PERFORMANCE & PRODUCTION REVIEW OF THE DEPARTMENT OF TRANSPORTATION YEAR END FY 1996/97

The Florida Transportation Commission

October 10, 1997

Dear Governor Chiles, President Jennings and Speaker Webster,

At its public meeting on August 28, 1997, the Commission conducted the *FY 1996/97 Performance and Production Review of the Florida Department of Transportation.* Secretary Barry and all eight district secretaries participated in the review.

Department performance was good to excellent in major areas -- making this the sixth consecutive year of overall high performance ratings. In key production areas of consultant acquisition and construction lettings, the Department accomplished 97% of what it had planned. Sustained high levels of production have culminated this year in a record $1.058 Billion in construction contracts let to bids.

The Department performed admirably under four measures of sound financial management -- "Forecasting of Receipts and Disbursements," "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 lowest cash balance during the fiscal year of $305 Million was 12.7% of its total contractual commitments of $2.4 Billion. This means that the Department has on hand about one-eighth of what it owes for work underway.

The Commission has been concerned for some time about increasing trends in construction time and cost. Two years ago, this concern prompted a request that the Department expedite efforts already underway to gather and analyze additional data to identify the underlying reasons for time and cost increases and to determine what portion of these increases resulted in valuable product and what portion did *not* add value to the project (i.e., costs of delays, work re-done, payment of a "premium" for materials). Moreover, it was important to know what portion of such increases were attributable to circumstances within the Department's control and *avoidable* in the future and which were *unavoidable* in that they could not have been foreseen.

The Department's response was constructive in that it accelerated the restructuring of the data reporting process and collected a full year's worth of data for FY 1995/96. For the first time that year we were able to report that 97.7% of the final amount paid on completed contracts statewide *added value* to the projects.

This year, we undertook an in-depth analysis of the data identifying the causes of cost increases and discussed it thoroughly with Secretary Barry and his top managers at our briefing session. We reviewed detailed cost increase data *by district* and asked each District Secretary to explain and give examples of his or her top two reasons (in dollar volume) for cost increases at our public meeting.

These "real life" examples presented verbally by each of the eight district secretaries reinforced our general impression that a substantial portion of cost (and time) increases during project construction are necessitated by unanticipated circumstances or are enhancing the project's value to the taxpaying public. For example:

- In District Two (Main Street widening project in Gainesville) the unknown extent and severity of hazardous materials on a project site resulted in a supplemental agreement (cost increase) for removal of the toxic substances in the amount of $2.6 million, a 54% increase in the contract amount.

- In District Four (Sheridan Street Bridge rehabilitation project). When working with bascule bridges, the Department cannot accurately determine the condition of the bridge until it actually opens up the structure and removes some of the steel. Once into this bridge, the Department found more work was needed than originally thought, resulting in a $600,000 supplemental agreement, a 28% increase in cost. This also increased the contract time by 52%.

Those increases and numerous others throughout the State are needed and beneficial. We have directed our Working Group to examine the data further and to explore ways in which this category of cost and time increases can be differentiated in the reporting format from those that can be avoided with better project planning and design, and especially, differentiated from those that do not add value to the project (this year, $11.4 million or 1.4% of total costs).

It is also important to note that a small number of the total contracts completed comprise the lion's share of cost and time increases. Of 343 projects completed this year, 69 projects or 20% accounted for nearly 87% of cost increases and nearly 70% of time increases. Secretary Barry has indicated that the Department will focus on analyzing these projects to identify areas for improvement. We agree.

Over the past year, the Department also has implemented a number of measures directed at reducing cost and time increases. The Department feels these actions are having positive effects, but until these projects are completed, the favorable results will not be reflected in the Commission's performance review.

The Commission feels that cost and time increases continue to require the Department's highest priority -- in assuring the validity of data being collected and in analyzing data to discern specific problem areas that need to be resolved. However, the availability of more detailed data this year has made it apparent that the problems are not as severe as once thought or as reported previously by the Commission. We intend to continue to give close scrutiny to this area.

Last year, we cited right of way acquisition as an area of notably improved performance, and this year for the most part, the Department maintained those levels. Of total parcels acquired, 63% were acquired by negotiation (64% last year). Of those parcels negotiated, 68% were purchased within 20% of the Department's appraised value (63% last year). The Commission adopted the 20% standard following in-depth evaluation by our Working Group and their recommendation that it be increased from 10% (full background and rationale available from Commission office).

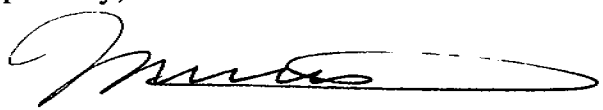
In the area of right of way expenditures, there was a shift of expenditures from purchase of land (down 6%, from 75% of total expenditures to 69%) to expenditures for landowner fees (attorneys, appraisers, etc.), business damages and miscellaneous. We are concerned about this decrease in the percentage of expenditures for *land* and the increase in *costs*

associated with acquisition and will monitor right of way expenditures closely in future years.

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 1996/97

Consultant Acquisition: The statewide plan was to execute **322** consultant contracts. During the year, a total of **311** were executed, **97%** of the total planned. A total of 28 consultant contracts were added to the plan and executed during the year. The plan was 5.3% smaller than in FY 1995/96 and achievement of plan was 3 percentage points higher (94% to 97%).

Actual dollar commitments of $149.5 M. were 96% of the total consultant acquisition plan of $156.5 M., leaving $7.0 M. uncommitted. However, additions totaling $7.0 M. were executed.

Right of Way Acquisition: The statewide right of way plan was to certify **93** projects. During the year, a total of **80** projects were certified, **86%** of the total planned. Of the 13 projects not certified on schedule, two (2) recreational bike path projects have resulted in delay to the planned contract letting date. Seven (7) projects were advanced from future years and certified during the year. Sixteen (16) projects were added and certified during the year. The plan was 6.9% larger than the plan for FY 1995/96, and achievement of plan was 4 percentage points lower (90% to 86%).

Of total parcels acquired during the year, 63% were negotiated purchases, which is one percentage point lower (64% to 63%) than the negotiation rate in FY 1995/96. For parcels acquired by negotiation, 68% of the amount paid in purchase price was within 20% of the Department's appraised value, 5 percentage points higher (63% to 68%) than in FY 1995/96.

Of total right of way expenditures of $293.0 M., slightly over 69% purchased land. About 21% or $61.3 M. paid landowner fees and costs, of which $33 M. was paid to landowners' attorneys.

Construction Contract Lettings: The statewide construction plan was to let **412** contracts. During the year, a total of **401** contracts were let, **97%** of the total planned. Twenty-eight (28) contracts were advanced from future years to letting during the year, and 35 projects were added to the plan and let during the year. The plan was 12.3% smaller than the plan for FY 1995/96 and achievement of plan was one percentage point higher (96% to 97%).

The 401 projects let were estimated to cost a total of $928.8 M., and were let at an actual cost of $935.3 M., or 0.7% over estimated cost.

In dollars, the Department achieved 99% of plan, letting $935.3 M. of a planned $944.9 M. in construction contracts, leaving $9.6 M. uncommitted. Advanced and added projects let (totaling $122.7 M.) increased the year's letting to a grand total of $1,058.0 M. This total is $1 M. more than the amount let in FY 1995/96.

Construction Contract Time Adjustments: For the 343 contracts completed during the year, the original contract time increased by **34.5%** during the life of the contracts due to added days (excluding weather days).

The percentage increase in contract time (excluding weather days) on completed contracts was 2.4 percentage points higher (32.1% to 34.5%) in FY 1996/97 than in FY 1995/96.

Excluding days added due to weather conditions --
On 52.5% of contracts completed, original time increased less than 20%;
On 17.5% of contracts completed, original time increased by 20% to less than 40%; and
On 30.0% of contracts completed, original time increased by 40% or more.

Construction Contract Cost Adjustments: For the 343 contracts completed during the year, the total original contract amount of $729.8 M. increased **12.8%** due to supplemental agreements, for a total final contract amount of $823.1 M.

The percentage increase in contract cost on completed contracts was 1.8 percentage points higher (11.0% to 12.8%) in FY 1996/97 than in FY 1995/96.

On 71.4% of contracts completed, original cost increased less than 10%; On 16.0% of contracts completed, original cost increased by 10% to less than 20%; and
On 12.5% of contracts completed, original cost increased by 20% or more.

Of the final amount paid on completed contracts during 1996/97 of $823.1 M., a total of $11.4 M. or 1.4% did not add value to the projects. Of the $11.4 M. that did not add value to projects completed, $6.4 M. or 0.8% was unavoidable (not foreseeable), while $5.0 M. or 0.6% was avoidable (should have been foreseen). Of those costs that were avoidable, 40.7% 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 **14.1%**, exceeding the 10% statutory goal. This performance was 2.3 percentage points lower than in FY 1995/96.

For all consultant contracts (including 100% state funded), DBE participation was **16.3%**. This performance was 0.3 percentage points lower than in FY 1995/96.

Value Engineering: Cost-savings resulting from implementation of value engineering recommendations totaled $166.2 M. during the year (the cost of administering the VE program is $1.1 M. annually). This savings was a 25% increase from FY 1995/96, when $133.4 M. in savings were achieved.

Commitment of Federal Funds: As of September 30, 1997 the Department had committed 100% ($761 M. of a total of $761 M.) of federal funds subject to forfeiture at federal fiscal year end (September 30th) if not committed.

The Department requested an additional $59.6 M. in federal funds and received $7.4 M.

Management of Administrative Costs: Department administrative costs were 2.0% of the total program for the year, or $66.1 M. of a total program of $3.2 B. Although administrative costs as a percentage of total program did not change in FY 1996/97 from FY 1995/96, based on actual dollar amounts of administrative costs, there was a 2.3% increase ($64.6 M to $66.1 M.) in FY 1996/97 compared to FY 1995/96.

Cash Management: Actual cash receipts of $2,842.5 M. for FY 1996/97 was 0.1% lower ($4.1 M.) than the Department's August 1996 forecasted receipts amount of $2,846.6 M.

Actual cash disbursements of $2,897.1 M. for FY 1996/97 was 0.3% higher ($9.9 M.) than the Department's August 1996 forecasted disbursements amount of $2,887.2 M.

For FY 1996/97, the Department's lowest cash balance was $305 M. or 12.7% of its total outstanding contractual obligations of $2.4 B.

Management of Toll Facility Operational Costs: The Department's cost to operate toll facilities during the year was **15.8 cents** per toll transaction. This operational cost is 1.0 cent lower than in FY 1995/96.

Bridge Repair and Replacement: Of **358** bridge repairs planned for letting, **342** bridge repairs or **96%** were let. In addition, the Department repaired 4 bridges planned for future fiscal years. Fourteen (14) bridges were added and repaired during the year.

Of **34** bridge replacements planned for letting, **24** bridge replacements or **71%** were let. In addition, 26 bridges were added and replaced during the year.

For FY 1996/97, the percentage of state-maintained bridges meeting standards was 92%, exceeding the proposed goal of 90% by 2 percentage points.

Resurfacing: Of the **1,544** lane miles planned for resurfacing (let to contract), **1,478** lane miles or **96%** were let. In addition, the Department resurfaced 135 lane miles planned for future fiscal years. Thirteen (13) lane miles were added and resurfaced during the year.

For FY 1996/97, the percentage of state road lane miles meeting standards was 82%, exceeding the proposed goal of 80% by 2 percentage points.

Routine Maintenance: For FY 1996/97, the Department achieved 104% of the objective of a system-wide maintenance rate of 80.

Capacity Improvements, Highway: Of **317** lane miles of capacity improvements planned for letting, **286** lane miles or **90%** were let.

Capacity Improvements, Public Transportation: The Department achieved **94%**of plan, committing **$148.5 M.** of a total plan of **$158.1 M.** in public transportation capacity improvement projects.

Safety: For the State Highway System, the preliminary CY 1996 fatal crash rate was 1.78 fatal crashes per 100 million vehicle miles traveled, exceeding the preliminary national rate of 1.54. This fatal crash rate for state roads was a decrease of 6% from CY 1995, and exceeds the national rate by 16%.

For CY 1996, road conditions were a contributing cause in 3.89% of crashes on the State Highway System. This is an increase of 2% from CY 1995 when road conditions were a contributing cause in 3.82% of crashes.

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 66% 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.

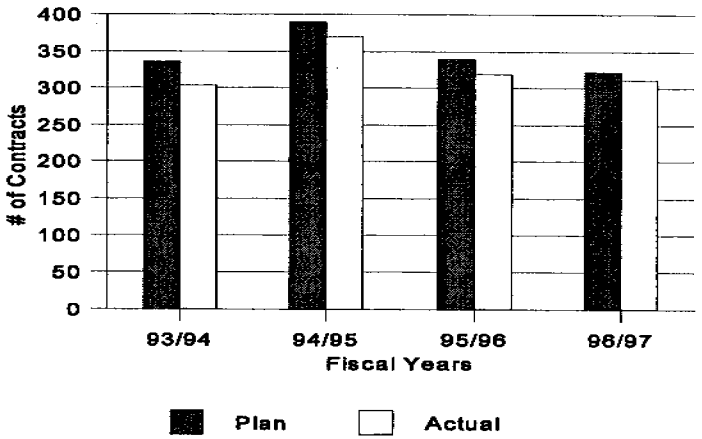
In order for a project to progress on schedule to right of way acquisition and construction, the design consultant contract must be negotiated and signed (executed) in a timely manner. Further, delays in right-of-way acquisition and construction usually mean increased project cost.

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:

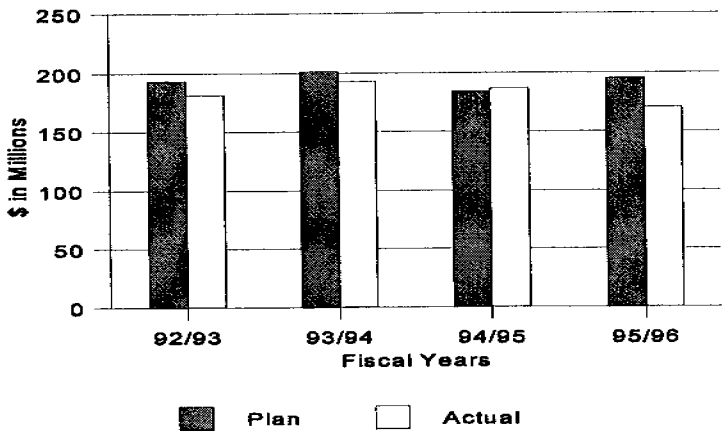
- The Department achieved 97% of plan, having executed 311 of 322 contracts planned for the year. A total of 28 consultant contracts were added and executed during the year.
- Actual dollar commitments of $149.5 M. were 96% of the total consultant acquisition plan of $156.5 M. A total of $7.0 M. in contracts were added to the plan and executed during the year.
- The plan for FY 1996/97 was 5% smaller than the plan for FY 1995/96.
- Department achievement of plan was 3 percentage points higher (94% to 97%) in FY 1996/97 than in FY 1995/96.

Number of Contracts Executed by Fiscal Year



	Fiscal Year			
	93/94	94/95	95/96	96/97
Plan	336	390	340	322
Actual	303	370	319	311
% of Plan	*90%*	*95%*	*94%*	*97%*
Additions	40	16	16	28
Total Executed	343	386	335	339

$ Amount Executed by Fiscal Year



	Fiscal Year			
	93/94	94/95	95/96	96/97
Plan	$201.3	$184.2	$195.4	$156.5
Actual	$192.8	$186.7	$170.5	$149.5
% of Plan	*96%*	*101%*	*87%*	*96%*
Additions	$8.9	$3.0	$7.2	$7.0
Total Executed	$201.7	$189.7	$177.7	$156.5

Explanation of 11 Planned Contracts Not Executed:

- One design contract to add lanes was delayed due to difficulty in getting local government to agree designating the roadway to be part of the Intrastate System.
- One design contract to improve an intersection was delayed due to a business decision to give local government time to decide their role with the improvements within the corridor.
- One design contract to improve an interchange was delayed pending a decision by local government to be involved in the project.
- One design contract for a reconstruction project was delayed. The project requires local government matching funds, which are not available until Fall of 1997.
- One design contract to improve an interchange was delayed. Local government requested that the Department delay the design until the completion of an area-wide transportation study of the area.
- One design contract for a train station was delayed until the local government is able to show evidence that they can obtain the necessary right of way to construct the project.
- One design contract for a bike path was delayed. The local government requested that the project be delayed until its roadway reconstruction project is complete.
- Two design contracts for rest area projects were delayed pending reevaluation of the Rest Area Program and priorities of the District rest area projects.
- One design contract was deleted at the request of local governmental.
- One design contract was delayed due to Florida Department of Environmental Protection and U.S. Coast Guard issues regarding bridge height requirements.

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 63% of right of way parcels, costly and lengthy condemnation proceedings must be pursued on the remaining 37% 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.

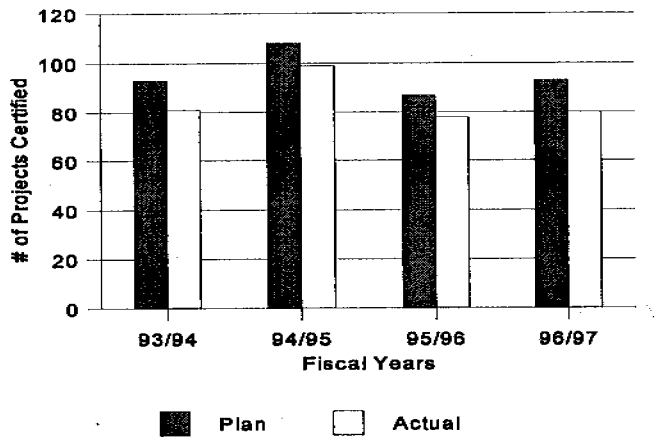
Measure	Number of Projects Certified vs. Number of Projects Scheduled for Certification
This Measure assesses how well the Department performs in acquiring all parcels needed for construction letting of a project. Failure to certify on schedule all parcels for a given project may delay the project and increase project cost.	
Explanatory Data	Number of parcels acquired by negotiation vs. condemnation.
	For negotiated parcels, the percentage of the total purchase price amount that was within 20% of the Department's appraised value.
	For negotiated parcels, purchase agreement amount vs. DOT last appraisal vs. property owner's counter-offer amount.
	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 86% of plan, having certified right of way on 80 of 93 projects planned for the year. Of the 13 projects not certified, two (2) recreational bike path projects have delayed planned construction lettings. Seven (7) projects planned for certification in future years were advanced to certification in FY 1996/97. Sixteen (16) projects were added and certified during the year.
- The plan for FY 1996/97 was 6.9% larger than the plan for FY 1995/96. Department achievement of plan was 4 percentage points lower (90% to 86%) in FY 1996/97 than in FY 1995/96.
- Of the total parcels acquired during FY 1996/97, 63% were negotiated purchases, which is one percentage point lower (64% to 63%) than the negotiation rate in FY 1995/96.
- For parcels acquired by negotiation during FY 1996/97, 68% of the amount paid in purchase price was within 20% of the Department's appraised value. FY 1996/97 is 5 percentage points higher than FY 1995/96, when 63% of the total purchase price was within 20% of the Department's appraised value.
- For negotiated parcels, the average purchase agreement amount was 74% of the spread between DOT's last appraisal and the property owner's counter-offer.
- 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 1996/97:
  - For the average settlement, the final judgment was 35% of the spread;
  - For the average mediation, the final judgment was 41% of the spread;
  - For the average verdict, the final judgment was 27% of the spread.

  Comparing with prior year:
  - For the average settlement, final judgments in FY 1996/97 were 6% more toward the Department's appraisal than in FY 1995/96 when they were 41% of the spread.
  - For the average mediation, final judgments in FY 1996/97 were 5% more toward the landowner's demand than in FY 1995/96 when they were 36% of the spread.
  - For the average verdict, final judgments in FY 1996/97 were 15% more toward the Department's appraisal than in FY 1995/96 when they were 42% of the spread.
- Right of Way expenditures totaled $293.0 M. during FY 1996/97. Of that total, slightly over 69% purchased land. About 21% or $61.3 M. paid landowners' fees and costs, 54% or $33 M. of that being paid to landowners' attorneys.

Number of Projects Certified by Fiscal Year

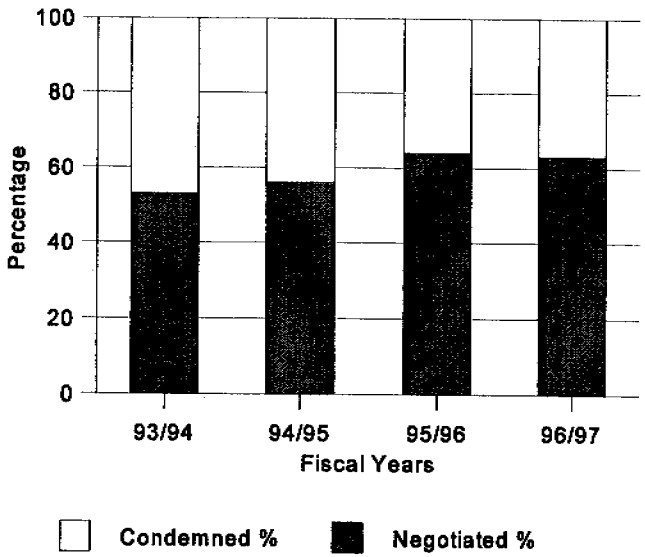


	Fiscal Year			
	93/94	94/95	95/96	96/97
Plan	93	108	87	93
Actual	81	99	78	80
% of Plan	*87%*	*92%*	*90%*	*86%*
Advanced FY	8	8	9	7
Additions	34	15	11	16
Total Certified	123	122	98	103

Explanation of 13 Planned Projects Not Certified:

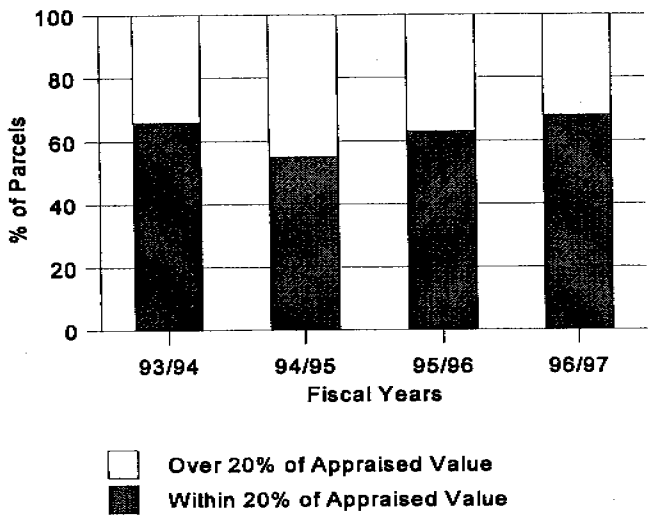
- One project not certified due to some personal property of prior owners remaining on several parcels. All parcels were acquired.
- One project (bike path) not certified due to delays of property owner residing in Japan and extra time required to translate documents. Eighteen (18) of 19 parcels have been acquired.
- One project (bike path) not certified due to property owned demand of 10 times the Department's offer. The Department elected to continue further negotiations.
- One project (add lanes) not certified due to local government failing to acquire one parcel needed for realignment of its road. Eight (8) of 9 parcels have been acquired.
- One project that is a joint project with Georgia was not certified. Georgia did not obtain the necessary permits needed to close on 2 parcels.
- One project not certified due to delay in Order of Taking hearing. One hundred and eleven (111) of 117 parcels have been acquired.
- One project (intersection improvement) not certified due to project being included in a multi-lane project advanced by both the City and County. All parcels were acquired.
- One project not certified due to a slow take suit on the two remaining parcels with trial scheduled for March 1997. The owner requested an extension on the trial date and the trial was rescheduled to August 1997. It has now been rescheduled to September 1997.
- One project not certified due to the City requesting design changes to which the Department agreed. The City then requested additional design changes which the Department did not consider feasible. The City has now agreed to the project as designed and title transfer of the remaining parcels is expected in August 1997.
- One project not certified due to a property owner declaring bankruptcy, which required the Department to change the process needed to acquire the parcel.
- One project not certified due to right of way schedule being changed due to one property owner owning property both on this project and another project in the area. The additional time allows the Department to acquire property from the owner only once, instead of numerous times.
- Two projects not certified due to major ownership changes on a key parcel that required the Department to revise maps and title information.

Negotiated and Condemned Parcels
Percentage Rate by Fiscal Year



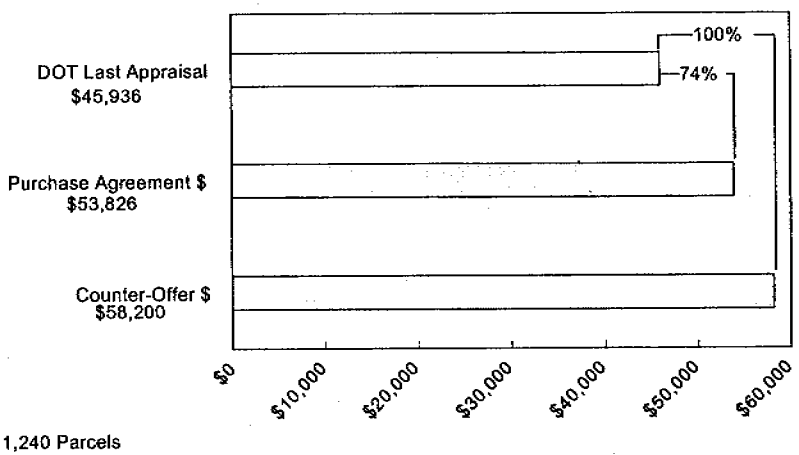
	Fiscal Year			
	93/94	94/95	95/96	96/97
Condemned %	47%	44%	36%	37%
Negotiated %	53%	56%	64%	63%
Condemned #	1,343	1,166	965	830
Negotiated #	1,533	1,480	1,695	1,406

Parcels Negotiated Within 20% of DOT Appraised Value
Percentage Rates by Fiscal Year



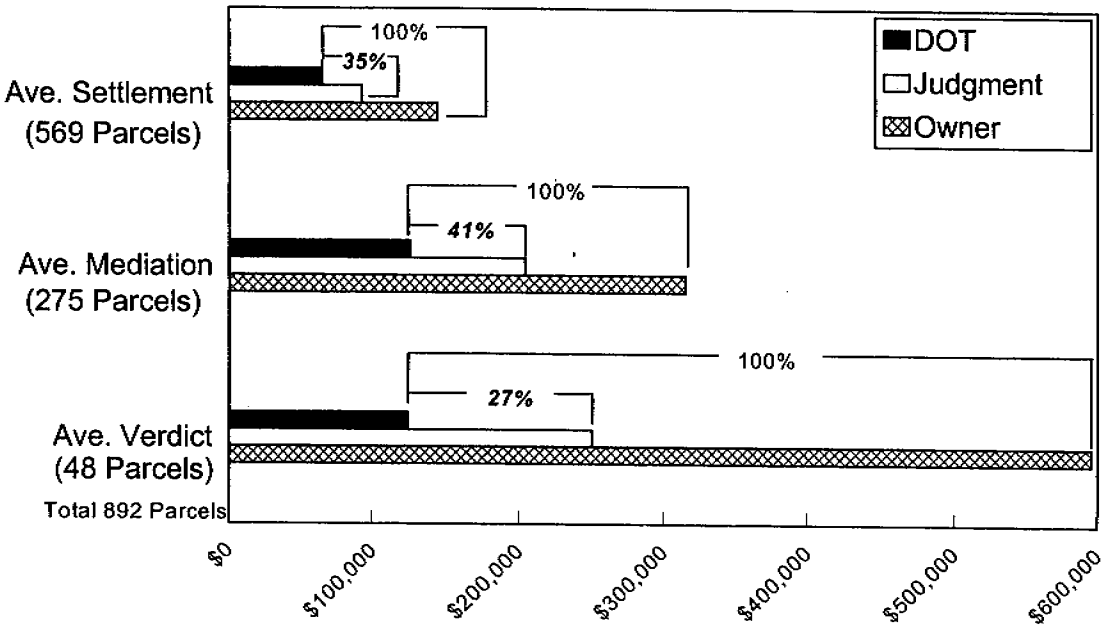
	Fiscal Year			
	93/94	94/95	95/96	96/97
Over 20%	34%	45%	37%	32%
Within 20%	66%	55%	63%	68%

Negotiated Parcels - Average Purchase Agreement Amount
as % of Spread Between DOT Appraisal and Owner's Counter-Offer



1,240 Parcels

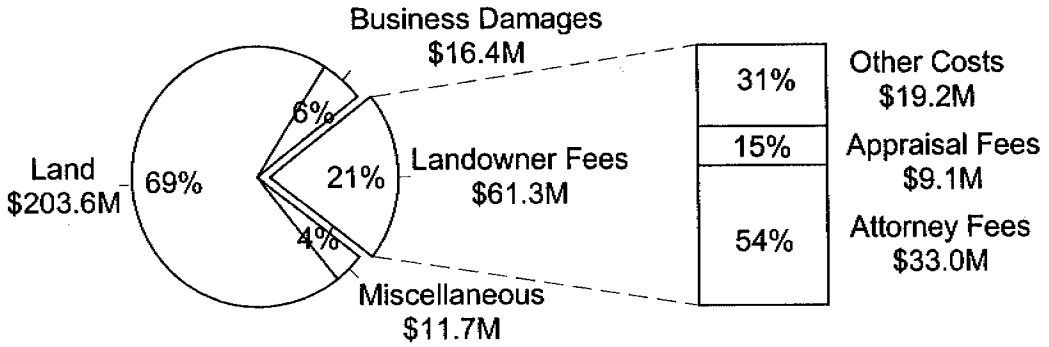
Condemned Parcels - Average Final Judgment
as % of Spread Between DOT Appraisal and Owner's Demand



	DOT	Judgment	Landowner
Settlement	$65,363	$93,008	$145,109
Mediation	$126,450	$204,505	$315,624
Verdict	$124,948	$250,157	$595,807

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 1996/97



Statewide Total = $293.0 M

R/W Expenditure	FY 1995/96		FY 1996/97		Change	
Statewide	$	%	$	%	$	%
Land	$243.1	75%	$203.6	69%	($39.5)	(6%)
Business Damages	$15.2	4%	$16.4	6%	$1.2	2%
Landowner Fees	$61.2	19%	$61.3	21%	$0.1	2%
Miscellaneous	$5.5	2%	$11.7	4%	$6.2	2%
Total	$325.0	100%	$293.0	100%	($32.0)	

R/W Expenditure	FY 1995/96		FY 1996/97		Change	
Landowner Fees	$	%	$	%	$	%
Attorney Fees	$37.1	61%	$33.0	54%	($4.1)	(7%)
Appraisal Fees	$8.2	13%	$9.1	15%	$0.9	2%
Other Costs	$15.9	26%	$19.2	31%	$3.3	5%
Total	$61.2	100%	$61.3	100%	$0.1	

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.

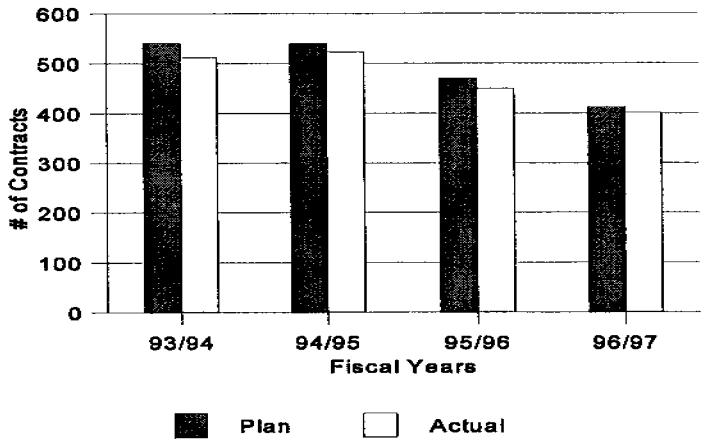
The construction phase results in the final, tangible product of the Department and the construction program comprises 39% of total dollars in the work program. The public's foremost concern is "Did the Department build the projects it committed to build, and did it do so *when* it promised to?" The 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:

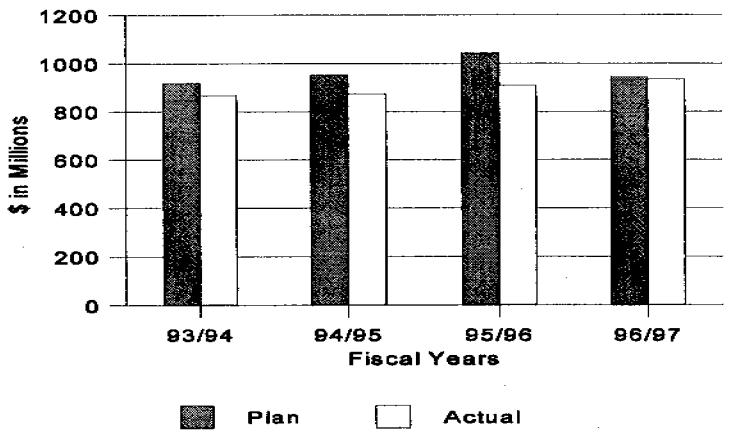
- The Department achieved 97% of plan, having let 401 of 412 projects planned for the year. Twenty-eight (28) projects were advanced from future fiscal years to letting in FY 1996/97. Thirty-five (35) projects were added and let during the year.
- Dollar commitments of $935.3 M. were 99% of total planned construction lettings of $944.9 M., leaving $9.6 M. uncommitted for the fiscal year. However, $111.5 M. in projects were advanced from future years to letting in FY 1996/97 and $11.2 M. in projects were added to the plan and let during the year, increasing total lettings in FY 1996/97 to $1,058 M.
- The 401 projects let were estimated to cost a total of $928.8 M., and were let at an actual cost of $935.3 M., or 0.7% over estimated cost.
- The plan for FY 1996/97 was 12.3% smaller than the plan for FY 1995/96. Department achievement of plan was one percentage point higher (96% to 97%) in FY 1996/97 than in FY 1995/96.
- From a dollar standpoint, the plan for FY 1996/97 was 9.4% smaller than the plan for FY 1995/96.
- The total dollar volume let (includes additions and advances) during FY 1996/97 ($1,058.0 M.), was $1 M. more than the amount let in FY 1995/96 ($1,057.0 M.).
- With regard to advancements, the Department advanced 28 projects during FY 1996/97 compared to 15 projects advanced to letting from future years in FY 1995/96.

Number of Contracts Let by Fiscal Year



	Fiscal Year			
	93/94	94/95	95/96	96/97
Plan	540	539	470	412
Actual	512	522	450	401
% of Plan	*95%*	*97%*	*96%*	*97%*
Advanced FY	10	28	15	28
Additions	37	14	37	35
Total Let	559	565	502	464

$ Amount Let by Fiscal Year



	Fiscal Year			
	93/94	94/95	95/96	96/97
Plan	$919.5	$952.6	$1,043.0	$944.9
Actual	$868.0	$872.3	$908.3	$935.3
% of Plan	*94%*	*92%*	*87%*	*99%*
Advanced FY	$85.8	$65.6	$23.8	$111.5
Additions	$18.0	$30.5	$124.9	$11.2
Total Let	$971.8	$968.4	$1,057.0	$1,058.0

Explanation of 11 Planned Contracts Not Let:

- One intersection improvement contract and one resurfacing contract deleted due to projects being included in a multi-lane project advanced by both the City and County.
- One recreational access (Alligator Alley) contract delayed to allow the National Park Service sufficient time to complete a Supplemental Environmental Impact Statement to address impacts associated with off-road access to site.
- Two contracts requiring an agreement between the Department and Miccosukee Indians was delayed. The agreement has been executed by both parties but still must be approved by the U.S. Congress.
- One contract delayed due to the Department experiencing delays in obtaining environmental permits for replacement of a bridge.
- One recreational bike trail contract delayed due to right of way issues.
- One intersection improvement contract deleted due to project not being needed.
- One railroad/highway crossing contract delayed due to unanticipated major utility relocations which resulted in a totally new design.
- One design/build contract was not let due to all contractors declining to submit a bid during the advertisement.
- One contract (I-95 Golden Glades Safety Project) deferred to incorporate valid comments provided by the Florida Highway Patrol.

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.

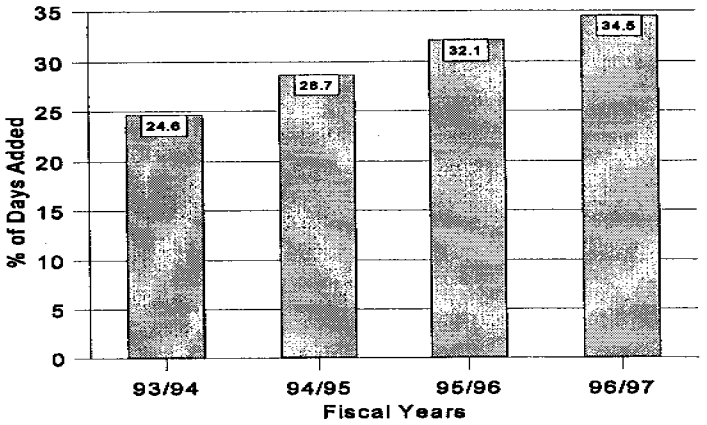
Measure	For all Construction Contracts Completed during the Fiscal Year, the Original Contract Time vs. Final Contract Time (excluding weather days). This Measure assesses the Department's performance in containing contract time increases and indicates, for those factors within the Department's control, 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 343 contracts completed during FY 1996/97, the original contract time increased by 34.5% as a result of added days (excluding weather days).
- The percentage increase in contract time (excluding weather days) is 2.4 percentage points higher (32.1% to 34.5%) in FY 1996/97 than in FY 1995/96.
- On 52.5% 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 17.5%, the original contract time increased by at least 20% but less than 40%; and on 30.0% of all contracts completed, the original contract time increased by 40% or more.

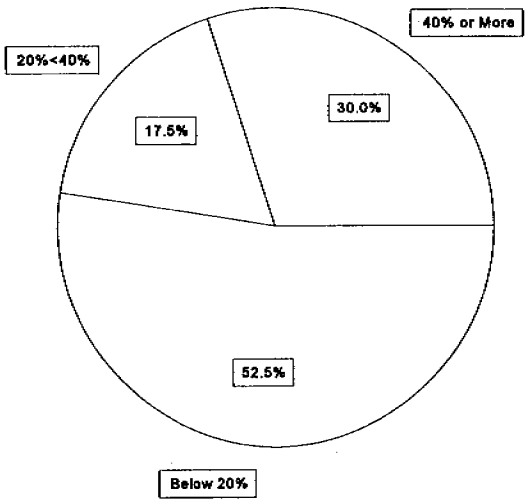
Note: "Contracts completed" are contracts on which final estimate was completed, all known claims were settled and documentation passed to Comptroller Office for final payment during the fiscal year.

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



	Fiscal Year			
	93/94	94/95	95/96	96/97
Additional Days	10,070	13,229	19,895	22,772
Original Days	40,908	46,063	62,070	65,964
Total Days	50,978	59,282	81,965	88,736
% Increase	*24.6%*	*28.7%*	*32.1%*	*34.5%*
# of Contracts	216	244	285	343

Number of Contracts vs. Percentage Over Original Time for FY 1996/97



% Over Original Time	# of Contracts	% of Total
Below 20%	180	52.5%
20% < 40%	60	17.5%
40% or More	103*	30.0%
Total	343	100.0%

*Brief explanation of time adjustments for these 103 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.

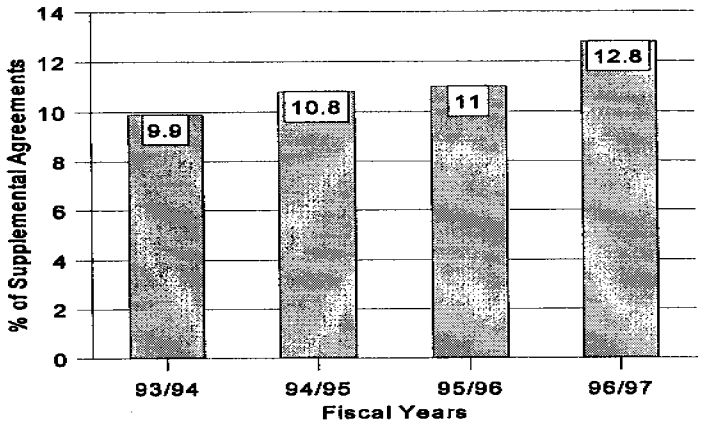
Measure	Original Contract Amount vs. Final Amount Paid on all Construction Contracts Completed during the Fiscal Year. This Measure compares the original contract amount with the final contract amount following acceptance of work by the Department and final payment to the contractor. The data shows the 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 343 contracts completed during FY 1996/97, the total original contract amount of $729.8 M. increased by 12.8% due to supplemental agreements, for a total final contract amount of $823.1 M.
- The percentage increase in contract cost on completed contracts was 1.8% percentage points higher (11.0% to 12.8%) in FY 1996/97 than in FY 1995/96.
- On 71.4% of all contracts completed during the year, the original contract amount increased by less than 10% as a result of supplemental agreements; on 16.0%, the original contract amount increased by at least 10% but less than 20%; and on 12.5% of all contracts completed, the original contract amount increased by 20% or more.
- Of the $93.3 M. in supplemental agreements, $41.1 M., (44%) were due to "changed conditions" and $34.4 M. (37%) due to "plan modifications."
- Of the total final amount paid on completed contracts during 1996/97 of $823.1 M., a total of $11.4 M. or 1.4% did not add value to the projects.
- Of the $11.4 M. that did not add value to projects completed, $6.4 M. or 0.8% was unavoidable, while $5.0 M. or 0.6% was avoidable. Of those costs that were avoidable, 40.7% was attributable to action/inactions of third parties, primarily local governments and utility companies.

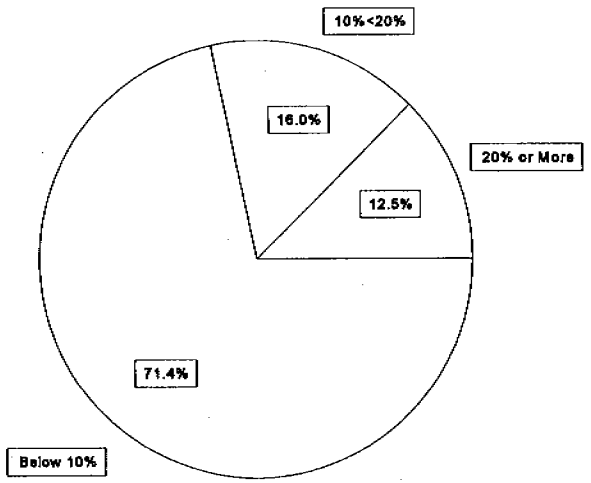
Note: "Contracts completed" are contracts on which final estimate was completed, all known claims were settled and documentation passed to Comptroller Office for final payment during the fiscal year.

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



	Fiscal Year			
	93/94	94/95	95/96	96/97
S.A. Amount	$42.2	$50.5	$72.5	$93.3
Original Amount	$425.2	$469.4	$657.4	$729.8
Total	$467.4	$519.9	$730.0	$823.1
% Increase	*9.9%*	*10.8%*	*11.0%*	*12.8%*
# of Contracts	216	244	285	343

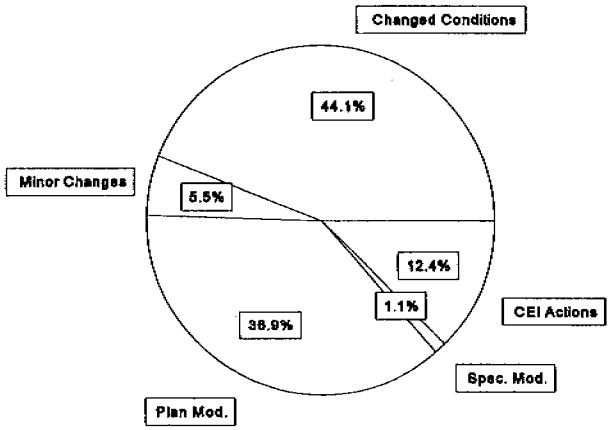
Number of Contracts vs. Percentage Over Original Cost for FY 1996/97



% Over Original Time	# of Contracts	% of Total
Below 10%	245	71.4%
10% < 20%	55	16.0%
20% or More	43*	12.5%
Total	343	100.0%

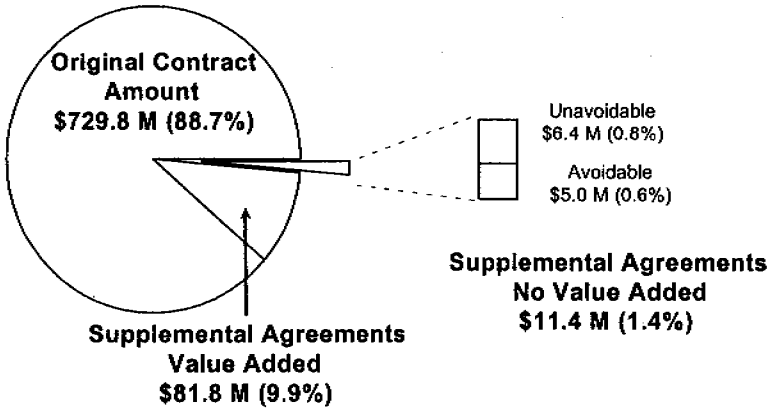
*Brief explanation of cost adjustments for these 43 contracts available from Transportation Commission office.

Supplemental Agreements by Reasons for FY 1996/97



Reason	S.A. Amount	% of Total
Changed Conditions	$41,115,621	44.1%
Plan Modification	$34,435,347	36.9%
Specification Mod.	$1,054,004	1.1%
CEI Actions	$11,547,154	12.4%
Minor Changes	$5,111,938	5.5%
Total	$93,264,064	100.0%

Contract Cost Adjustments for Contracts Completed FY 1996/97



	Amount	%
Original Contract	$729,820,104	88.7%
S.A. Value Added	$81,840,608	9.9%
S.A. No Value Added	$11,423,454	1.4%
Final Amount Paid	$823,084,166	100.0%

S.A. No Value Added

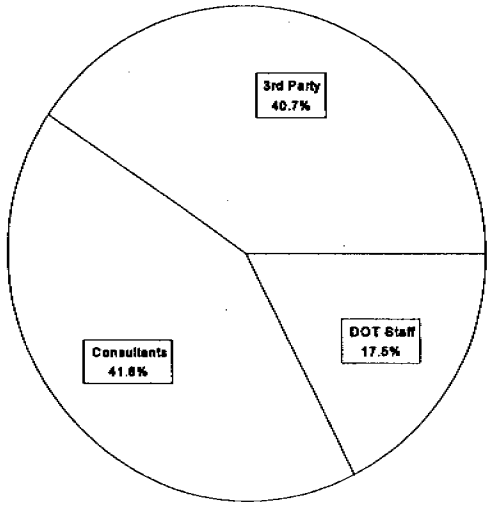
Unavoidable	$6,370,210	0.8%
Avoidable	$5,053,244	0.6%
Total	$11,423,454	1.4%

Supplemental Agreement (SA) Summary Table By Reason Code
For Projects Completed During 1996/97

Reason Description	SA Amount	% of Total	SA No Value Added Amount	% of Total
Changed Conditions				
Subsoil Conditions	$ 3,452,593.44	3.70%	$ 161,824.09	1.42%
Subsurface Conditions	$ 2,938,969.96	3.15%	$ 282,660.68	2.47%
Development of Adjacent Right of Way	$ 2,241,528.13	2.40%	$ 7,230.62	0.06%
Design Std/Spec Change after Letting	$ 1,909,187.75	2.05%	$ 190,007.25	1.66%
Utility Adjustments	$ 1,778,375.09	1.91%	$ 1,679,756.76	14.70%
Local Government Agreement Modification	$ 4,140,922.42	4.44%	$ 361,360.92	3.16%
Right of Way Requested Change	$ 34,341.23	0.04%	$ -	0.00%
Permit Modification	$ 304,857.18	0.33%	$ 2,099.00	0.02%
Additional Items Due to Weather	$ 2,546,954.77	2.73%	$ 560,990.02	4.91%
Access Management Change	$ 332,430.76	0.36%	$ 12,937.91	0.11%
Non Weather Related Damages	$ 916,626.31	0.98%	$ 89,419.22	0.78%
Administrative Decision Changes	$ 19,262,386.88	20.65%	$ 1,697,719.25	14.86%
Joint Project Agreement Utility Conflict	$ 455,975.61	0.49%	$ 14,897.06	0.13%
Material/Suppliers No Longer Available	$ 4,495.54	0.00%	$ 608.54	0.01%
Conflict With Other Contractors	$ 795,975.73	0.85%	$ 750,000.00	6.57%
Changed Conditions Totals	**$ 41,115,620.80**	**44.09%**	**$ 5,811,511.32**	**50.87%**
Plan Modifications				
Necessary Pay Item Not Included	$ 4,136,727.99	4.44%	$ 439,358.20	3.85%
Permit Related Issues Not Addressed	$ 312,052.31	0.33%	$ 37,796.87	0.33%
Incorrect/Insufficient Subsoil Information	$ 1,854,727.38	1.99%	$ 28,089.00	0.25%
Pay Item Conflicts	$ 769,986.33	0.83%	$ 4,500.00	0.04%
Conflict Between Pay Item & Pay Item Note	$ 1,305,200.81	1.40%	$ 21,356.00	0.19%
Existing/Proposed Utility Conflict	$ 1,339,449.22	1.44%	$ 155,118.97	1.36%
Maintenance of Traffic Plan Modification	$ 2,098,627.27	2.25%	$ 297,418.01	2.60%
Scope of Work Not Clearly Defined	$ 6,126,476.15	6.57%	$ 209,186.56	1.83%
Conflict Between Plan Notes/Details & Specs	$ 624,468.46	0.67%	$ 78,641.43	0.69%
Conflict Between Plan Details & Const. Stds	$ 398,735.33	0.43%	$ 42,404.09	0.37%
Project Phasing Not Constructible	$ 833,330.34	0.89%	$ 93,619.64	0.82%
Pavement Design Modification	$ 1,259,986.38	1.35%	$ 442,720.40	3.88%
Other Plan Details Not Constructible	$ 2,285,216.64	2.45%	$ 416,629.01	3.65%
Drainage Modification	$ 1,497,272.69	1.61%	$ 79,481.53	0.70%
Inadequate Right of Way Provided for Construction	$ 510,926.61	0.55%	$ 302,734.84	2.65%
Access Management Issues Not Properly Addressed	$ 31,026.16	0.03%	$ 3,728.00	0.03%
Inadequate/Improper Signalization/Markings	$ 588,060.09	0.63%	$ 18,739.47	0.16%
Major Structural Component Changes	$ 261,073.45	0.28%	$ -	0.00%
Hazardous Materials	$ 2,623,511.08	2.81%	$ 726.43	0.01%
American Disability Act (ADA) Requirements	$ 217,893.89	0.23%	$ 6,180.00	0.05%
Bike, Pedestrian or Public Transit Changes	$ 137,635.75	0.15%	$ -	0.00%
Landscaping Changes	$ 167,841.75	0.18%	$ 3,030.00	0.03%
Harmonize Project to Adjacent Features	$ 956,893.28	1.03%	$ 136,108.91	1.19%
Contract Time Improperly Calculated	$ 366,626.88	0.39%	$ -	0.00%
Computation Error	$ 2,562,990.14	2.75%	$ 168,126.68	1.47%
Pay Item Not Used	$ (59,904.50)	-0.06%	$ -	0.00%
Inaccurate/Inadequate Survey Information	$ 15,557.33	0.02%	$ -	0.00%
DOT/Designer Indecision/Delayed Response	$ 342,899.77	0.37%	$ 10,723.57	0.09%
Plan Modification Totals	**$ 33,565,288.98**	**35.99%**	**$ 2,996,417.61**	**26.23%**

Reason Description	SA Amount	% of Total	SA No Value Added Amount	% of Total
Specification Modifications				
Scope of Work Inadequately Addressed	$ 291,687.88	0.31%	$ 51,316.95	0.45%
Required Work not Covered in Basis of Payment	$ 309,798.63	0.33%	$ 5,377.69	0.05%
Maintenance of Traffic not Properly Addressed	$ 317,581.98	0.34%	$ 13,692.72	0.12%
Utility Relocation Schedule Unreasonable	$ -	0.00%	$ -	0.00%
Specification Conflict with Plan's Component	$ 75,029.03	0.08%	$ 38,935.45	0.34%
Specifications Not Constructible	$ 44,597.33	0.05%	$ -	0.00%
No Specification Provided for Work	$ 15,309.87	0.02%	$ -	0.00%
Specification Modification Totals	**$ 1,054,004.72**	**1.13%**	**$ 109,322.81**	**0.96%**
Value Engineering				
Value Engineering Change Proposal	$ 843,972.05	0.90%	$ -	0.00%
Partnering	$ 26,084.43	0.03%	$ -	0.00%
Value Engineering Totals	**$ 870,056.48**	**0.93%**	**$ -**	**0.00%**
CEI Actions/Inactions				
Construction Eng. Insp. (CEI) Delayed Response	$ 63,444.78	0.07%	$ 788.82	0.01%
Inaccurate Directions Given	$ 156,505.71	0.17%	$ 115,582.50	1.01%
Change Resulting from an Engineering Decision	$ 11,327,204.37	12.15%	$ 2,325,214.13	20.35%
CEI Actions/Inactions	**$ 11,547,154.86**	**12.38%**	**$ 2,441,585.45**	**21.37%**
Minor Changes				
Minor Changes	$ 5,117,203.35	5.49%	$ 64,617.28	0.57%
Minor Changes Totals	**$ 5,117,203.35**	**5.49%**	**$ 64,617.28**	**0.57%**
Defective Materials				
Defective Materials	$ (5,265.71)	-0.01%	$ -	0.00%
Defective Materials Totals	**$ (5,265.71)**	**-0.01%**	**$ -**	**0.00%**
Total - All Reasons	**$ 93,264,063.48**	**100.00%**	**$ 11,423,454.47**	**100.00%**

Avoidable No Value Added Supplemental Agreements
By Responsible Parties



Responsible Party	Amount	%
3rd Party	$2,055,326	40.7%
Consultants	$2,116,103	41.8%
DOT Staff	$881,815	17.5%
Total	$5,053,244	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.

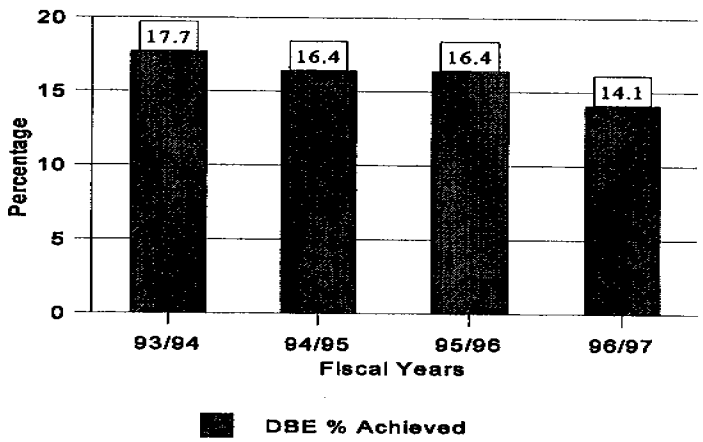
Measure	Dollar Volume of Disadvantaged Business Enterprise Utilization as a Percentage of Total Federal Funded Contracts (10% Statutory Goal).
Indicator	Progress Toward Attaining Statutory Goals for Individual Minority Business Categories in Four Work Type Areas; Reported as Goal vs. Actual.

Statewide Performance:

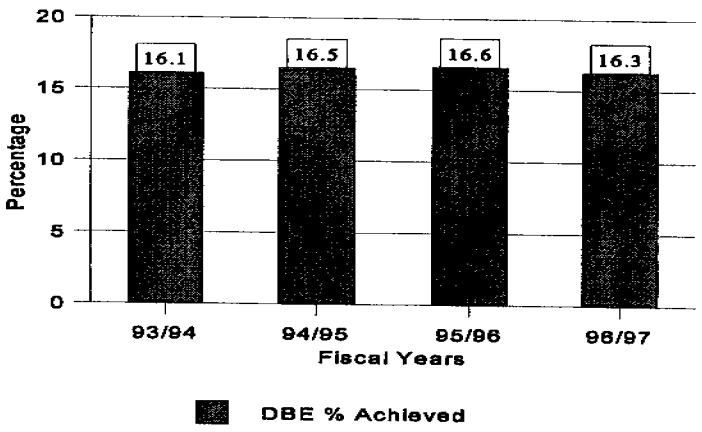
- For all construction and consultant contracts financed in part by federal funds, DBE participation was 14.1%, exceeding the 10% goal.
- For all consultant contracts (including 100% state funded), DBE participation was 16.3%.
- DBE participation rate for all construction and consultant contracts financed in part by federal funds was 2.3 percentage points lower (16.4% to 14.1%) in FY 1996/97 than in FY 1995/96.
- DBE participation rate for all consultant contracts was 0.3 percentage points lower (16.6% to 16.3%) in FY 1996/97 than in FY 1995/96.
- In each of the four work areas, the Department exceeded statutory goals for utilization of MBE's, for a collective achievement of 135% of goal.

Disadvantaged Business Enterprise Achievement by Fiscal Year

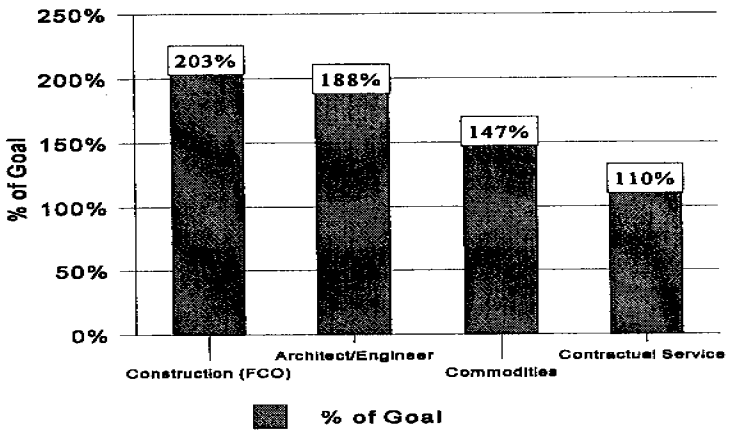
On Executed Federal Funded Contracts



On All Executed Consultant Contracts



Minority Business Enterprise Expenditures by Category



	Fiscal Year			
	93/94	94/95	95/96	96/97
$ Goal	$0.25M	$5.67M	$10.15M	$22.28M
Actual	$0.68M	$8.05M	*$12.52M	$30.10M
% of Goal	*275%*	*142%*	*123%*	*135%*

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 1996/97, a total of 52 projects were reviewed by VE teams, a 13% decrease from FY 1995/96 when 60 projects were reviewed. Of the total recommendations acted on during the year, 54% were implemented, a 5.9% increase from FY 1995/96 when 51% were implemented.
- FY 1996/97 total cost savings due to implemented recommendations were $166.2 million, a 25% increase from FY 1995/96 when savings of $133.4 million were achieved. By contrast with savings achieved, the cost of administering the VE Program is $1.1 million annually or *for every $1 spent the department realized $147 in project savings.*

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

VE Case Study:

A very large Project Development and Environment (PD&E) study is being conducted for an East/West Intermodal Corridor Study. This project had fifteen (15) Value Engineering studies completed in the Fall of 1994. These studies were packaged based on functional areas and, due to the complex nature of these type systems, resolution of forty (40) VE Alternatives with a potential savings of $241.7 million were postponed until FY 96/97. Nineteen (19) of the forty (40) were implemented with estimated savings of $93 million or 7% of the $1.3 billion of estimated construction costs under study.

Some of the implemented engineering solutions included modifying how access is handled. The VE team concept involved the utilization of collector distributor roadways instead of additional ramps. This concept saved $9.0 million for the SR 836 to SR 112 interconnector. Another team recommended utilizing existing Lejeune Rd. as a collector/distributor around 21st St. and modifying the geometrics of the interchange. This new concept saved $11.9 million in right of way and construction costs. Combine this with the reduction of bridge area required from 21 Street to south of River Drive and this VE team's implemented savings was in excess of $40 million.

Additionally, the terminal facility was studied and it was decided to change to a stacked station for the airport and seaport connection thereby shortening the station and saving $10 million in concourse and moving sidewalks.

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 1996/97, 34 VECP's were submitted compared to 31 VECP's submitted in FY 1995/96, an increase of 10%. The Department took action on 32 VECP's of which 24 were approved for a 75% implementation rate. The implemented savings from the 24 VECP's approved is estimated to be $1.9 million, a 30% decrease from FY 1995/96 when estimated savings for approved VECP's was $2.7 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, 1997, the Department has conducted 201 partnering workshops on projects valued in excess of $2.1 billion in construction. Construction project personnel surveyed have responded that Partnered Projects result in fewer conflicts and most disputes have been resolved at the project level. Communications and coordination between all parties have improved significantly through the use of this process.

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 1996/97, a total of 28 Process Performance reviews were conducted, a 4% increase from FY 1995/96 when 27 reviews were conducted. These resulted in 85 opportunities for improvement, 78 district wide and 7 statewide.

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 80% federal funds, 20% 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.

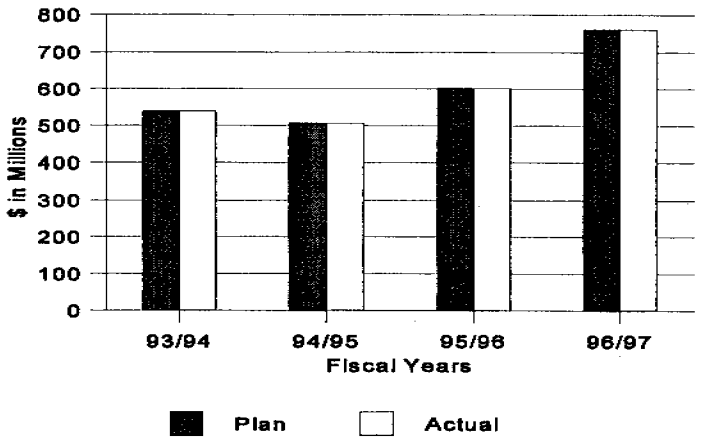
Federal funding must be committed to projects within a specified time period; otherwise, unused funds are forfeited, pooled, and "redistributed" to states that have exhausted their federal funds and have the ability to use additional funds. With transportation needs that far exceed available revenues, 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, 1997, the Department had committed 100% ($761 M. of a total of $761 M.) of federal funds subject to forfeiture at federal fiscal year end if not committed.
- The Department has requested an additional $59.6 M. in federal funds and received $7.4 M. of the total requested.

Commitment of Federal Funds by Fiscal Year



	Fiscal Year			
	93/94	94/95	95/96	96/97
Plan	$539	$506	$602	$761
Actual	$539	$506	$602	$761
% 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.

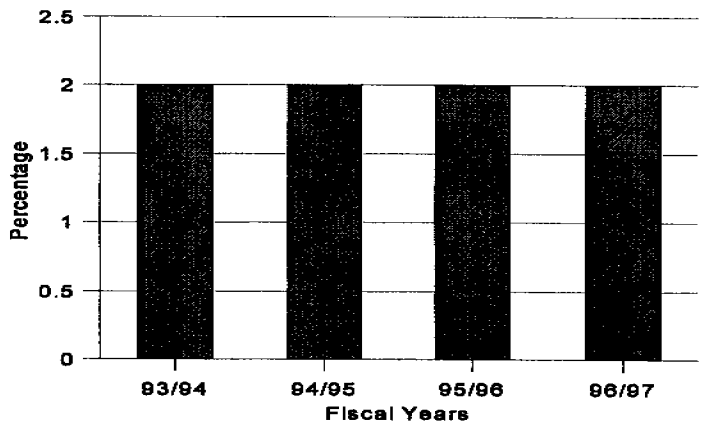
Measure	Administrative Costs as a Percent of Total Program. Dollar Amount of Administrative Costs vs. Dollar Amount of Total Program. This measure tracks administrative costs as a percent of the total program (product, product support, operations, maintenance, and administration) and by actual dollar 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 ($24.6 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 1996/97, or $66.1 M. of a total program of $3.2 B.
- Although administrative costs as a percentage of total program has not changed in FY 1996/97 from FY 1995/96, based on actual dollar amounts of administrative costs, there was a 2.3% increase ($64.6 M. to $66.1 M.) in administrative costs in FY 1996/97 compared to FY 1995/96.

Administrative Costs as a % of Total Program by Fiscal Year



	Fiscal Year			
	93/94	94/95	95/96	96/97
Administrative Cost	$58.5M	$63.5M	$64.6M	$66.1M
Total Program	$2,912.3M	$3,232.2M	$3,246.3M	$3,238M
% of Total Program	*2.0%*	*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	Actual Cash Receipts vs. Forecasted Cash Receipts.
Measure	Actual Cash Disbursements vs. Forecasted Cash Disbursements.
Measure	Lowest Annual Cash Balance vs. Total Contractual Obligations.
	These measures assess the effectiveness of Department cash management in maximizing the ability to deliver transportation product as early as possible.

Statewide Performance:

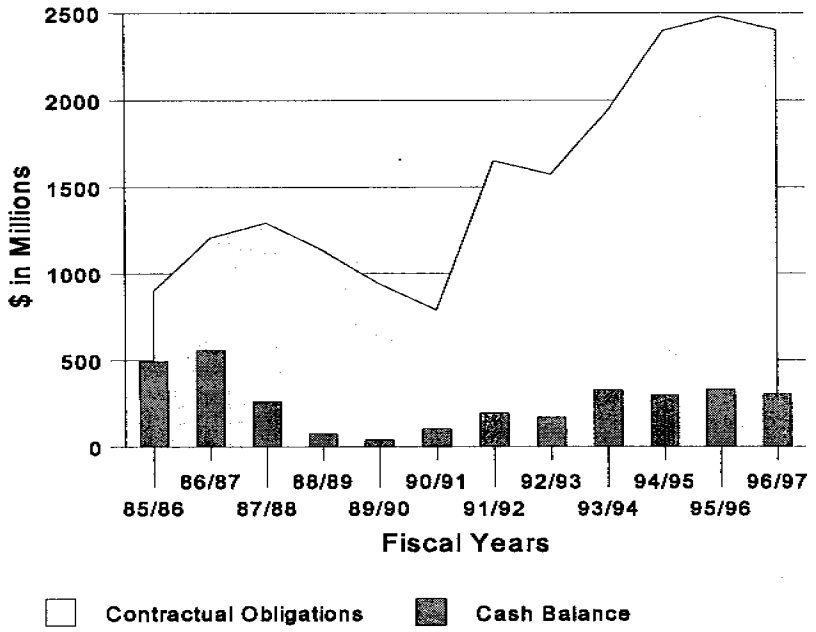
- Actual cash receipts of $2,842.5 M. for FY 1996/97 were 0.1% lower ($4.1 M.) than the Department's August 1996 forecasted receipts amount of $2,846.6 M.
- Actual Cash disbursements of $2,897.1 M. for FY 1996/97 were 0.3% higher ($9.9 M.) than the Department's August 1996 forecasted disbursements amount of $2,887.2 M.
- For FY 1996/97, the Department's lowest cash balance was $305 Million or 12.7% of its total outstanding contractual obligations of $2.4 Billion.

State Transportation Trust Fund

Cash Receipts	
Forecast 8/96	$2,846,600,000
1996/97 Actual	$2,842,500,000
$ Variance	$4,100,000
% Variance	0.1%

Cash Disbursements	
Forecast 8/96	$2,887,200,000
1996/97 Actual	$2,897,100,000
$ Variance	$9,900,000
% Variance	0.3%

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



Fiscal Year	Lowest Cash Balance ($ in Millions)	Contractual Obligations ($ in Millions)	% Cash of Obligations
85/86	$495	$896	55%
86/87	$558	$1,206	46%
87/88	$262	$1,295	20%
88/89	$77	$1,137	7%
89/90	$41	$940	4%
90/91	$105	$786	13%
91/92	$195	$1,649	12%
92/93	$171	$1,574	11%
93/94	$331	$1,933	17%
94/95	$299	$2,397	12%
95/96	$332	$2,478	13%
96/97	$305	$2,401	13%

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.

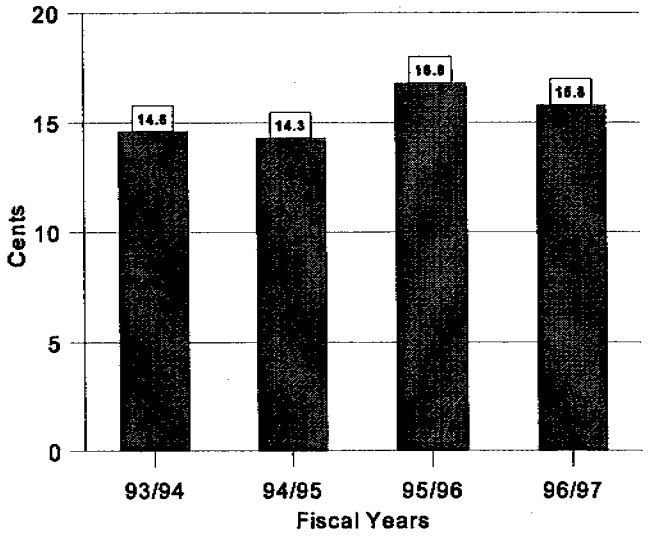
Since tolls are fees paid by toll facility users who have an expectation that the maximum amount of tolls collected be used to pay off the debt or for other transportation improvements, toll collection costs should be contained and carefully managed.

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.

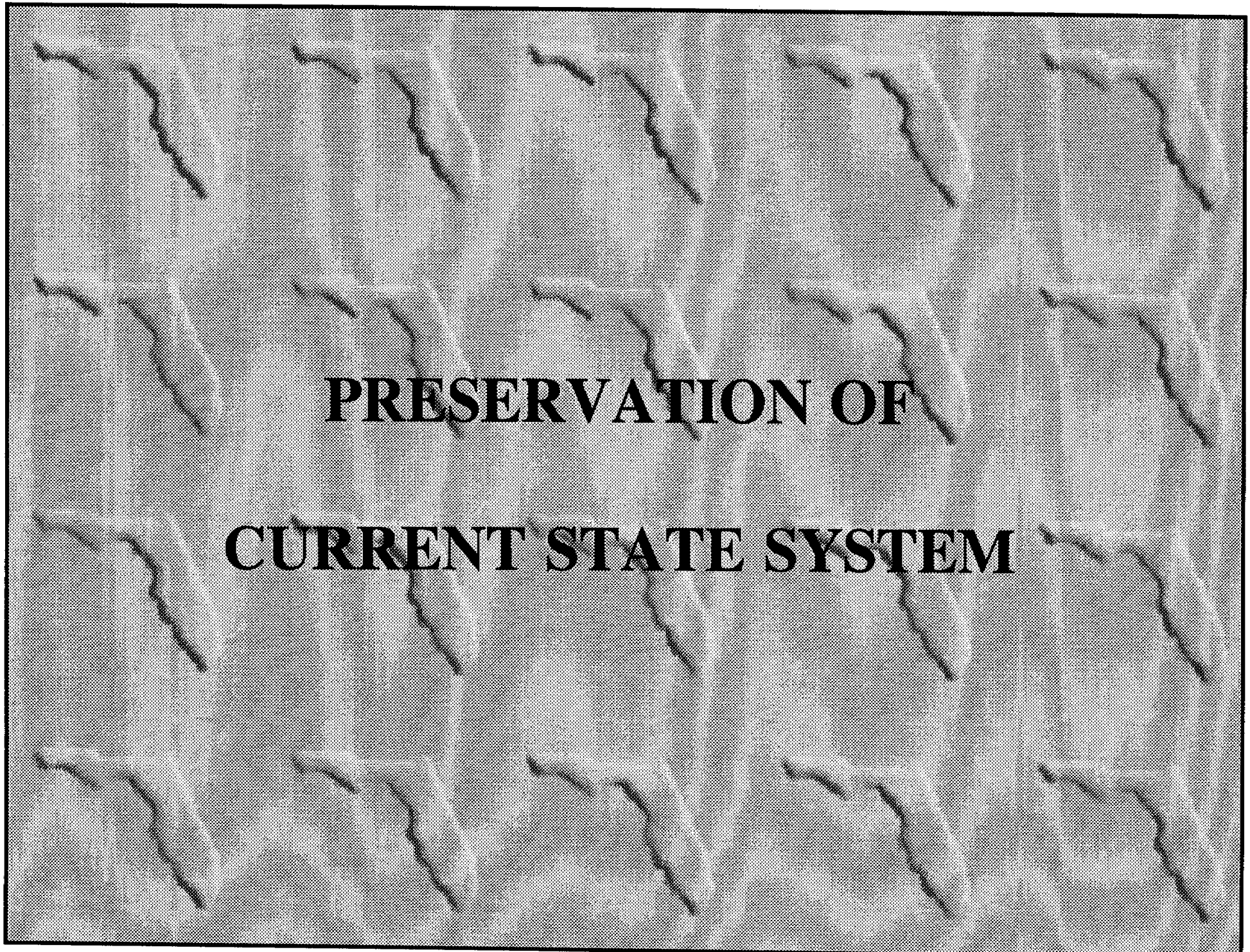
Statewide Performance:

- For FY 1996/97, the Department's cost to operate toll facilities was 15.8 cents per toll transaction.
- The cost to operate toll facilities for FY 1996/97 was 1.0 cent lower per toll transaction than in FY 1995/96.

Operational Cost Per Toll Transaction by Fiscal Year



	Fiscal Year			
	93/94	94/95	95/96	96/97
Operational Cost	$62.4M	$68.3M	$64.9M	$66.7M
# of Transactions	427.9M	476.7M	387.5M	421.6M
Cost Per Transaction	*14.6¢*	*14.3¢*	*16.8¢*	*15.8¢*


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.

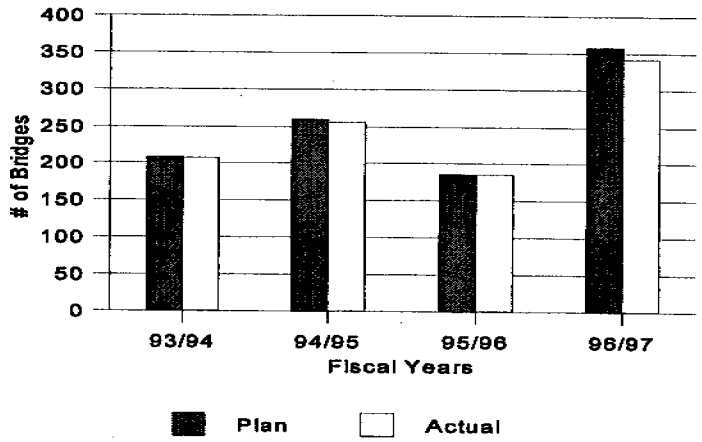
Florida law requires the Department to "meet the annual needs for ... repair and replacement of bridges on the system."

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. The 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:

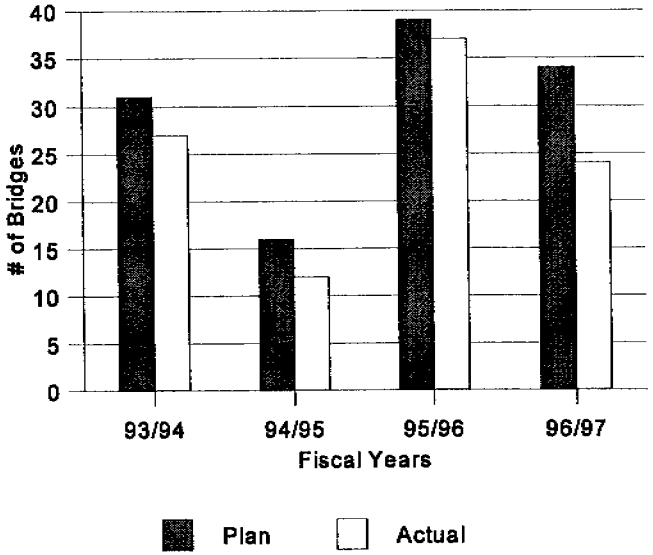
- The Department achieved 96% of plan, having *repaired* 342 bridges of 358 planned. The Department repaired 4 bridges planned for future fiscal years. Fourteen (14) bridges were added and repaired during the year.
- The Department achieved 71% of plan, having *replaced* 24 bridges of 34 planned. The Department replaced 26 bridges planned for future fiscal years.
- For FY 1996/97, the percentage of state-maintained bridges rated in good condition was 92%, exceeding the goal of 90%.

BRIDGE REPAIR - Number of Bridges by Fiscal Year



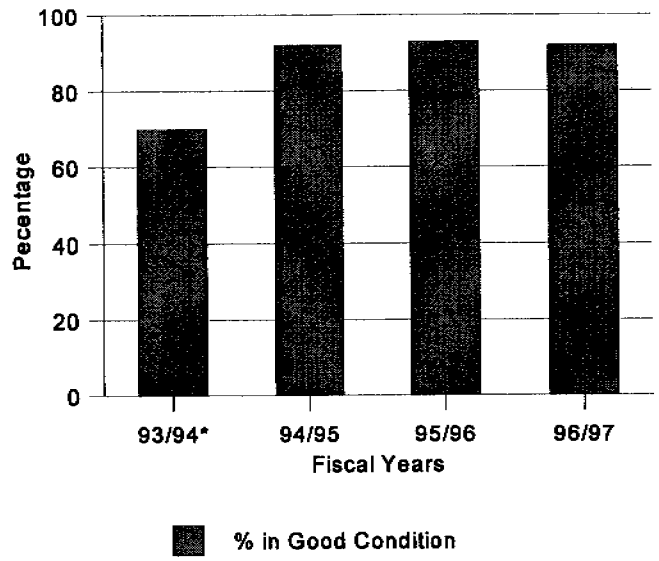
	Fiscal Year			
	93/94	94/95	95/96	96/97
Plan	208	260	185	358
Actual	207	256	185	342
% of Plan	*100%*	*98%*	*100%*	*96%*
Advanced FY	0	2	5	4
Additions	9	1	9	14
Total Repairs	216	259	199	370

BRIDGE REPLACEMENT - Number of Bridges by Fiscal Year



	Fiscal Year			
	93/94	94/95	95/96	96/97
Plan	31	16	39	34
Actual	27	12	37	24
% of Plan	*87%*	*75%*	*95%*	*71%*
Advanced FY	0	1	0	26
Additions	0	0	7	0
Total Replaced	27	13	44	50

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



	Fiscal Year			
	93/94*	94/95	95/96	96/97
# in Good Condition	4,228	5,650	5,740	5,718
Total Bridges	6,046	6,124	6,183	6,199
% in Good Condition	*70%*	*92%*	*93%*	*92%*

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.

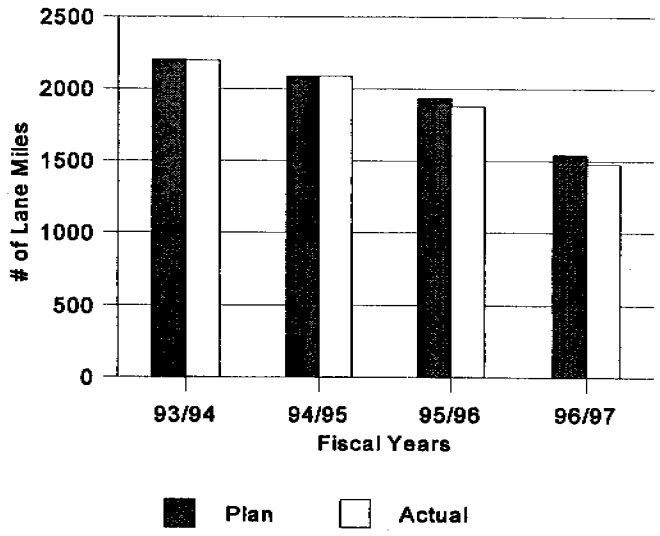
Florida law requires the Department to "meet the annual needs for resurfacing of the state highway system...."

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. The 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:

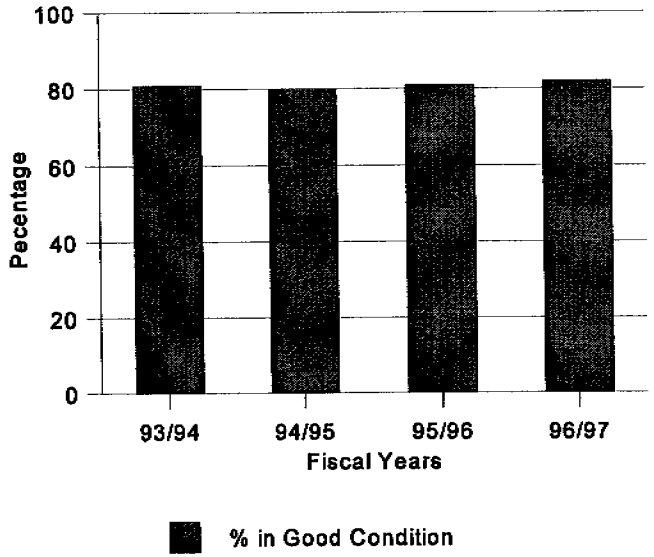
- The Department achieved 96% of plan, having resurfaced 1,478 of 1,544 lane miles planned. The Department resurfaced 135 lane miles planned for future fiscal years. Thirteen (13) lane miles were added and resurfaced during the year.
- For FY 1996/97, the percentage of state road lane miles rated in good condition was 82%, exceeding the goal of 80%.

RESURFACING - Number of Lane Miles by Fiscal Year



	Fiscal Year			
	93/94	94/95	95/96	96/97
Plan	2,202	2,089	1,934	1,544
Actual	2,198	2,089	1,876	1,478
% of Plan	*100%*	*100%*	*97%*	*96%*
Advanced FY	13	76	8	135
Additions	88	54	7	13
Total Resurfaced	2,299	2,219	1,891	1,626

Percentage of Highway Pavement in Good Condition by Fiscal Year



	Fiscal Year			
	93/94	94/95	95/96	96/97
# in Good Condition	30,607	30,623	31,396	31,863
Total Lane Miles	37,780	38,168	38,558	38,789
% in Good Condition	*81%*	*80%*	*81%*	*82%*

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.

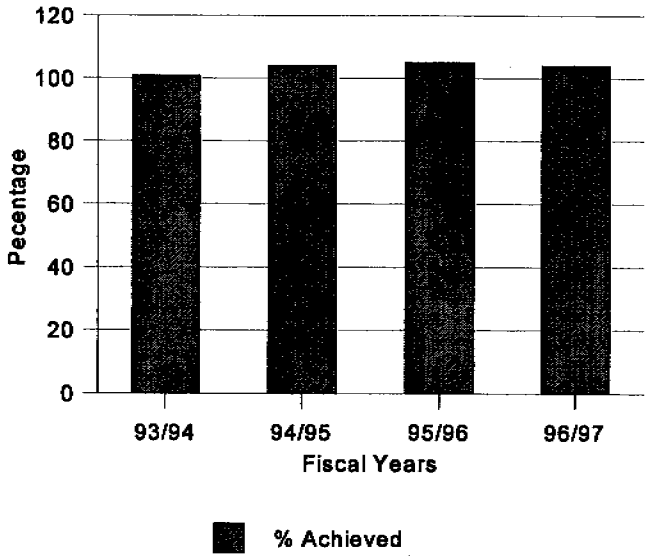
Measure	Achieve a Maintenance Rating of 80 on the State Highway System.

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.

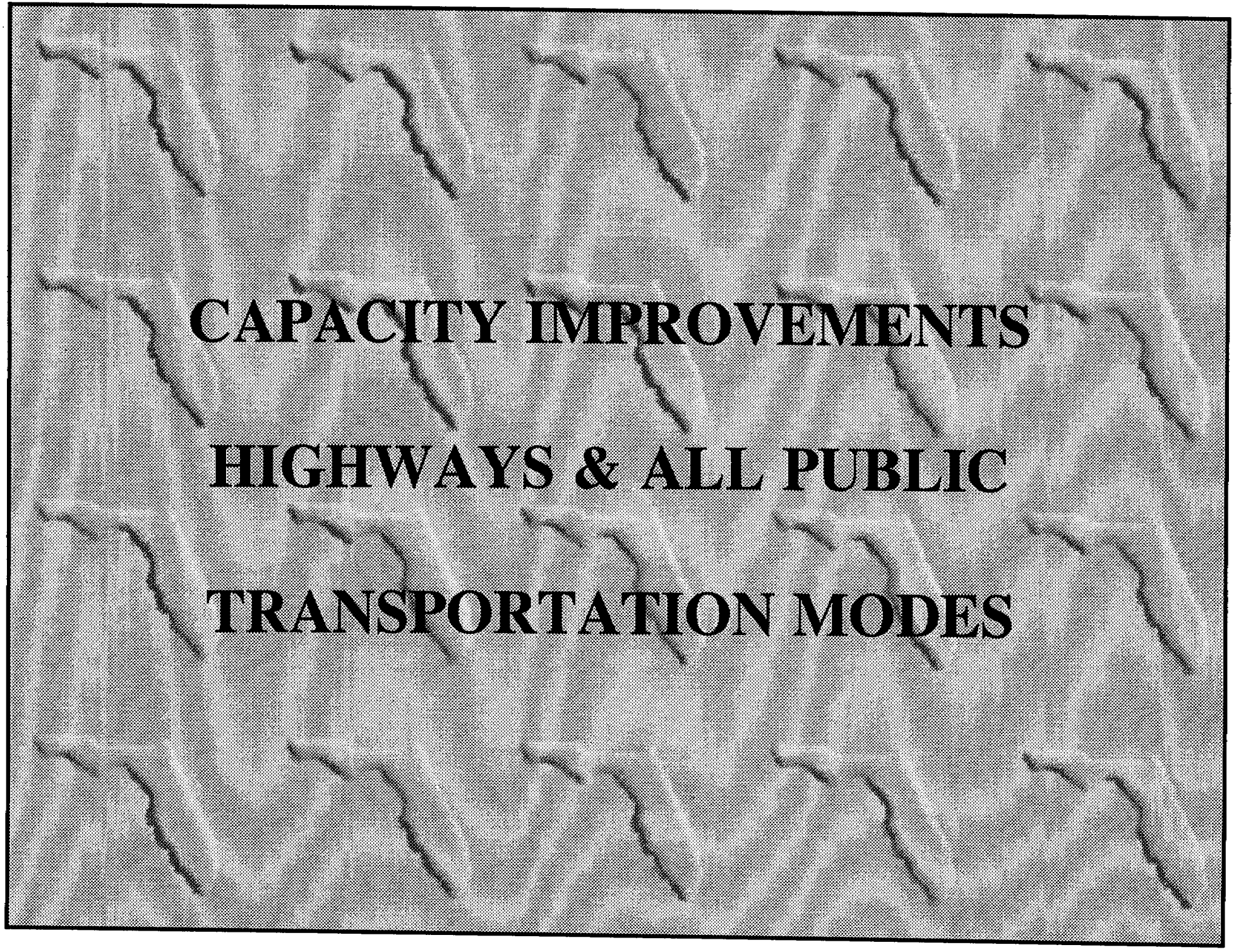
Statewide Performance:

- For FY 1996/97, the Department achieved 104% of the objective of a system-wide maintenance rating of 80.

ROUTINE MAINTENANCE - Percentage of Maintenance Rating Achieved by Fiscal Year



	Fiscal Year			
	93/94	94/95	95/96	96/97
Plan Rating	80	80	80	80
Actual Rating	81	83	84	83
% Rating Achieved	*101%*	*104%*	*105%*	*104%*


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 (3,760 miles of the 11,928 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.

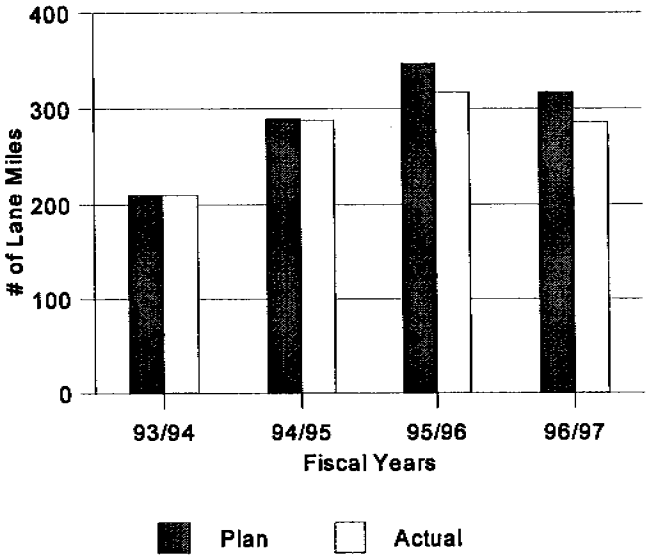
The measures below acknowledge funding limitations and appropriately focus on activities under the Department's control rather than attempting to measure the desired result (reduced congestion/increased mobility) which is subject to factors beyond the Department's control.

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:

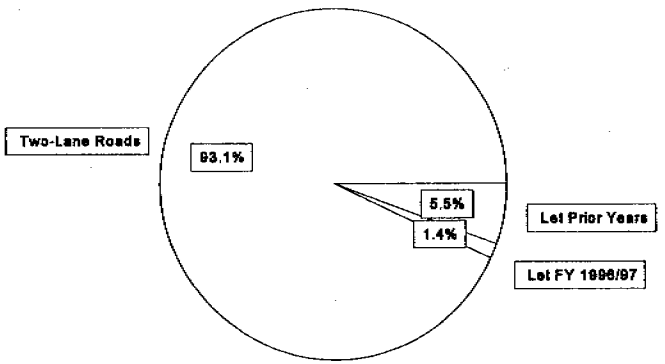
- Of 317 lane miles of capacity improvement projects planned, 286 lane miles or 90% were let.
- Of 888 FIHS miles not meeting the minimum lane standard on July 1, 1993, 12 miles or 1% were let to contract during FY 1996/97 for improvement from 2 to 4 lanes. This brings a total of 61 miles or 7% of the 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			
	93/94	94/95	95/96	96/97
Plan	210	290	347	317
Actual	210	288	317	286
% of Plan	*100%*	*99%*	*91%*	*90%*
Advanced FY	79	39	0	21
Additions	49	5	0	6
Total	338	332	317	313

THE FLORIDA INTRASTATE HIGHWAY SYSTEM
Centerline Miles Improved from 2-lane to 4-lane, Let to Contract FY 1996/97



	# of Centerline Miles	% of Total
Let Prior Years	49	5.5%
Let FY 96/97	12	1.4%
Two-Lane Roads	827	93.1%
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

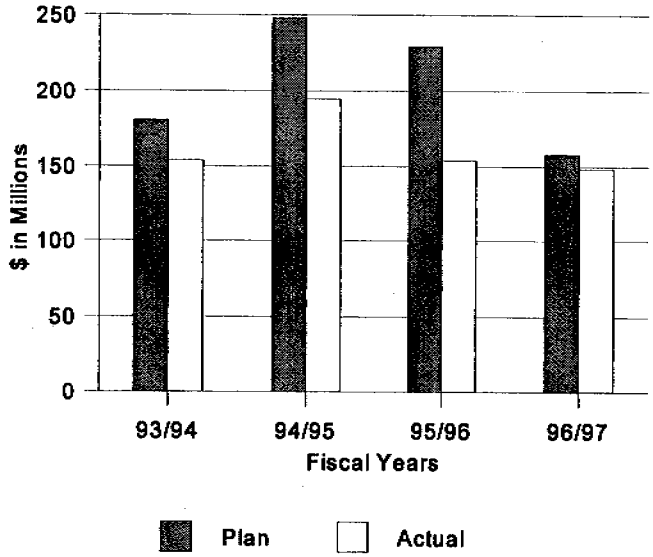
Public Transportation capacity improvements include airports, seaports, rail, bus transit, intermodal development (projects enhancing connectivity of various transportation modes) and commuter assistance (carpooling, vanpooling, park & ride, etc.). The Department's role is generally limited to providing 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.

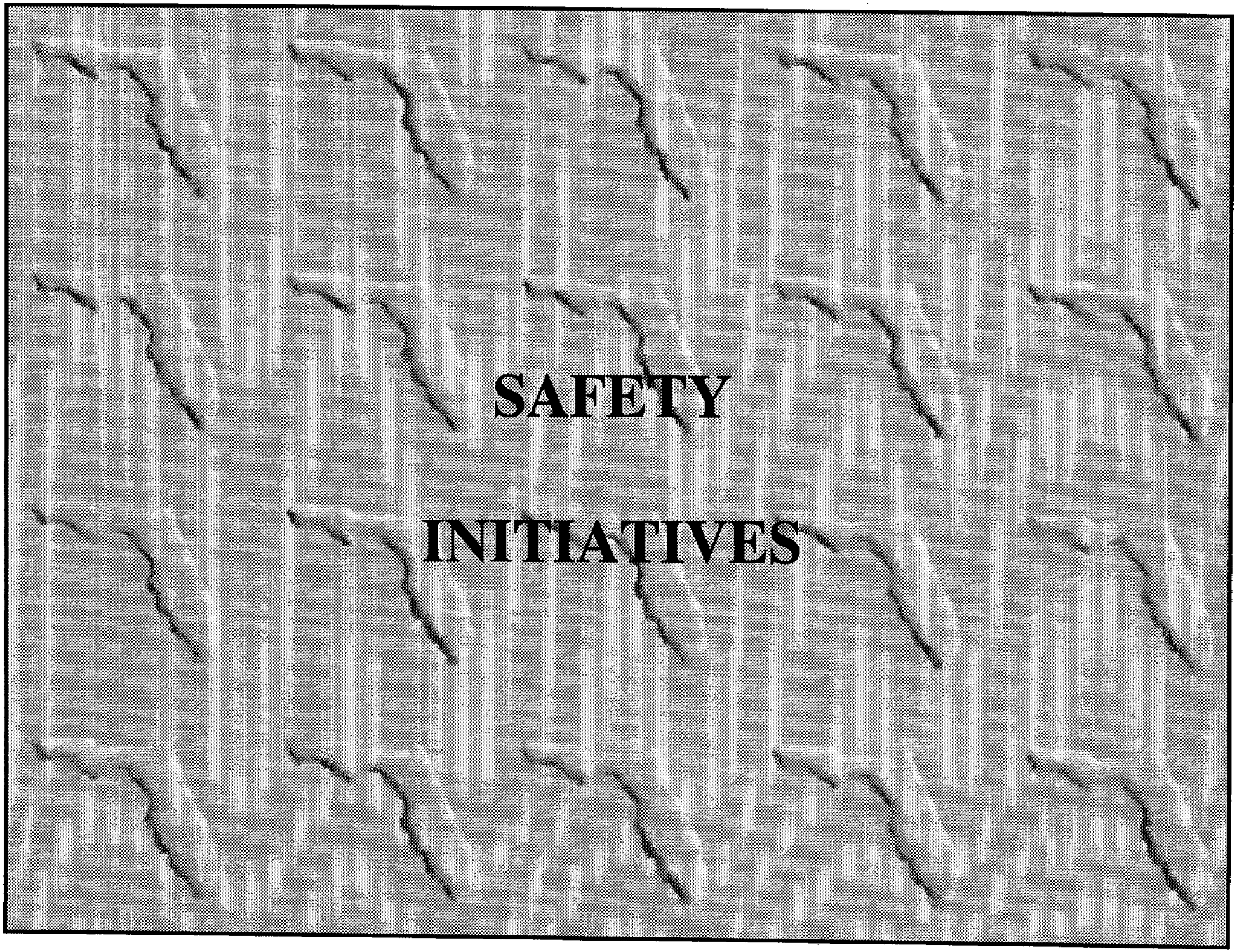
Statewide Performance:

- For FY 1996/97, the Department achieved 94% of plan, committing $148.5 M. of a plan of $158.1 M. in public transportation capacity improvement projects.
- The plan for FY 1996/97 was 31% smaller than the plan for FY 1995/96. Department achievement of plan was 27% percentage points higher (67% to 94%) in FY 1996/97 than in FY 1995/96.

PUBLIC TRANSPORTATION CAPACITY IMPROVEMENT PROJECTS - Dollar Amount by Fiscal Year



	Fiscal Year			
	93/94	94/95	95/96	96/97
Plan	$180.4	$248.0	$229.3	$158.1
Actual	$154.1	$194.5	$154.1	$148.5
% of Plan	*85%*	*78%*	*67%*	*94%*
Advanced FY	$0.0	$72.5	$10.0	$0.0
Total Executed	$154.1	$267.0	$164.1	$148.5


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 1996 fatal crash rate for all roads (state, county and city) was 1.96 fatal crashes per 100 million vehicle miles traveled (VMT), a decrease of 8.4% from 1995. Compared to the 1996 national rate of 1.54 fatal crashes per 100 million VMT, Florida's 1996 rate is 27% above the national rate.
- For the State System only, the 1996 fatal crash rate was 1.78 fatal crashes per 100 million VMT, a decrease of 6% from 1995. The 1996 State System rate of 1.78 fatal crashes per 100 million VMT is 16% over the national rate of 1.54.
- For 1996, road conditions were a contributing cause in 3.89% of crashes on the State Highway System, up 2% from 1995, when road conditions were a contributing cause in 3.82% of crashes.

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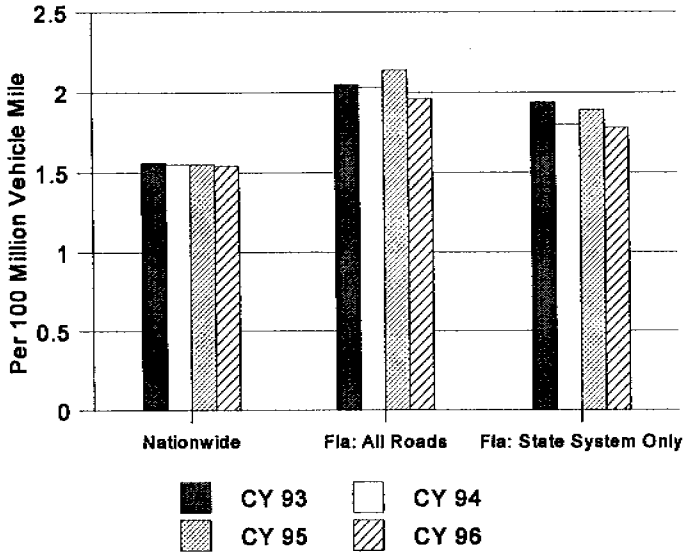
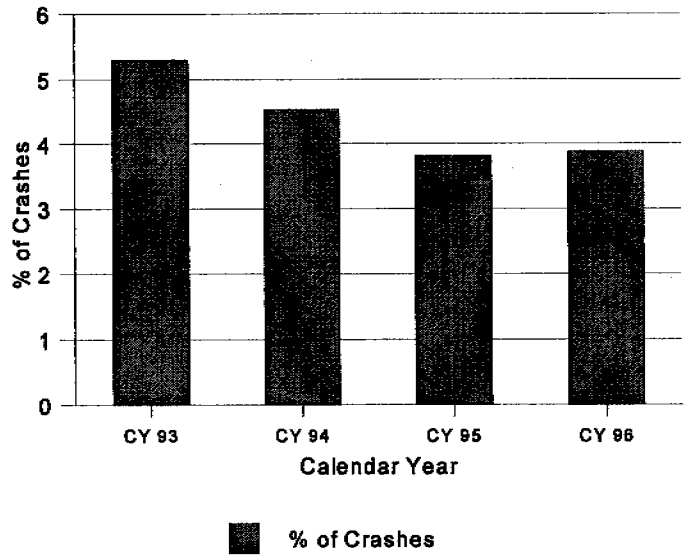
FATAL CRASHES PER 100 MILLION VEHICLE MILES - National, Statewide, and State Highway System by Calendar Year



	Calendar Year			
	1993	1994	1995	1996
Nationwide	1.56	1.55	1.55	1.54
Fla: All Roads	2.05	2.03	2.14	1.96
Fla: State System Only	1.94	1.80	1.89	1.78

Percentage of Crashes Where Road Conditions Were Contributing Cause



	Calendar Year			
Crashes	1993	1994	1995	1996
Road Conditions Contributing Cause	5,722	4,983	5,045	4,997
Total Crashes	107,882	110,036	132,154	128,389
% Where Road Conditions Contributed	5.30%	4.53%	3.82%	3.89%

The Department is responsible for administration of the Highway Safety Grant Program, which awards federal grants to state and local agencies for safety programs. During FY 1996/97, 139 grants totaling $9.0 million were awarded for a variety of traffic safety purposes such as speed enforcement, 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 address safety problems and reduce traffic crashes. The number of programs, or teams (Community Traffic Safety Teams or CTST's) have increased from eight in 1993 to 32 covering 33 counties through June 1997, due to active participation of the Department and increased local agency interest in traffic safety. The Department has far exceeded its initial goal of having 20 CTSPs (not necessarily the top 20 high crash counties) by October 1996.

The Department will continue to promote the concept for new CTSTs through DOT District CTST Coordinators' outreach efforts. The allocation of full time CTST Coordinator positions by six of DOT District Offices is a major commitment by the Department to the overall CTST concept. The following counties currently have a CTST: Alachua, Bay, Brevard, Broward, Charlotte, Citrus/Hernando (two-county team), Collier, Duval, Escambia/Santa Rosa (two-county team), Glades, Hardee, Hendry, Highlands, Hillsborough, Lake, Lee, Leon, Manatee, Marion, Monroe, Okaloosa, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, St. Johns, Sarasota, Seminole, and East & West Volusia (1 county - 2 teams).

Based on 1995 data, these 32 teams cover 75% of statewide crashes, 76% of statewide fatalities, 66% of statewide public roads, and 77% of the state's population.

The Department has continued its efforts in pedestrian and bicyclist safety awareness programs. An evaluation of the Traffic Ed elementary school education program shows an increased knowledge of traffic safety practices by students who have participated in the program. A more thorough evaluation comparing actual behaviors of students who have completed the program to those who have not, is planned during Federal FY 1998. Also, a statewide media campaign on pedestrian and bicycle safety is being planned for FY 1998.

The Florida School Crossing Guard Program continues to train Crossing Guard Trainers throughout the state. Counties with populations over 75,000 are required by law to provide training to all school crossing guards. Thirty-five (35) counties are now required to have trained crossing guards. Nineteen (19) of the non-mandatory counties now have at least one trained trainer. Twelve (12) training sessions were held in Florida during FY 1996/97, during which 167 crossing guard trainers were trained. On-site evaluations have shown that crossing guards in counties with trained trainers are consistently better equipped and perform better than those in counties without trainers.

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.

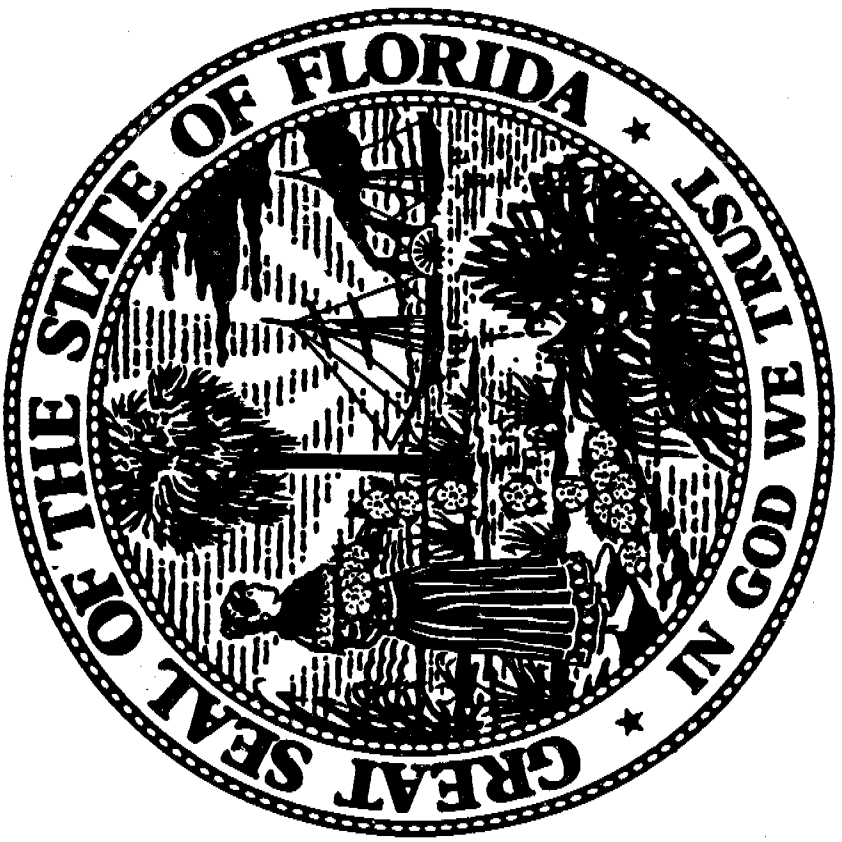
The Department contracts with the private sector for all or a portion of many work activities, including road and bridge construction, engineering and design, toll collection, and maintenance of transportation facilities. In its regulatory role, the Department issues permits, including permits for overweight/oversize 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 the FY 1994/95 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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IN GOD WE TRUST