system grades five (5) maintenance elements and arrives at a composite state score based on a scale of 1 to 100.

Statewide Performance:

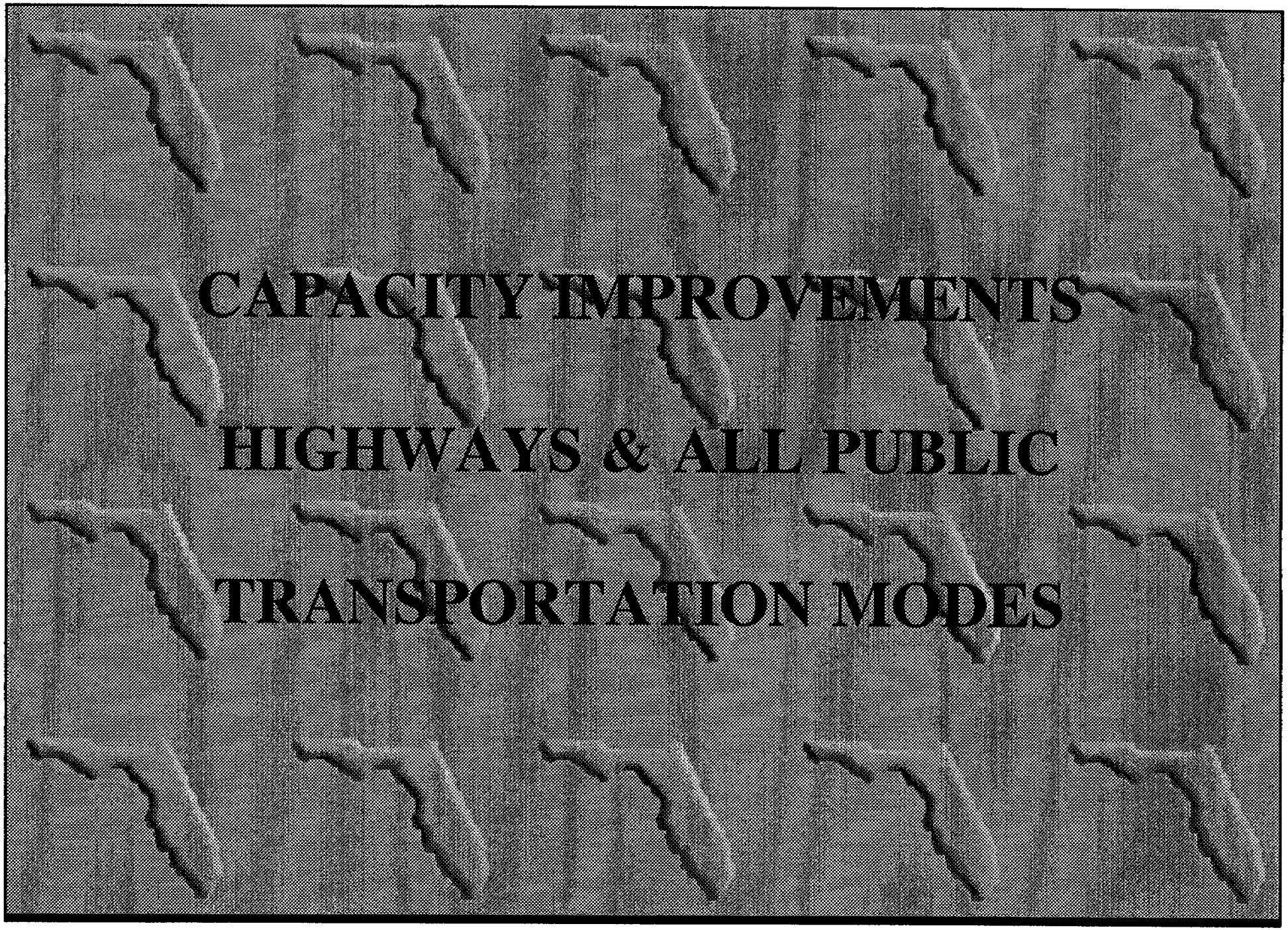
- For FY 1995/96, the Department achieved 105% of the objective of a system-wide maintenance rating of 80.

ROUTINE MAINTENANCE - Percentage of Maintenance Rating Achieved by Fiscal Year



	Fiscal Year			
	92/93	93/94	94/95	95/96
Plan Rating	80	80	80	80
Actual Rating	78	81	83	84
% Rating Achieved	*98%*	*101%*	*104%*	*105%*

Note:
The "maintenance rating" goal of 80 referred to is based on the Department's evaluation of its performance using the Maintenance Rating Program. This system grades five (5) maintenance elements and arrives at a composite state score based on a scale of 1 to 100.


CAPACITY IMPROVEMENTS
HIGHWAYS & ALL PUBLIC
TRANSPORTATION MODES

CAPACITY IMPROVEMENTS
Highways

Highest funding priority is accorded to preservation of existing highways, bridges, and other transportation facilities. First call on transportation revenues is to maintain our transportation assets to standards established and funded by the Legislature. Due to an existing backlog of preservation needs, highway capacity improvement needs -- including new road construction, adding lanes to existing roads, and traffic operations improvements (intersection improvements, signal timing, etc.) -- have necessarily been accorded secondary priority. Thus, although Florida law mandates that the Department "reduce congestion on the state transportation system" through new construction, expansion of existing facilities and traffic operations improvements, these capacity improvement programs have not been comprehensively addressed due to competing preservation priorities for limited funding.

Notwithstanding funding constraints, in its long-range 2020 Florida Transportation Plan, the Department places priority on completing improvements to the Florida Intrastate Highway System (FIHS). The FIHS is a network (3,751 miles of the 11,921 mile State Highway System) comprised of Florida's key interstate, intercity and interregional highways for high-volume, high speed movement of commerce and people. The handling capacity and efficiency of these roads will be a critical factor in Florida's economic future, as the state competes to capture new and expanding international markets and maintain its tourism trade. Standards for the FIHS have been established both for improved capacity and control of access. To the extent that these standards are implemented, the FIHS will contribute to Florida's enhanced economic competitiveness into the 21st Century.

The degree to which capacity improvements yield the desired result of increased mobility (i.e., movement of people and goods in greater volume or reduced trip time) is affected by many factors over which the Department has little or no control. These factors include extent and location of growth, local government zoning and land development decisions, and changing travel patterns.

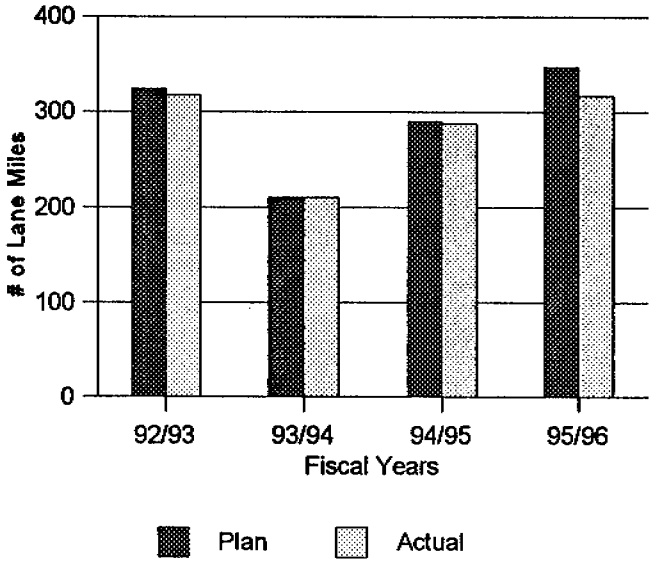
The measures below acknowledge funding limitations and appropriately focus on activities under the Department's control rather than attempting to measure the desired result (reduced congestion/increased mobility) which is subject to factors beyond the Department's control.

Measure	Lane Miles of Capacity Improvement Projects Let vs. Lane Miles of Capacity Improvement Projects Planned.
Measure	Number of centerline miles on the Florida Intrastate Highway System (FIHS) that do not meet the minimum FIHS standard of 4 lanes vs. number of miles brought up to standard (Let to contract for improvement from 2-lane to 4-lane) during the fiscal year.
	This measure assesses the Department's progress toward fulfilling the legislative mandate to develop and implement the Florida Intrastate Highway System to provide high volume, high speed statewide and interregional movement of people and goods.

Statewide Performance:

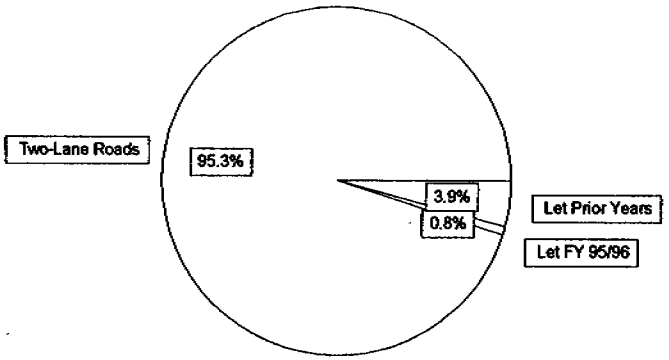
- Of 347 lane miles of capacity improvement projects planned, 317 lane miles or 91% were let.
- Of 888 FIHS miles not meeting the minimum lane standard on July 1, 1993, 7 miles or 1% were let to contract during FY 1995/96 for improvement from 2 to 4 lanes. This brings a total of 42 miles or 5% of the 888 miles of 2-lane roads brought up to the 4-lane standard.

HIGHWAY CAPACITY IMPROVEMENT PROJECTS - Number of Lane Miles by Fiscal Year



	Fiscal Year			
	92/93	93/94	94/95	95/96
Plan	325	210	290	347
Actual	318	210	288	317
% of Plan	*98%*	*100%*	*99%*	*91%*
Advanced FY	--	79	39	0
Additions	--	49	5	0
Total	318	338	332	317

THE FLORIDA INTRASTATE HIGHWAY SYSTEM
Centerline Miles Improved from 2-lane to 4-lane, Let to Contract FY 1995/96



	# of Centerline Miles	% of Total
Let Prior Years	35	3.9%
Let FY 95/96	7	0.8%
Two-Lane Roads	846	95.3%
Total	888	100.0%

On July 1, 1993, the number of 2-lane roads on FIHS was 888 centerline miles.

CAPACITY IMPROVEMENTS
Public Transportation Modes

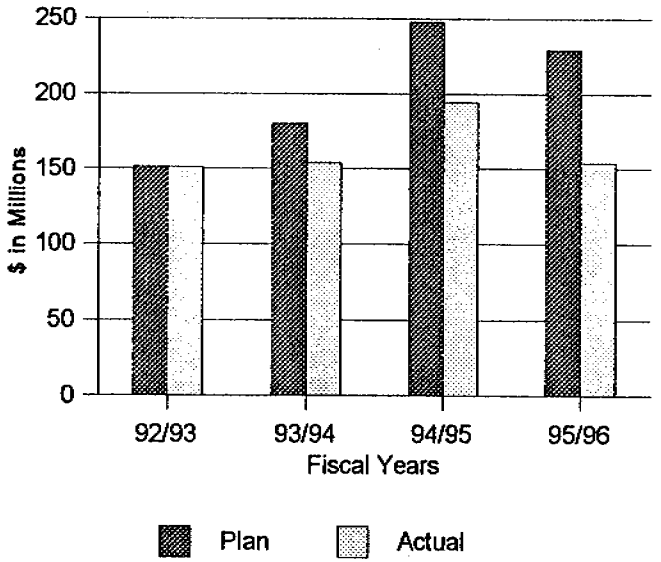
Public Transportation capacity improvements include airports, seaports, rail, bus transit, intermodal development (projects enhancing connectivity of various transportation modes) and commuter assistance (carpooling, vanpooling, park & ride, etc.). The Department's role is generally limited to providing funding and technical support. Public transportation facilities and, therefore, projects to improve facility capacity are, with few exceptions, owned and operated by local government or private-sector entities, with state assistance limited to grants, other funding assistance and technical support.

Measure	Dollar Amount Committed to Public Transportation Capacity Improvement Projects vs. Dollar Amount Planned.

Statewide Performance:

- For FY 1995/96, the Department achieved 67% of plan, committing $154.1 M. of a plan of $229.3 M. in public transportation capacity improvement projects.
- The plan for FY 1995/96 was 8% smaller than the plan for FY 1994/95. Department achievement of plan was 11% lower in FY 1995/96 than in FY 1994/95.

PUBLIC TRANSPORTATION CAPACITY IMPROVEMENT PROJECTS - Dollar Amount by Fiscal Year



	Fiscal Year			
	92/93	93/94	94/95	95/96
Plan	$151.6	$180.4	$248.0	$229.3
Actual	$151.1	$154.1	$194.5	$154.1
% of Plan	*100%*	*85%*	*78%*	*67%*
Advanced FY	$0.0	$0.0	$72.5	$10.0
Total Executed	$151.1	$154.1	$267.0	$164.1


SAFETY
INITIATIVES

SAFETY INITIATIVES

Although the Department's role in safety of the traveling public is limited to those programs it administers or funds, its safety activities are comprehensive and far reaching: certain programs are applicable to any public road in the state, and the Highway Safety Grant Program provides funding for state and local government safety programs in a number of areas relating to engineering, traffic law enforcement, public information and education, and emergency medical services.

The transportation system component over which the Department exercises most control is the State Highway System, in that the Department is responsible for designing, constructing and maintaining the approximately 12,000 miles of state roads (an additional 96,000 miles of road are the responsibility of cities and counties).

The Department's ability to reduce the number of traffic-related injuries and fatalities is limited by contributing factors over which it has little control, e.g., driver skills or impairment, presence and use of safety equipment, vehicle condition, and weather conditions.

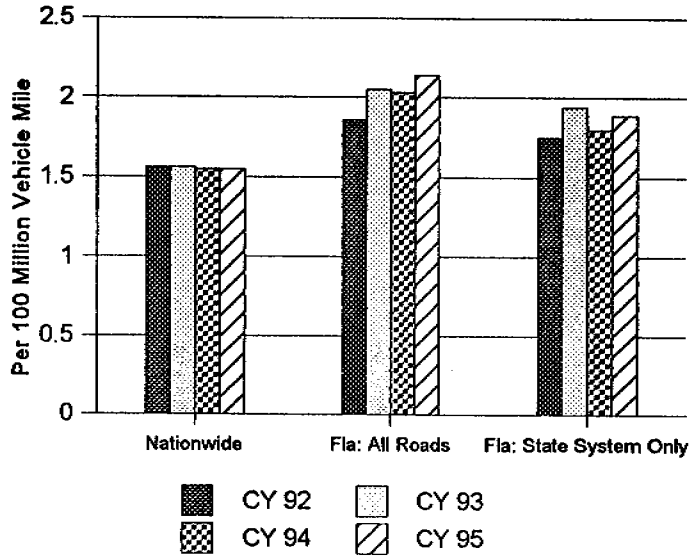
Indicator	Florida's fatal crash rate per 100 million vehicle miles traveled (VMT) and fatal crash rate per 100 million VMT for State Highway System only vs. National average rate.
Indicator	Percent of crashes on State Highway System where road conditions were a contributing cause, compared to previous year percentage.

"Fatal crash" means any crash in which a human fatality occurred.

Statewide Performance:

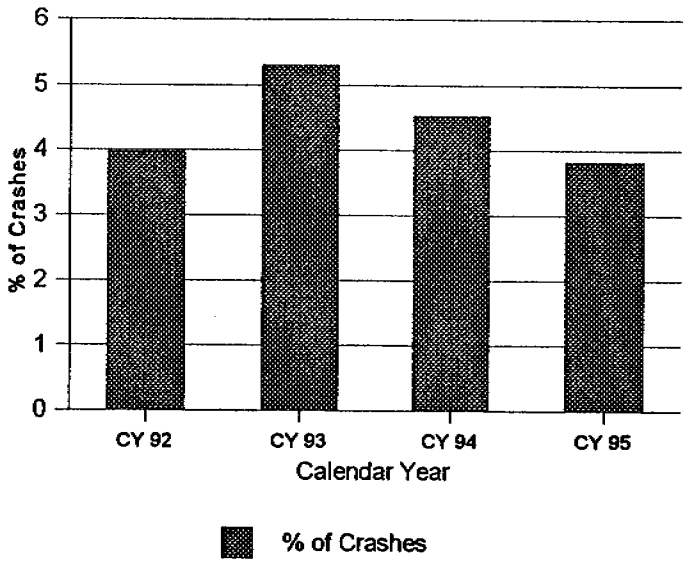
- Florida's 1995 fatal crash rate for all roads (state, county and city) was 2.14 fatal crashes per 100 million vehicle miles traveled (VMT), an increase of 5.4% from 1994. Compared to the 1995 national rate of 1.55 fatal crashes per 100 million VMT, Florida's 1995 rate is 38% above the national rate.
- For the State System only, the 1995 fatal crash rate was 1.89 fatal crashes per 100 million VMT, an increase of 5% over 1994. The 1995 State System rate of 1.89 fatal crashes per 100 million VMT is 22% over the national rate of 1.55.
- For 1995, road conditions were a contributing cause in 3.82% of crashes on the State Highway System, down 16% from 1994, when road conditions were a contributing cause in 4.53% of crashes.

FATAL CRASHES PER 100 MILLION VEHICLE MILES - National, Statewide, and State Highway System by Calendar Year



	Calendar Year			
	1992	1993	1994	1995
Nationwide	1.56	1.56	1.55	1.55
Fla: All Roads	1.86	2.05	2.03	2.14
Fla: State System Only	1.75	1.94	1.80	1.89

Percentage of Crashes Where Road Conditions Were Contributing Cause



	Calendar Year			
Crashes	1992	1993	1994	1995
Road Conditions Contributing Cause	4,086	5,722	4,983	5,045
Total Crashes	102,941	107,882	110,036	132,154
% Where Road Conditions Contributed	3.97%	5.30%	4.53%	3.82%

The Department is responsible for the administration of the Highway Safety Grant Program, which awards federal grants to state and local agencies for safety programs. During FY 1995/96, 124 grants totaling $9.0 million were awarded for a variety of traffic safety purposes such as speed enforcement training, alcohol countermeasures, youth alcohol enforcement initiatives, pedestrian/bicycle safety, motorcycle safety, promotion and enforcement of safety belt and child safety seat usage, and expansion of local Community Traffic Safety Programs. In addition, this program promotes safety through ongoing information and education activities statewide.

Community Traffic Safety Programs (CTSPs) combine engineering, enforcement, education and emergency services in a coordinated, locally- based team approach to reduce traffic crashes. These programs have expanded from eight in 1993 to 27 in 1996 due to Department participation and increased local agency interest. The Department set a goal for 20 CTSPs (not necessarily the top 20 high crash counties) by October 1996 which has been achieved. These programs are currently operating in the following counties: Alachua, Bay, Brevard, Broward, Citrus/Hernando, Charlotte, Collier, Duval, Escambia/Santa Rosa/Okaloosa (three-county team), Glades, Hardee, Hendry, Highlands, Hillsborough, Lee, Manatee, Marion, Monroe, Orange, Osceola, Palm Beach, Pinellas, Polk, Sarasota, Seminole, and East & West Volusia (two separate teams). In 1994, 71% of all crashes statewide occurred in these 29 counties. Several counties throughout the state have expressed an interest in the CTSP concept. It is anticipated that 8 to 12 new teams will form within the next year.

Because of Florida's standing as a leading state in both pedestrian and bicyclist fatalities, the Department initiated safety awareness programs in both areas. Bicycle and pedestrian programs provide traffic education training for children in grades K through 5. Specific programs were developed and targeted to reduce trauma to school-age children and older adults. These programs are comprehensive, addressing planning, engineering, education and law enforcement.

Florida is the first state to have full time staff and trainers to teach basic skills to crossing guards: the School Crossing Guard Training Program has proven successful, with over 550 new state trainers trained in 1995/96. Counties with populations over 75,000 are required by Florida law to provide training to all school crossing guards (35 of 67 counties). Eighteen of the remaining 32 counties have also decided to provide the training. There are now approximately 4,500 trained school crossing guards in the State of Florida.

Through these activities involving all levels of government and the private sector and incorporating education, engineering and enforcement strategies, the Department pursues goals of reducing the frequency of crashes and the severity of injuries sustained in those crashes that do occur.


CUSTOMER
SATISFACTION
SURVEY

CUSTOMER SATISFACTION SURVEY

Development and implementation of Department programs and activities involve a variety of working relationships with other levels of government and private sector businesses and industries. Transportation planning in Florida is characterized by partnerships with regional, county and city governments, metropolitan planning organizations (MPOs), transit agencies, and airport, seaport and expressway authorities.

The Department contracts with the private sector for all or a portion of many work activities, including road and bridge construction, engineering and design, toll collection, and maintenance of transportation facilities. In its regulatory role, the Department issues permits, including permits for overweight/oversize vehicles and loads, access (driveway) permits, and outdoor advertising permits.

These groups and others not mentioned here are the Department's clients and partners. Their assessment of Department performance as experienced in working relationships with Department employees is an important feature of a comprehensive performance assessment.

In last year's review, the Commission reported results of the first customer satisfaction survey sent to selected clients and partners of the Department. Survey results provided evaluators with a good overall indication of how a variety of customers assessed their working relationship with the Department. Survey results provided a useful tool to the Department for improving working relationships where indicated.

A survey was not conducted this year. However, such surveys will continue to be conducted periodically and the results reported as part of this review.

Indicator	Results of customer survey mailed to identified Department clients and partners soliciting their assessment of Department performance.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