

PERFORMANCE
&
PRODUCTION REVIEW
OF THE
DEPARTMENT OF
TRANSPORTATION
YEAR END FY 1997/98

By The Florida Transportation Commission

September 30, 1998

Dear Governor Chiles, President Jennings and Speaker Webster,

At its public meeting on September 10, 1998, the Commission conducted the *FY 1997/98 Performance and Production Review of the Florida Department of Transportation*. Secretary Barry and all eight district secretaries participated in the review.

Overall, Department performance was very good to excellent, making this the *seventh* year of high performance ratings.

Under three performance measures that assess how well the Department keeps the commitments made in the 5-year work program to design, acquire right of way and construct projects on schedule, the Department did an outstanding job, achieving 96%, 93% and 98% of planned commitments, respectively. From the standpoint of dollar volume, this year the Department let to construction a record \$1.258 Billion in contracts, a 41% increase over the dollar volume let five years ago, in FY 1992/93.

Equally important to sustained high levels of production is sound financial management. Under four measures that focus on financial management, Department performance was excellent. The Department's lowest cash balance during the year of \$304 Million was 11.7% of its total contractual obligations of \$2.58 Billion. This means the Department has on hand about one-ninth of what it owes for work underway. This cash balance was higher than the minimum limit set by law and is within the range judged by the Commission to optimize early delivery of transportation

products to the citizenry, but also maintain sufficient cash to cover outgoing payments.

Under the "cash flow" method, where contractual obligations far exceed available cash, it is critical that the Department be able to accurately project future receipts and disbursements. The Commission's performance measure compares forecasted receipts and disbursements with actual receipts and disbursements. For this year, the Department's actual receipts and disbursements varied only 1.6% and 1.5% from the August 1997 forecasts of receipts and disbursements, respectively. These small variances demonstrate that the Department has dedicated extensive attention and efforts to improving and fine tuning its forecasting expertise.

The Commission, as well as the Department, is encouraged that the upward trend in construction time and cost increases appears to have abated. As with last year, this year the commission spent a great deal of time analyzing and discussing the reasons for time and cost increases with the district secretaries.

This year, however, we focused on the "avoidable, no-value added" cost increases, which by definition are those that can and should be eliminated since they did not add value to the project (e.g., delay costs, repair work); these cost increases totaled \$5.5 Million or 0.4% of the final contract amount of \$1.3 Billion for the 377 contracts completed this year. Each district secretary spoke to a cost

increase of this type and was asked to describe actions that were taken or will be taken to avoid repetition in the future (selected examples are included in the report on page 22). Even though this category makes up less than one-half of one percent of the total contract amount for this year, the Commission stressed the importance of eliminating these unnecessary expenditures where it is within the Department's control to do so.

The Commission believes that this in-depth analysis by the Department of the reasons for cost increases which ultimately isolates those that are avoidable, has substantially enhanced the Department's ability to identify correctable problems and attribute responsibility therefor. However, the quality of this analysis is only as good as the data collection and coding functions performed by the districts. We urge the Department to give strong support to the Districts in assuring that interpretation and use of these codes is consistent and uniform among those who apply them.

We also stress to the Department the importance of generating similar data for time increases. With time increases over the life of completed contracts at 30.6% (excluding weather days), more detailed data should be beneficial.

In the area of right of way, two performance measures merit special note. First, under the measure which

assesses how well the Department performs at acquiring all parcels on a project and certifies it as ready for construction to proceed, the Department achieved its best performance to date, having certified 93% of the projects planned. Second, we are encouraged to observe that in the area of right of way expenditures, the percentage of total expenditures that went to acquire *land* increased (from 69% to 72%) for the first time in six years, while the percent expenditure for *landowner costs* dropped from 21% to 18%. We have been concerned about a downward trend in expenditures for land and an upward trend in expenditures for landowner costs. This year's data may signal an end to those trends.

The Commission firmly believes that this performance evaluation process is working well. As areas of concern emerge, better data is gathered, causes are identified and corrective actions are taken. The result is that the Department is improving the products and services it provides to taxpayers.

We hope this report is meaningful and clear. Your comments would be welcomed.

Respectfully,

Florida Transportation Commission
Lee Vause, Chairman

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EXECUTIVE SYNOPSIS

FY 1997/98

Consultant Acquisition: The statewide plan was to execute 326 consultant contracts. During the year, a total of 314 were executed, 96% of the total planned. A total of 22 consultant contracts were added to the plan and executed during the year. The plan was 1.2% larger than in FY 1996/97 and achievement of plan was one percentage point lower (97% to 96%).

Actual dollar commitments of \$180.0 M. were 90% of the total consultant acquisition plan of \$199.8 M., leaving \$19.8 M. uncommitted. However, additional contracts totaling \$8.3 M. were executed.

Right of Way Acquisition: The statewide right of way plan was to certify 80 projects. During the year, a total of 74 projects were certified, 93% of the total planned. Of the 6 projects not certified on schedule, one (1) project has resulted in delay to the planned contract letting date. Fourteen (14) projects were advanced from future years and certified during the year. Thirteen (13) projects were added and certified during the year. The plan was 14.0% smaller than the plan for FY 1996/97, and achievement of plan was 7 percentage points higher (86% to 93%).

Of total parcels acquired during the year, 58% were negotiated purchases, which is five percentage points lower (63% to 58%) than the negotiation rate in FY 1996/97. For parcels acquired by negotiation, 68% of the amount paid in purchase price was within 20% of the Department's appraised value, the same percent (68%) as FY 1996/97.

Of total right of way expenditures of \$355.0 M., slightly over 72% purchased land. About 18% or \$63.5 M. paid landowner fees and costs, of which \$34.8 M. was paid to landowners' attorneys.

Construction Contract Lettings: The statewide construction plan was to let 484 contracts. During the year, a total of 476 contracts were let, 98% of the total planned. Thirty-five (35) contracts were advanced from future years to letting during the year, and 30 projects were added to the plan and let during the year. The plan was 17.5% larger than the plan for FY 1996/97 and achievement of plan was one percentage point higher (97% to 98%).

The 476 projects let were estimated to cost a total of \$1,217.3 M., and were let at an actual cost of \$1,182.6 M., or 2.8% under estimated cost.

In dollars, the Department achieved 97% of plan, letting \$1,182.6 M. of a planned \$1,222.2 M. in construction contracts, leaving \$39.6 M. uncommitted. Advanced and added projects let (totaling \$75.4 M.) increased the year's letting to a grand total of \$1,258 M. This total is \$200 M. more than the amount let in FY 1996/97.

Construction Contract Time Adjustments: For the 377 contracts completed during the year, the original contract time increased by 30.6% 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 3.9 percentage points lower (34.5% to 30.6%) in FY 1997/98 than in FY 1996/97.

Excluding days added due to weather conditions --
On 57.0% of contracts completed, original time increased less than 20%;
On 15.1% of contracts completed, original time increased by 20% to <40%; and
On 27.9% of contracts completed, original time increased by 40% or more.

Construction Contract Cost Adjustments: For the 377 contracts completed during the year, the total original contract amount of \$1,165.1 M. increased 12.3% due to supplemental agreements, for a total contract amount of \$1,308.9 M.

The percentage increase in contract cost on completed contracts was 0.5 percentage point lower (12.8% to 12.3%) in FY 1997/98 than in FY 1996/97.

On 68.2% of contracts completed, original cost increased less than 10%;
On 13.5% of contracts completed, original cost increased by 10% to <20%; and
On 18.3% of contracts completed, original cost increased by 20% or more.

Of the final amount paid on completed contracts during 1997/98 of \$1,308.9 M., a total of \$17.4 M. or 1.3% did not add value to the

projects. Of the \$17.4 M. that did not add value to projects completed, \$11.8 M. or 0.9% was unavoidable (not foreseeable), while \$5.5 M. or 0.4% was avoidable (should have been foreseen). Of those costs that were avoidable, 33.0% 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 13.7%, exceeding the 10% statutory goal. This performance was 0.4 percentage point lower (14.1% to 13.7%) than in FY 1996/97.

For all consultant contracts (including 100% state funded), DBE participation was 15.5%. This performance was 0.8 percentage point lower (16.3 to 15.5%) than in FY 1996/97.

Value Engineering: Cost-savings resulting from implementation of value engineering recommendations totaled \$168.4 M. during the year (the cost of administering the VE program is \$1.1 M. annually). This savings was a 1.3% increase from FY 1996/97, when \$166.2 M. in savings were achieved.

Commitment of Federal Funds: As of September 30, 1998 the Department had committed 100% (\$711 M. of a total of \$711 M.) of federal funds subject to forfeiture at federal fiscal year end (September 30th) if not committed.

The Department requested an additional \$364.8 M. in federal funds and received \$6.3 M. of the total requested.

Management of Administrative Costs: Department administrative costs were 1.8% of the total program for the year, or \$65.1 M. of a total program of \$3.6 B. Based on actual dollar amounts of administrative costs, there was a 7.2% increase (\$60.8 M to \$65.1 M.) in FY 1997/98 compared to FY 1996/97.

Cash Management: Actual cash receipts of \$3,010.2 M. for FY 1997/98 was 1.6% lower (\$50.9 M.) than the Department's August 1997 forecasted receipts amount of \$3,061.1 M.

Actual cash disbursements of \$2,981.4 M. for FY 1997/98 was 1.5% higher (\$43.7 M.) than the Department's August 1997 forecasted disbursements amount of \$2,937.7 M.

For FY 1997/98, the Department's lowest cash balance was \$304 M. or 11.7% of its total outstanding contractual obligations of \$2.6 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 0.2 cent higher (15.6¢ to 15.8¢) than in FY 1996/97.

Bridge Repair and Replacement: Of 237 bridge repairs planned for letting, 191 bridge repairs or 81% were let. In addition, the Department repaired 43 bridges planned for future fiscal years. Forty-five (45) bridges were added and repaired during the year.

Of 43 bridge replacements planned for letting, 42 bridge replacements or 98% were let.

For FY 1997/98, the percentage of state-maintained bridges meeting standards was 93%, exceeding the proposed goal of 90% by 3 percentage points.

Resurfacing: Of the 1,805 lane miles planned for resurfacing, 1,782 lane miles or 99% were let to contract. In addition, the Department resurfaced 116 lane miles that had been planned for resurfacing in future fiscal years. Ten (10) lane miles were added and resurfaced during the year.

For FY 1997/98, the percentage of state road lane miles meeting standards was 81%, exceeding the proposed goal of 80% by 1 percentage point.

Routine Maintenance: For FY 1997/98, the Department achieved 105% of the objective of a system-wide maintenance rate of 80.

Capacity Improvements, Highway: Of 422 lane miles of capacity improvements planned for letting, 387 lane miles or 92% were let.

Capacity Improvements, Public Transportation: The Department achieved 72% of plan, committing \$146.7 M. of a total plan of \$203.8 M. in public transportation capacity improvement projects.

Safety: For the State Highway System, the preliminary CY 1997 fatal crash rate was 1.83 fatal crashes per 100 million vehicle miles traveled, exceeding the preliminary national rate of 1.47. This fatal crash rate for state roads was an increase of 3% from CY 1996, exceeding the national rate by 24%.

For CY 1997, road conditions were a contributing cause in 4.35% of crashes on the State Highway System. This is an increase of 12% from CY 1996 when road conditions were a contributing cause in 3.89% 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.

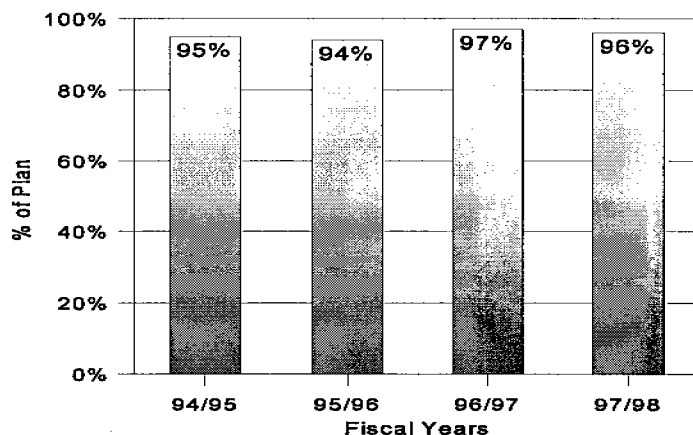
Measure **Number of Consultant Contracts Executed vs. Total Contracts Planned.**

This Measure assesses Department performance in initiating project engineering and design in accordance with the schedule committed to in the work program.

Statewide Performance:

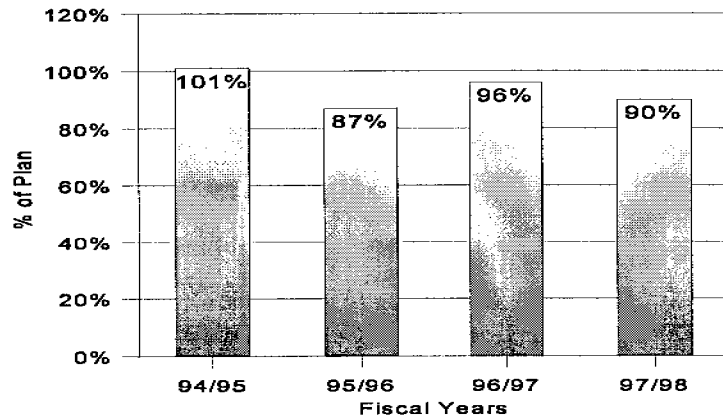
- The Department achieved 96% of plan, having executed 314 of 326 contracts planned for the year. A total of 22 consultant contracts were added and executed during the year.
- The plan for FY 1997/98 was 1% larger than the plan for FY 1996/97.
- Department achievement of plan was 1 percentage point lower (97% to 96%) in FY 1997/98 than in FY 1996/97.
- Actual dollar commitments of \$180.0 M. were 90% of the total consultant acquisition plan of \$199.8 M. A total of \$8.3 M. in contracts were added to the plan and executed during the year.

Number of Contracts Executed by Fiscal Year



	Fiscal Year			
	94/95	95/96	96/97	97/98
Plan	390	340	322	326
Actual	370	319	311	314
% of Plan	95%	94%	97%	96%
Additions	16	16	28	22
Total Executed	386	335	339	336

\$ Amount Executed by Fiscal Year



	Fiscal Year			
	94/95	95/96	96/97	97/98
Plan	\$184.2	\$195.4	\$156.5	\$199.8
Actual	\$186.7	\$170.5	\$149.5	\$180.0
<i>% of Plan</i>	101%	87%	96%	90%
Additions	\$3.0	\$7.2	\$7.0	\$8.3
Total Executed	\$189.7	\$177.7	\$156.5	\$188.3

Explanation of 12 Planned Contracts Not Executed:

- One design contract for district wide bridge repair design was deleted due to there being a sufficient amount of funds on an existing contract which were not expended.
- One design contract to rehabilitate the rest area on I-75 in Hamilton and Suwannee County was deleted. It was decided during the year to close this rest area site upon the opening of the new Paynes Prairie Rest Area in Alachua County.
- One design contract to widen a roadway was deferred due to concept changes by the Metropolitan Planning Organization.
- One design contract was deferred due to insufficient funds.
- One design contract to widen a roadway was deleted because the traffic counts did not justify the additional lanes. The MPO concurred with this decision.
- One contract for a district wide emergency bridge consultant was deferred because the district still had an active contract in place for the current year.
- One design contract for a changeable message board was deferred since construction was unfunded in the work program and to await completion of another construction project to assure continuity of the computer software package.
- One contract for district wide plans review assistance was deferred since the district still had an active contract in place for the current year.
- One contract for design of I-95 Weight Station deferred until FY 1998/99 due to delay of receiving location/design approval.
- One design contract was deferred due to this project being changed to use an alternative contracting method (Design/Build). This required the design funds to be moved to FY 1999/00 to be combined with the construction funds.
- One design contract for a resurfacing project was delayed. Prior to the design consultant being selected the Department's Central Office expanded the design/build concept to resurfacing projects. The district offered this resurfacing design as its pilot project, and it was accepted. Therefore, the design contract for this particular project was not executed. The project is scheduled as a design/build project in FY 1998/99. No delay in the actual resurfacing of this road will occur.
- One PD&E study contract to evaluate the relocation of the existing interchange of the Turnpike with I-75 in Sumter County was deferred pending approval by the Federal Highway Administration of the Interchange Justification Report (IJR). Since it is a requirement for approval of the IJR that the project be fully funded (PD&E/design/right of way/construction), and the project will not be fully funded for many years, the study has been dropped.

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 right of way program is an essential component of achieving high levels of productivity.

Although the Department successfully negotiated the purchase of 58% of right of way parcels, costly and lengthy condemnation proceedings must be pursued on the remaining 42% 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.

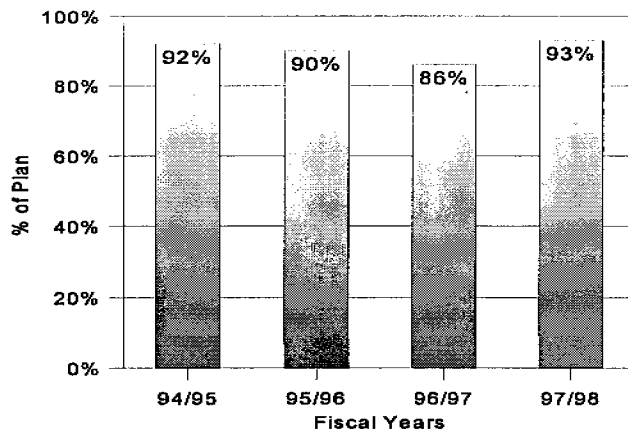
In the usual production cycle of a road or bridge referred to above, the necessary right of way is acquired immediately prior to the start of construction. When feasible, the Department acquires needed right of way in advance of construction - purchasing *now*, rather than *later* when value has appreciated, 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 93% of plan, having certified right of way on 74 of 80 projects planned for the year. Of the 6 projects not certified, one (1) project has resulted in delay to the planned contract letting date. Fourteen (14) projects planned for certification in future years were advanced to certification in FY 1997/98. Thirteen (13) projects were added and certified during the year.
 - The plan for FY 1997/98 was 14.0% smaller than the plan for FY 1996/97. Department achievement of plan was 7 percentage points higher (86% to 93%) in FY 1997/98 than in FY 1996/97.
 - Of the total parcels acquired during FY 1997/98, 58% were negotiated purchases, which is five percentage points lower (63% to 58%) than the negotiation rate in FY 1996/97.
 - For parcels acquired by negotiation during FY 1997/98, 68% of the amount paid in purchase price was within 20% of the Department's appraised value. FY 1997/98 is the same percent (68%) as FY 1996/97.
 - For negotiated parcels, the average purchase agreement amount was 58% 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 1997/98:
 - For the average settlement, the final judgment was 24% of the spread;
 - For the average mediation, the final judgment was 36% of the spread;
 - For the average verdict, the final judgment was 48% of the spread.
- Comparing with prior year:
- For the average settlement, final judgments in FY 1997/98 were 11% more toward the Department's appraisal than in FY 1996/97 when they were 35% of the spread.
 - For the average mediation, final judgments in FY 1997/98 were 5% more toward the Department's appraisal than in FY 1996/97 when they were 41% of the spread.
 - For the average verdict, final judgments in FY 1997/98 were 21% more toward the landowner's demand than in FY 1996/97 when they were 27% of the spread.
- Right of Way expenditures totaled \$355.0 M. during FY 1997/98. Of that total, slightly over 72% purchased land compared to 69% in FY 1996/97. About 18% or \$63.5 M. paid landowners' fees and costs, 55% or \$34.8 M. of that being paid to landowners' attorneys.

Number of Projects Certified by Fiscal Year

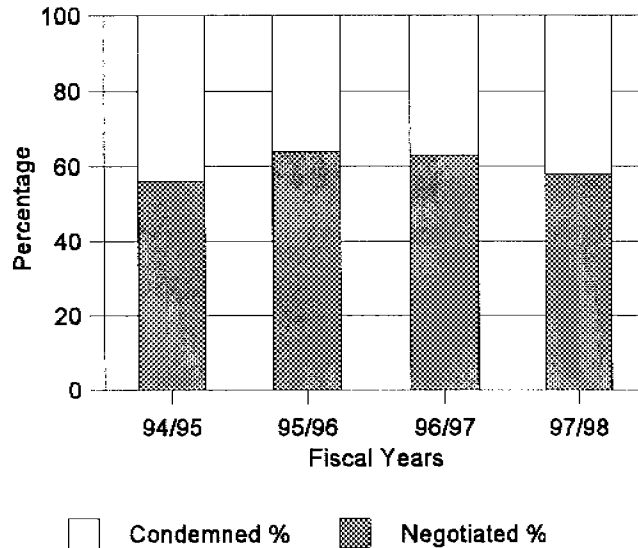


	Fiscal Year			
	94/95	95/96	96/97	97/98
Plan	108	87	93	80
Actual	99	78	80	74
<i>% of Plan</i>	92%	90%	86%	93%
Advanced FY	8	9	7	14
Additions	15	11	16	13
Total Certified	122	98	103	101

Explanation of 6 Planned Projects Not Certified:

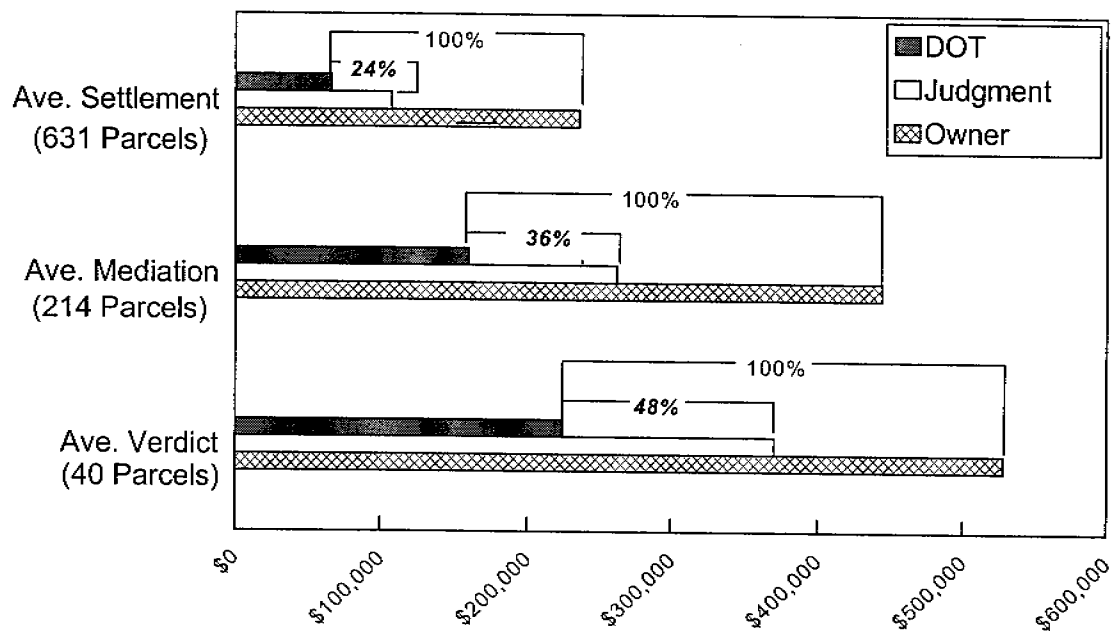
- One project not certified due to re-design of a retention pond at the property owner's request. 165 of 166 parcels have been acquired.
- One project not certified due to the discovery of graves on the proposed right of way. Alignment had to be shifted to avoid disturbing the grave site and required additional survey work. 7 of 10 parcels have been acquired.
- Three projects not certified due to the Department agreeing to extended possession allowing the property owners to remain until the time of construction. Construction schedules were not affected.
- One project (I-75/SR 56 interchange) not certified due to the property owner having petitioned the environmental permit before the Southwest Florida Water Management District (SWFWMD) in order to challenge the pond locations and right of way takes set by the design of this project. The district entered into negotiations with the property owner which resulted in a signed agreement stipulating to the order of taking if the plans were changed to allow new pond locations. Fifteen (15) of 17 parcels have been acquired.

**Negotiated and Condemned Parcels
Percentage Rate by Fiscal Year**



	Fiscal Year			
	94/95	95/96	96/97	97/98
Condemned %	44%	36%	37%	42%
Negotiated %	56%	64%	63%	58%
Condemned #	1,166	965	830	899
Negotiated #	1,480	1,695	1,406	1,261

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



	DOT	Judgment	Landowner
Settlement	\$66,105	\$107,838	\$235,617
Mediation	\$159,938	\$262,204	\$444,160
Verdict	\$224,304	\$370,708	\$528,444

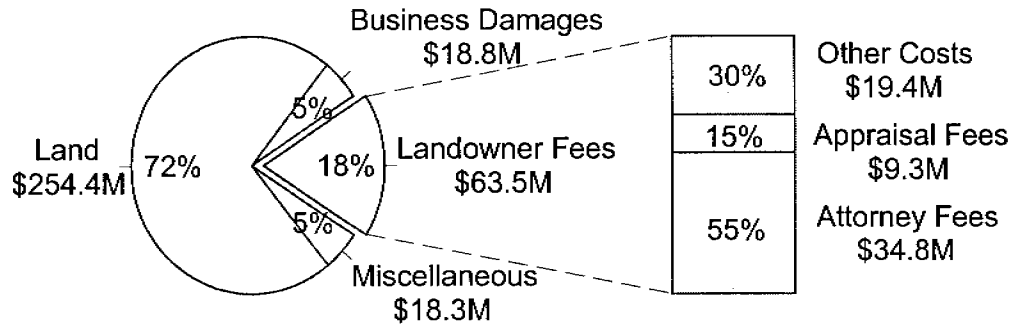
Note:

"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 1997/98

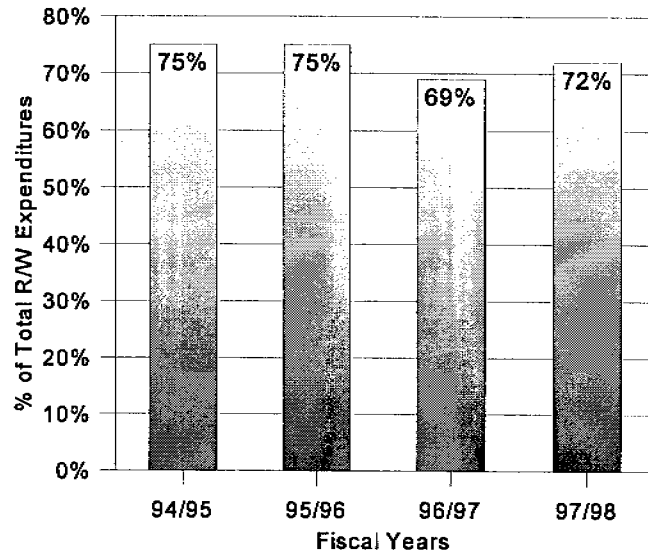


Statewide Total = \$355.0 M

R/W Expenditure	FY 1996/97		FY 1997/98		Change	
	\$	%	\$	%	\$	%
Statewide						
Land	\$203.6	69%	\$254.4	72%	\$50.8	3%
Business Damages	\$16.4	6%	\$18.8	5%	\$2.4	(1%)
Landowner Fees	\$61.3	21%	\$63.5	18%	\$2.2	(3%)
Miscellaneous	\$11.7	4%	\$18.3	5%	\$6.6	1%
Total	\$293.0	100%	\$355.0	100%	\$62.0	

R/W Expenditure	FY 1996/97		FY 1997/98		Change	
	\$	%	\$	%	\$	%
Landowner Fees						
Attorney Fees	\$33.0	54%	\$34.8	55%	\$1.8	1%
Appraisal Fees	\$9.1	15%	\$9.3	15%	\$0.2	0%
Other Costs	\$19.2	31%	\$19.4	30%	\$0.2	(1%)
Total	\$61.3	100%	\$63.5		\$2.2	

Right of Way Expenditures For Land



	Fiscal Year			
	94/95	95/96	96/97	97/98
Land Costs	\$228.6M	\$243.1M	\$203.6M	\$254.4M
Total R/W Expenditures	\$303.6M	\$325.0M	\$293.0M	\$355.0M
<i>% of Total</i>	<i>75%</i>	<i>75%</i>	<i>69%</i>	<i>72%</i>

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.

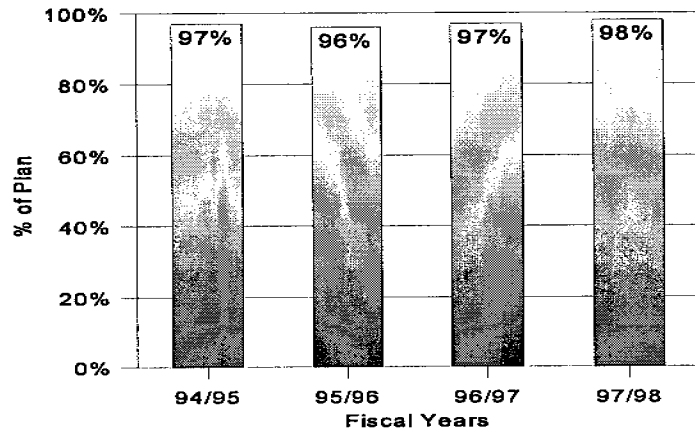
The construction phase results in the final, tangible product of the Department. The construction program comprises 39% of total dollars in the work program. The public's foremost concern is "Did the Department build the projects it committed to build, and did it do so *when* it promised to?" The following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

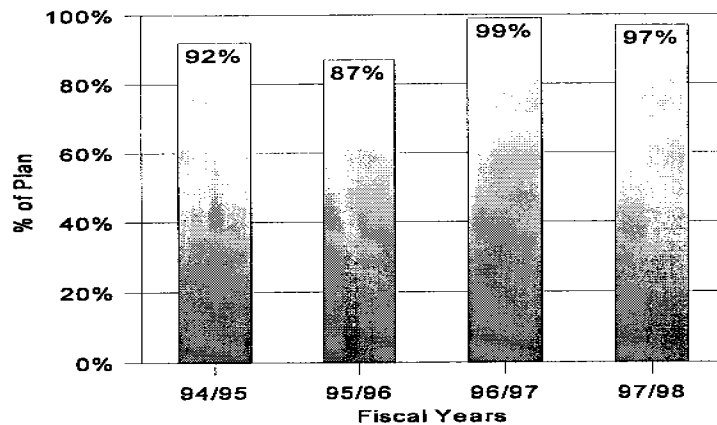
- The Department achieved 98% of plan, having let 476 of 484 projects planned for the year. Thirty-five (35) projects were advanced from future fiscal years to letting in FY 1997/98. Thirty (30) projects were added and let during the year.
- The plan for FY 1997/98 was 17.5% larger than the plan for FY 1996/97. Department achievement of plan was one percentage point higher (97% to 98%) in FY 1997/98 than in FY 1996/97.
- With regard to advancements, the Department advanced 35 projects during FY 1997/98 compared to 28 projects advanced to letting from future years in FY 1996/97.
- Dollar commitments of \$1,182.6 M. were 97% of total planned construction lettings of \$1,222.2 M., leaving \$39.6 M. uncommitted for the fiscal year. However, \$59.1 M. in projects were advanced from future years to letting in FY 1997/98 and \$16.3 M. in projects were added to the plan and let during the year, increasing total lettings in FY 1997/98 to \$1,258 M.
- The 476 projects let were estimated to cost a total of \$1,217.3 M., and were let at an actual cost of \$1,182.6 M., or 2.8% under estimated cost.
- From a dollar standpoint, the plan for FY 1997/98 was 29.3% larger than the plan for FY 1996/97.
- The total dollar volume let (includes additions and advances) during FY 1997/98 (\$1,258.0 M.), was \$200 M. more than the amount let in FY 1996/97 (\$1,058.0 M.).

Number of Contracts Let by Fiscal Year



	Fiscal Year			
	94/95	95/96	96/97	97/98
Plan	539	470	412	484
Actual	522	450	401	476
<i>% of Plan</i>	97%	96%	97%	98%
Advanced FY	28	15	28	35
Additions	14	37	35	30
Total Let	565	502	464	541

\$ Amount Let by Fiscal Year



	Fiscal Year			
	94/95	95/96	96/97	97/98
Plan	\$952.6	\$1,043.0	\$944.9	\$1,222.2
Actual	\$872.3	\$908.3	\$935.3	\$1,182.6
<i>% of Plan</i>	92%	87%	99%	97%
Advanced FY	\$65.6	\$23.8	\$111.5	\$59.1
Additions	\$30.5	\$124.9	\$11.2	\$16.3
Total Let	\$968.4	\$1,057.0	\$1,058.0	\$1,258.0

Explanation of 8 Planned Contracts Not Let:

- One landscaping project deferred to be aligned with planting season.
- One bridge replacement deferred to better coordinate with adjacent projects
- A district wide guardrail contract was delayed due to an increase in the estimate. The project scope changed during the development of the plans which resulted in a higher cost. The project is scheduled for letting in December of 1998.
- A bike trail extension project was delayed due to the requirements for QC 2000. The project was let in July 1998.
- A project involving an intersection improvement was not let due to problems with the survey and a change in the proposed improvements.
- A landscaping improvement project was not let due to delays caused in working with local groups on the landscaping features. There were also delays in the surveying and utility coordination.
- The District made the determination on a planned bridge rehabilitation that the repair work was not justified at this time. The inconvenience to the public caused by the work was not warranted.
- A planned bridge painting project was not let due to the possibility that the bridge may be replaced by future work scheduled for I-4. The project was deleted from the work program.

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 the 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.

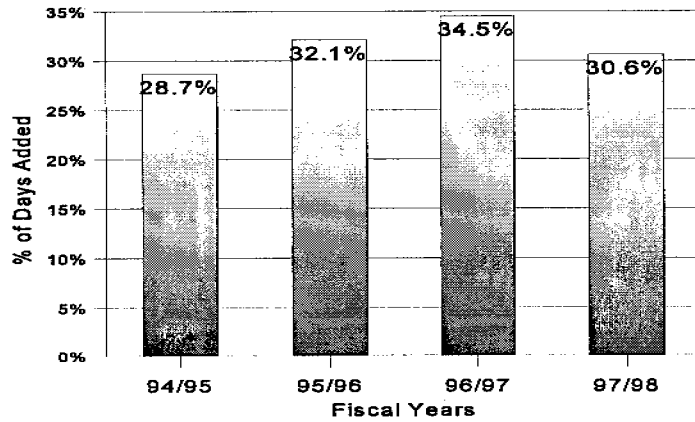
Measure	For all Construction Contracts Completed during the Fiscal Year, the Original Contract Time vs. Final Contract Time (excluding weather days). This Measure assesses the Department's performance in containing contract time increases and indicates, for those factors within the Department's control, 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 377 contracts completed during FY 1997/98, the original contract time increased by 30.6% as a result of added days (excluding weather days).
- The percentage increase in contract time (excluding weather days) on completed contracts was 3.9 percentage points lower (34.5% to 30.6%) in FY 1997/98 than in FY 1996/97.
- On 57.0% 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 15.1%, the original contract time increased by at least 20% but less than 40%; and on 27.9% of all contracts completed, the original contract time increased by 40% or more.

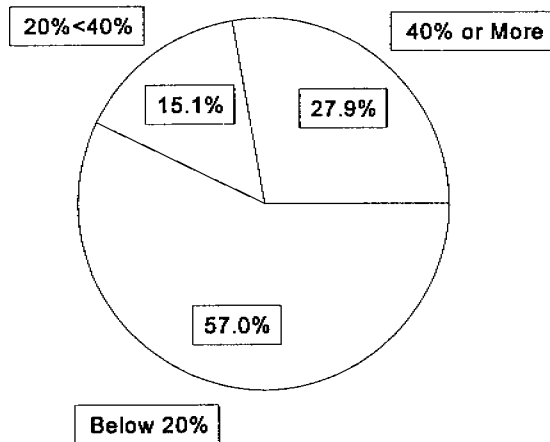
Note: "Contracts completed" are contracts on which final estimate was completed, all known claims were settled and documentation passed to Comptroller Office for final payment during the fiscal year.

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



	Fiscal Year			
	94/95	95/96	96/97	97/98
Additional Days	13,229	19,895	22,772	26,965
Original Days	46,063	62,070	65,964	88,146
Total Days	59,282	81,965	88,736	115,111
% Increase	28.7%	32.1%	34.5%	30.6%
# of Contracts	244	285	343	377

Number of Contracts vs. Percentage Over Original Time for FY 1997/98



% Over Original Time	# of Contracts	% of Total
Below 20%	215	57.0%
20% < 40%	57	15.1%
40% or More	105	27.9%
Total	377	100.0%

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.

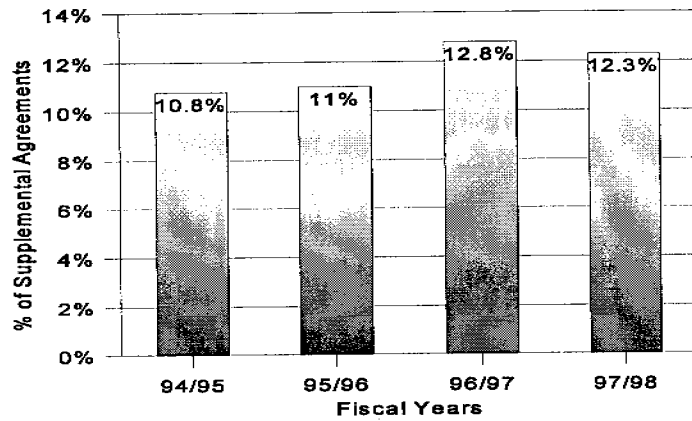
Measure	Original Contract Amount vs. Final Amount Paid on all Construction Contracts Completed during the Fiscal Year. This Measure compares the original contract amount with the final contract amount following acceptance of work by the Department and final payment to the contractor. The data shows the 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 was avoidable (should have been foreseen) supplemental agreements. That portion is broken down further by "value added" and "no value added."
Explanatory Data	Supplemental agreements categorized by reasons for the supplemental agreement.

Statewide Performance:

- For the 377 contracts completed during FY 1997/98, the total original contract amount of \$1,165.1 M. increased by 12.3% due to supplemental agreements, for a total final contract amount of \$1,308.9 M.
- The percentage increase in contract cost on completed contracts was 0.5 percentage point lower (12.8% to 12.3%) in FY 1997/98 than in FY 1996/97.
- On 68.2% of all contracts completed during the year, the original contract amount increased by less than 10% as a result of supplemental agreements; on 13.5%, the original contract amount increased by at least 10% but less than 20%; and on 18.3% of all contracts completed, the original contract amount increased by 20% or more.
- Of the total final amount paid on completed contracts during FY 1997/98 of \$1,308.9 M., a total of \$42.2 M. or 3.2% were avoidable (should have been foreseen) supplemental agreements.
- Of the \$42.2 M. avoidable supplemental agreement amount, \$36.7 M. or 2.8% added value to the projects completed, and \$5.5 M. or 0.4% did not add value to the projects.

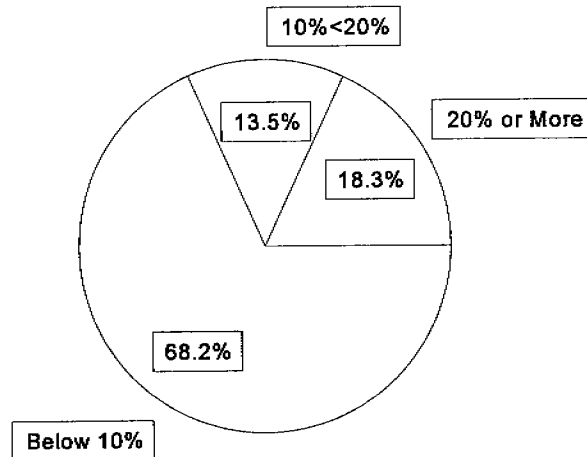
Note: "Contracts completed" are contracts on which final estimate was completed, all known claims were settled and documentation passed to Comptroller Office for final payment during the fiscal year.

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



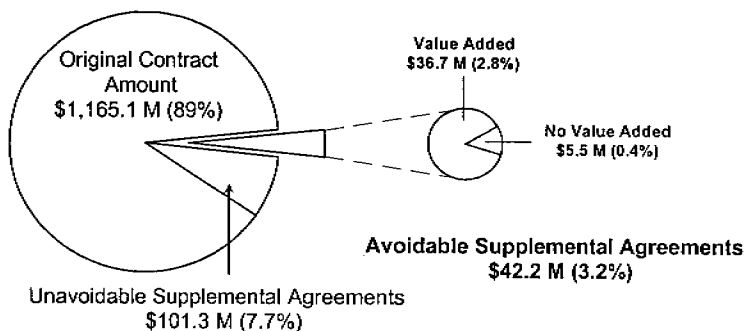
	Fiscal Year			
	94/95	95/96	96/97	97/98
S.A. Amount	\$50.5	\$72.5	\$93.3	\$143.8
Original Amount	\$469.4	\$657.4	\$729.8	\$1,165.1
Total	\$519.9	\$730.0	\$823.1	\$1,308.9
% Increase	10.8%	11.0%	12.8%	12.3%
# of Contracts	244	285	343	377

Number of Contracts vs. Percentage Over Original Cost for FY 1997/98



% Over Original Time	# of Contracts	% of Total
Below 10%	257	68.2%
10% < 20%	51	13.5%
20% or More	69	18.3%
Total	377	100.0%

Contract Cost Adjustments for Contracts Completed FY 1997/98



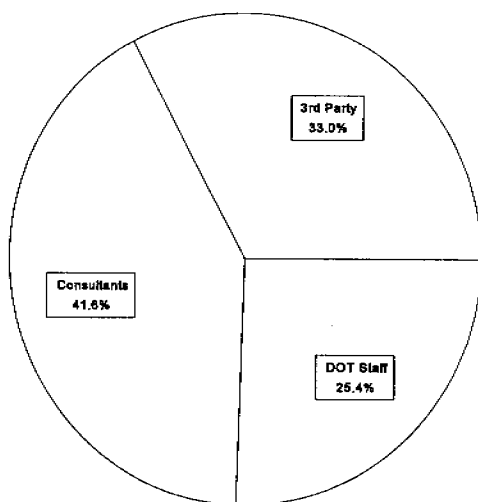
	Amount	%
Original Contract	\$1,165,126,128	89.0%
Unavoidable S.A.	\$101,338,105	7.7%
Avoidable S.A.	\$42,242,555	3.2%
Final Amount Paid	\$1,308,912,618	100.0%

Avoidable S.A.

	Amount	%
Value Added	\$36,727,225	2.8%
No Value Added	\$5,515,330	0.4%
Total	\$42,242,555	3.2%

Note: \$205,830 in supplemental agreements were not coded as either avoidable or unavoidable.

Avoidable No Value Added Supplemental Agreements By Responsible Parties



Responsible Party	Amount	%
3rd Party	\$1,820,634	33.0%
Consultants	\$2,293,115	41.6%
DOT Staff	\$1,401,581	25.4%
Total	\$5,515,330	100.0%

Examples of "avoidable, no-value added" supplemental agreements:

- Two supplemental agreements on a \$1,233,393 resurfacing project on US 98 were needed for the removal and disposal of unsuitable material and replacement with suitable fill in order to provide a firm base for pipe replacement and construction of an endwall. Even though the plans indicated unsuitable material was on the job site, it was shown at the wrong station number in the plans. In addition to the location error of the unsuitable material, the appropriate pay item to remove the material was not in the contract.

In an effort to eliminate occurrences of this nature, the District has implemented a monthly Operations/Production coordination meeting that involves the respective directors as well as associated department heads. The meeting is used to discuss constructability issues and what could be accomplished to eliminate their reoccurrence.

- A project that called for a large drainage pipe to be constructed along approximately one half mile of county road had associated delay costs because the proper permit had not been obtained prior to construction. The District's normal procedure for doing work on county roads is to send the plans to the county engineer for review and to incorporate any comments. This was done during the design phase of this project. During construction, the permits department from Palm Beach County came out to the project site and stopped construction on the drainage pipe. They insisted the Department obtain a permit before doing any more work. As part of the permit, the County required the Department to reconstruct the county road to their latest standards. This required the existing unpaved, dirt road to be reconstructed and upgraded to a paved road with curb, gutter and sidewalk. This was the first project which the Department was required to obtain a permit from Palm Beach County for work on a side street under its jurisdiction.

As part of the District's design process they now check with the maintaining agency to see if a permit is required.

- A project that consisted of improvements to the Dadeland South Metrorail Station was delayed as a result of having to obtain a building permit from Dade County Building and Zoning Department. Permit applications require submittal and approval of the plans and shop drawings before issuance of the permit. Review comments and building code requirements made it necessary for revisions, re-engineering and resubmittal of the plans. This was not a typical

roadway project. The contractor received compensation for the delays. The primary cause of the delay was due to the fact that the Dade County Building and Zoning Department did not receive preliminary plans for comments during the contract document development stage. The designer mistakenly assumed that the operator of the system, Miami Dade Transit Agency, would ensure proper coordination of all reviews internal to County agencies.

The District has established an extensive Quality Control Plan to ensure that the proper coordination with local government, utility companies, and industry is established during project development. Phase reviews ensure the inclusion of all internal and external reviewers and inclusion of the required permit costs. Building and zoning will be included in the design phase reviews for all vertical construction projects.

- A road reconstruction project that included the installation of a mechanical drainage system had to be redesigned because the local government provided utility locations using the wrong assumptions. The redesign also included replacing some structures that had already been placed. Most of the utility conflicts occurred due to a difference in the information used to determine the vertical location of the drainage system. This could have been avoided had the designer verified the data. The District is now checking data during the Review Process, performing extensive positive utility locations using soft dig techniques, and requiring contractors to expose utility conflicts in advance of construction.
- During construction of a resurfacing project, it was discovered that due to an elevation difference between the existing ground and the new shoulder, water flow from the roadway was being hindered and as a result was ponding on the roadway. The Department had to redesign the drainage system to provide roadside ditches. The time it took to provide the redesign, negotiate with the contractor and construct the ditches caused significant delays to the contractor. As a result of the error, the Department absorbed the added cost. However, the Scope of Services states that the consultant shall perform a complete drainage investigation and perform the analysis as necessary to prepare a design which will adequately drain the project in accordance with the Department design criteria. The Department is pursuing cost recovery.

Corrective actions include the District gathering more survey information during design. Mandatory site visits and field reviews are being conducted at various stages during design of the project.

**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.

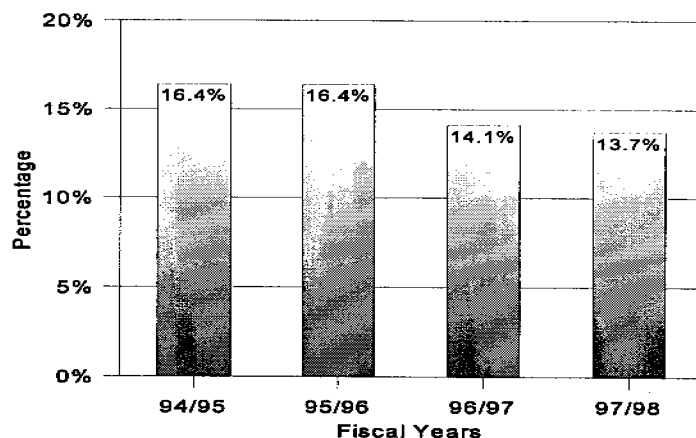
Measure	Dollar Volume of Disadvantaged Business Enterprise Utilization as a Percentage of Total Federal Funded Contracts (10% Statutory Goal).
Indicator	Progress Toward Attaining Statutory Goals for Individual Minority Business Categories in Four Work Type Areas; Reported as Goal vs. Actual.

Statewide Performance:

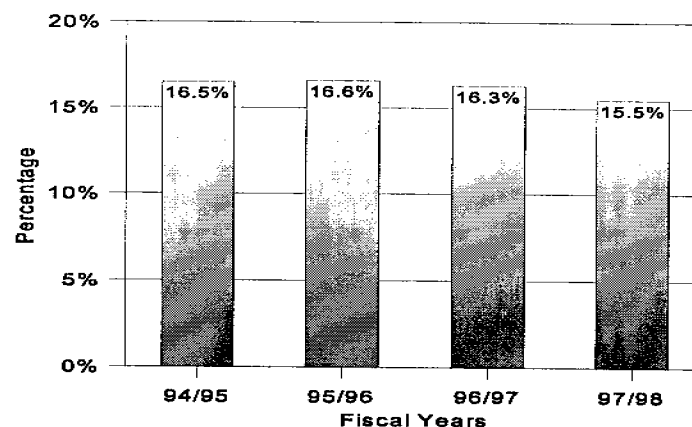
- For all construction and consultant contracts financed in part by federal funds, DBE participation was 13.7%, exceeding the 10% goal.
- For all consultant contracts (including 100% state funded), DBE participation was 15.5%.
- The DBE participation rate for all construction and consultant contracts financed in part by federal funds was 0.4 percentage point lower (14.1% to 13.7%) in FY 1997/98 than in 1996/97.
- The DBE participation rate for all consultant contracts was 0.8 percentage point lower (16.3% to 15.5%) in FY 1997/98 than in 1996/97.
- In each of the 4 work areas, the Department exceeded statutory goals for utilization of MBE's, for a collective achievement of 123% of goal.

Disadvantaged Business Enterprise Achievement by Fiscal Year

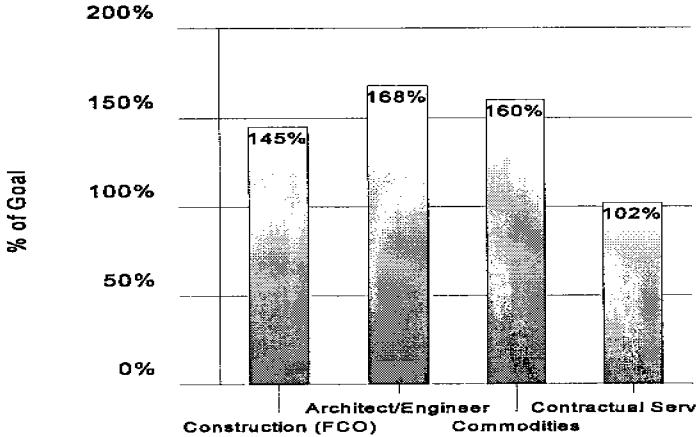
On Executed Federal Funded Contracts



On All Executed Consultant Contracts



Minority Business Enterprise Expenditures by Category



	Fiscal Year			
	94/95	95/96	96/97	97/98
\$ Goal	\$5.67M	\$10.15M	\$22.28M	\$23.97M
Actual	\$8.05M	\$12.52M	\$30.10M	\$29.59M
% of Goal	142%	123%	135%	123%

QUALITY & COST-
SAVING INITIATIVES:
PRODUCTION

QUALITY & COST-SAVING INITIATIVES: PRODUCTION

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

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

VALUE ENGINEERING

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

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

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

Statewide Performance:

- During FY 1997/98, a total of 55 projects were reviewed by VE teams, a 5.8% increase from FY 1996/97 when 52 projects were reviewed. Of the total recommendations acted on during the year, 49% were implemented, a 9.3% decrease from FY 1996/97 when 54% were implemented.
- FY 1997/98 total cost savings due to implemented recommendations was \$168.4 million, a 1.3% increase from FY 1996/97 when savings of \$166.2 million were achieved. By contrast with savings achieved, the cost of administering the VE Program is \$1.1 million annually; *for every \$1 spent the department realized \$153 in project savings.*

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

VE Case Study:

A Project Development and Environmental (PD&E) study is being conducted for a conversion of a two lane portion of State Road 70 into a four lane divided facility with a sixty four foot median from Berman Road to a connection with the existing four lane section to the East. The project is approximately 19 miles in length and is part of the Florida Intrastate Highway System. There are several features of this project that make it very interesting. There are several canals involved as well as an existing bridge over the Rim Ditch Canal.

A VE study was conducted in late June 1997. The multi-discipline team that performed the study included members from FDOT District 4. The FDOT team members were from, Design, Traffic Operations, Planning, Roadway Design, Drainage, Right of Way and Structures. The eight member team came up with five specific recommendations. The

recommendations included the following: Utilize a six foot inside shoulder with two foot paved and an eight foot outside shoulder with five foot paved; rehabilitate the two existing lanes from the beginning of the project to Bluefield Road and from Rim Ditch Canal to the end of the project, provide two new lanes from Bluefield Road to Rim Ditch Canal and purchase right of way for the ultimate four-lanes with a forty foot median; raise the grade two feet from Bluefield Road to Rim Ditch Canal and leave the rest of the project as is; narrow the typical section and shift the alignment to avoid or reduce the relocation of existing parallel canals; and use a single plate steel arch culvert at Rim Ditch Canal in lieu of a 5-span bridge. These common sense recommendations reflect the purpose of Value Engineering.

All five of the team's recommendations were accepted in July of 1997. The implemented savings is in excess of \$43 Million.

Another VE study was conducted during the Project Development and Environmental (PD&E) phase to provide for rehabilitation and preservation of two historic steel bridges over the Miami Canal. One bridge is a swing span and the other is a vertical lift bridge. These bridges connect the city of Hialeah and the city of Miami Springs.

The NW 54th Street/Curtis Parkway bridge over the Miami Canal is a swing span bridge that has been locked into the fixed position. The bridge serves two lanes of one-way traffic traveling southbound from Hialeah to Miami Springs. The East 1st Avenue bridge over the Miami Canal is a former vertical lift bridge that has been locked into the fixed position. This bridge serves two lanes of one-way traffic traveling northbound from Miami Springs to Hialeah. Situated only 350 feet (106m) apart they serve as a one-way pair. These structures are historically significant and heavily traveled, serving vehicle and pedestrian traffic alike. Both bridges are owned and maintained by the Dade County Department of Public Works.

When dealing with historic structures such as these there are numerous considerations and stakeholders that do not usually participate in other

FDOT projects. A multi-discipline team consisting of members from FDOT District 6 as well as consultant specialists were assembled to perform the VE study. The six member team produced the following recommendations: Construct a new two lane bridge just East of the 1st Avenue bridge; rehabilitate the NW 54th Street bridge while using a temporary ACROW bridge for southbound traffic and use the 1st Avenue bridge for pedestrian and bicycle traffic; and provide a temporary two lane, one-way ACROW bridge at the NW 54th Street bridge to maintain the existing traffic pattern and reduce contract time.

The first alternative would have produced possible savings of \$526,000 and the second recommendation would result in an increased project cost of \$70,000. The first recommendation was rejected due to the fact that within a week of this study being presented, Dade county maintenance forces resolved all the issues on the 54th Street bridge. Recommendation number two was accepted which added \$70,000 to the project costs. These project enhancement recommendations assisted the Department by achieving much closer public involvement and approval.

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 1997/98, 46 VECP's were submitted compared to 34 VECP's submitted in FY 1996/97, an increase of 35.3%. The Department took action on 46 VECP's of which 33 were approved for a 71.7% implementation rate. The implemented savings from the 33 VECP's approved is estimated to be \$6.9 million, a 263.2% increase from FY 1996/97 when estimated savings for approved VECP's was \$1.9 million.

Examples of Value Engineering Change Proposals:

A VECP was submitted that concerned a project on I-4 in District 1. The project included the construction of six general use lanes on I-4, modifications to the Countyline Road interchange and the Galloway Road overpass. The VECP proposed to close the Galloway Road overpass during the bridge replacement, outlined detour routes, reduced the number of traffic shifts and reduced the inconvenience to the motoring public by three months. This VECP was accepted and saved \$450,000.

An Historical causeway restoration project in District 6 was the source of another VECP. The project included the rehabilitation of the Venetian Causeway; an historical landmark on Biscayne Bay. Several key design issues relating to the aesthetic qualities of the bridge caused extensive involvement with several state and local historical preservation groups. The original design called for spread footing with extensive cofferdam construction and the same number of beams as the original bridge with a parabolic curve.

The VECP proposed to reduce the number of beams from five to four, eliminate the spread footing foundation and use drilled shafts instead, and improve construction sequencing to save the motoring public two months of inconvenience. This VECP saved \$987,000 in project costs.

District 6 was the source of another VECP. This project included the reconstruction of State Road 826 and the Kendall Drive Interchange, including the modification of the entrance and exit ramps to the Dadeland Mall. The Mall participated in the construction and re-design cost for this project. A Texas u-turn is the most prominent feature of the access ramps.

The VECP was broken into two parts. The first was hard costs saved by the contractor constructing the ramps in a different manner. This amounted to \$153,000. The second part of the VECP is CEI savings by completing the project six months ahead of schedule as well as opening the access ramps to the Dadeland Mall in November of 1997. The Contractor has met all the milestones and the total savings for both parts of this VECP is \$600,000.

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 during construction.

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, 1998, the Department has conducted 234 partnering workshops on projects valued in excess of \$2.4 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 1997/98, a total of 23 Process Performance reviews were conducted, a 17.9% decrease from FY 1996/97 when 28 reviews were conducted. These resulted in 61 opportunities for improvement, 56 district wide and 5 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).

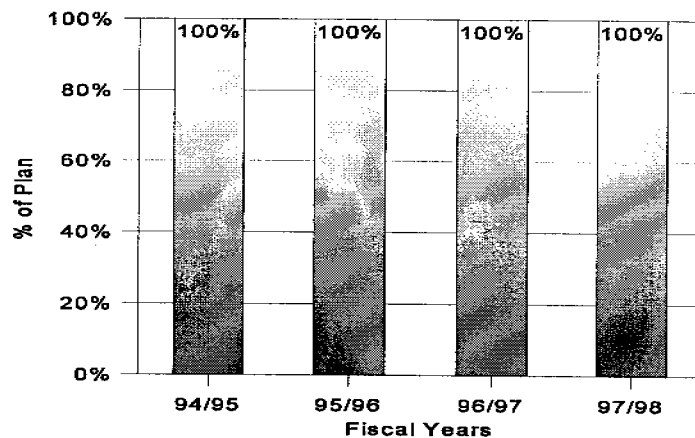
Today, federal funds comprise about 30% of Florida's total transportation revenues and thus play an important role in the State's ability to meet transportation needs. With few exceptions, the Department is responsible for ensuring that all available federal funds are committed to qualifying projects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

- As of September 30, 1998, the Department had committed 100% (\$711 M. of a total of \$711 M.) of federal funds subject to forfeiture at federal fiscal year end if not committed.
- The Department has requested an additional \$364.8 M. in federal funds and received \$6.3 M. of the total requested.

Commitment of Federal Funds by Fiscal Year



	Fiscal Year			
	94/95	95/96	96/97	97/98
Plan	\$506	\$602	\$761	\$711
Actual	\$506	\$602	\$761	\$711
<i>% of Plan</i>	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.
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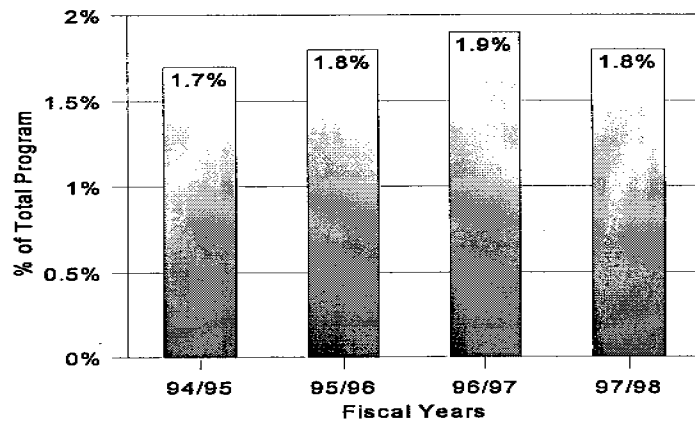
Note: Administrative Costs include direct support to the production functions of the Department -- top management (central office and districts), legal and audit staff, public information and government liaison staff, comptroller's office, budget staff, personnel and purchasing staff, contractual services and minority programs, commission staffs. Excluded from Administrative Costs 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.

"Administrative Costs" have been adjusted for this year and prior years consistent with an improved methodology achieved by consensus with Commission staff, and Department offices of Comptroller and Inspector General.

Statewide Performance:

- Administrative costs were 1.8% of the Total Program for FY 1997/98, or \$65.1 M. of a total program of \$3.6 B.
- Based on actual dollar amounts of administrative costs, there was a 7.2% increase (\$60.8 M. to \$65.1 M.) in administrative costs in FY 1997/98 compared to FY 1996/97.

Administrative Costs as a % of Total Program by Fiscal Year



	Fiscal Year			
	94/95	95/96	96/97	97/98
Administrative Cost	\$54.5M	\$57.2M	\$60.8M	\$65.1M
Total Program	\$3,232.2M	\$3,246.3M	\$3,238.2 M	\$3,633.3M
<i>% of Total Program</i>	1.7%	1.8%	1.9%	1.8%

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.	

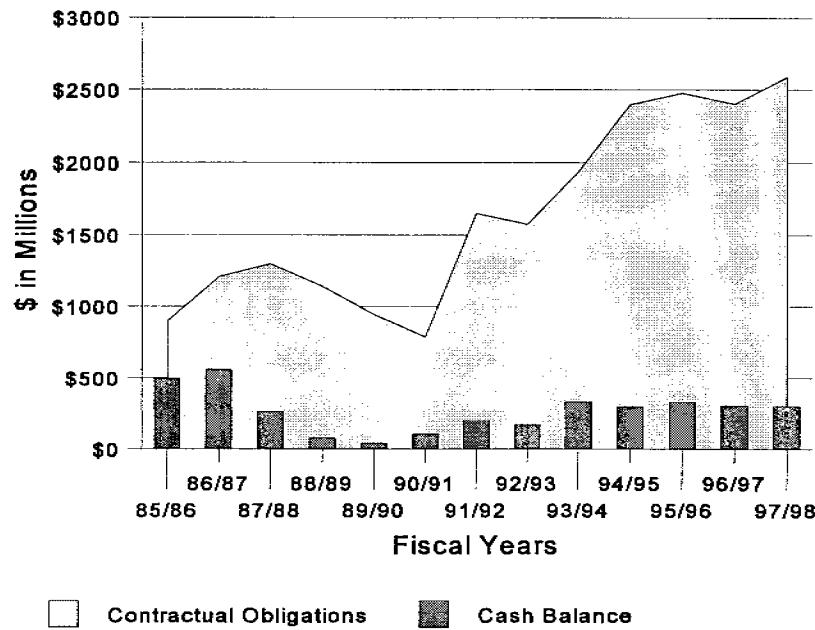
Statewide Performance:

- Actual cash receipts of \$3,010.2 M. for FY 1997/98 were 1.6% lower (\$50.9 M.) than the Department's August 1997 forecasted receipts amount of \$3,061.1 M.
- Actual Cash disbursements of \$2,981.4 M. for FY 1997/98 were 1.5% higher (\$43.7 M.) than the Department's August 1997 forecasted disbursements amount of \$2,937.7 M.
- For FY 1997/98, the Department's lowest cash balance was \$304 Million or 11.7% of its total outstanding contractual obligations of \$2.6 Billion.

State Transportation Trust Fund

Cash Receipts		Cash Disbursements	
Forecast 8/97	\$3,061,100,000	Forecast 8/97	\$2,937,700,000
1997/97 Actual	\$3,010,200,000	1997/98 Actual	\$2,981,400,000
\$ Variance	\$50,900,000	\$ Variance	\$43,700,000
% Variance	1.6%	% Variance	1.5%

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%
97/98	\$304	\$2,588	12%

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.

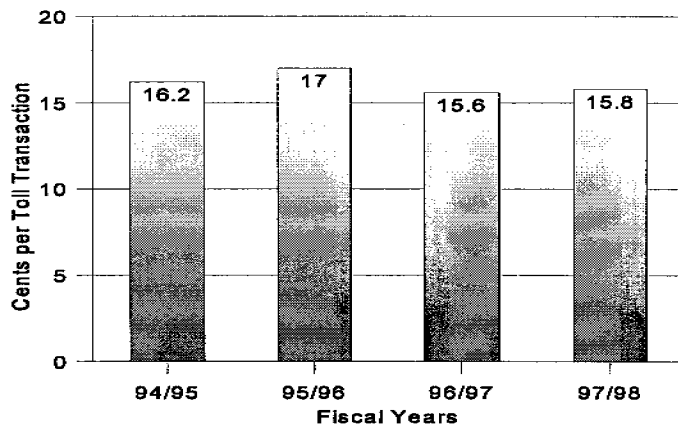
Since tolls are fees paid by toll facility users who have an expectation that the maximum amount of tolls collected be used to pay off the debt or for other transportation improvements, toll collection costs should be contained and carefully managed.

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 1997/98, the Department's cost to operate toll facilities was 15.8 cents per toll transaction.
- The cost to operate toll facilities for FY 1997/98 was 0.2 cent higher (15.6¢ to 15.8¢) per toll transaction than in FY 1996/97.

Operational Cost Per Toll Transaction by Fiscal Year



	Fiscal Year			
	94/95	95/96	96/97	97/98
Operational Cost	\$75.1M	\$68.5M	\$66.0M	\$72.8M
# of Transactions	464.5M	401.9M	421.6M	459.5M
<i>Cost Per Transaction</i>	16.2¢	17.0¢	15.6¢	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 6,200 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.

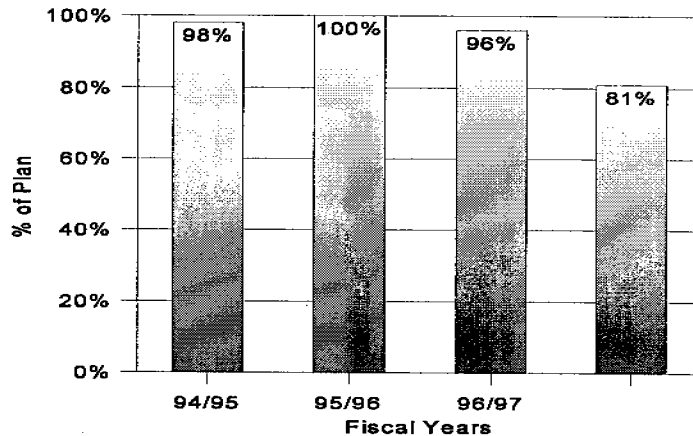
Florida law requires the Department to "meet the annual needs for ... repair and replacement of bridges on the system."

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:

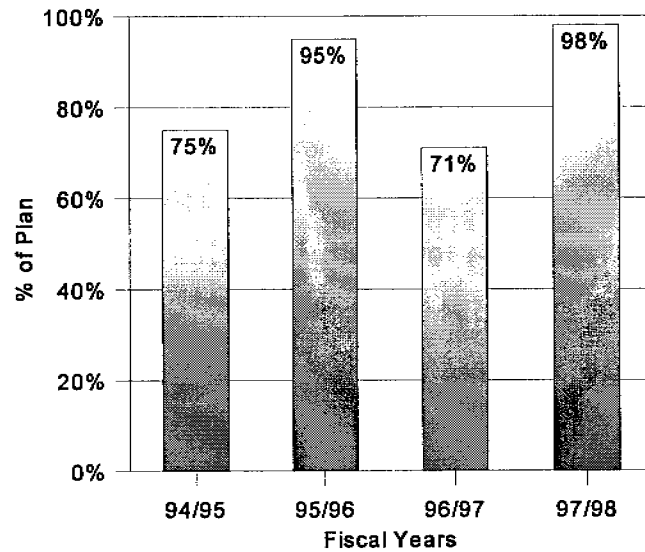
- The Department achieved 81% of plan, having repaired 191 bridges of 237 planned. The Department repaired 43 bridges planned for future fiscal years. Forty-five (45) bridges were added and repaired during the year.
- The Department achieved 98% of plan, having replaced 42 bridges of 43 planned.
- For FY 1997/98, the percentage of state-maintained bridges meeting standards was 93%, exceeding the proposed goal of 90% by 3 percentage points.

BRIDGE REPAIR - Number of Bridges by Fiscal Year



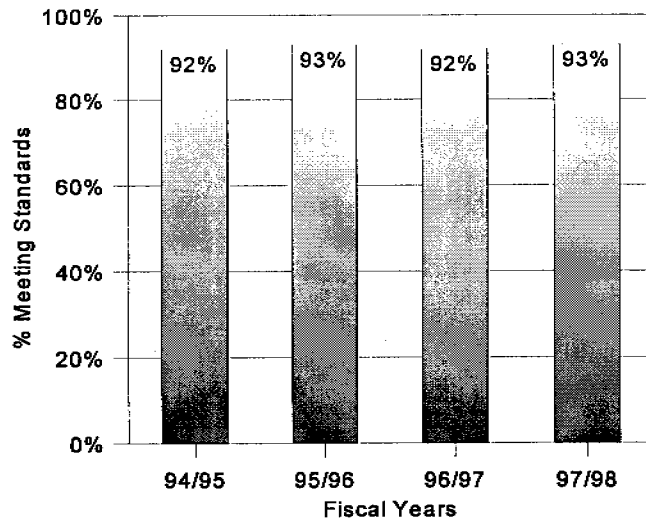
	Fiscal Year			
	94/95	95/96	96/97	97/98
Plan	260	185	358	237
Actual	256	185	342	191
<i>% of Plan</i>	98%	100%	96%	81%
Advanced FY	2	5	4	43
Additions	1	9	14	45
Total Repairs	259	199	370	279

BRIDGE REPLACEMENT - Number of Bridges by Fiscal Year



	Fiscal Year			
	94/95	95/96	96/97	97/98
Plan	16	39	34	43
Actual	12	37	24	42
<i>% of Plan</i>	75%	95%	71%	98%
Advanced FY	1	0	26	0
Additions	0	7	0	0
Total Replaced	13	44	50	42

Percentage of State-Maintained Bridges Meeting DOT Standards by Fiscal Year



	Fiscal Year			
	94/95	95/96	96/97	97/98
# Meeting Standards	5,650	5,740	5,718	5,794
Total Bridges	6,124	6,183	6,199	6,200
<i>% Meeting Standards</i>	92%	93%	92%	93%

Note:
 "Meeting Standards" means those bridges not in need of repair or replacement.

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.

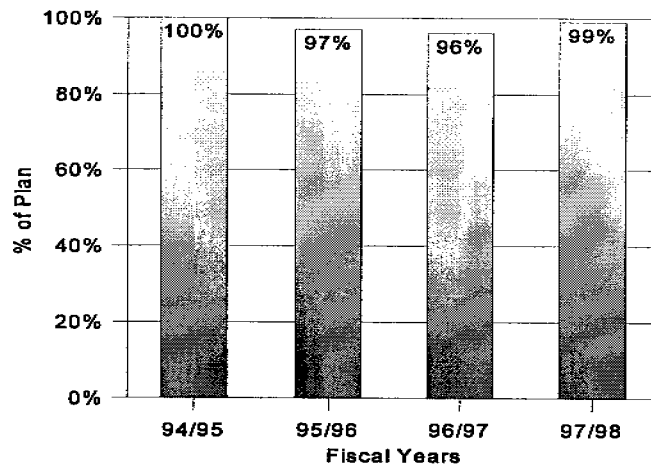
Florida law requires the Department to "meet the annual needs for resurfacing of the state highway system...."

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:

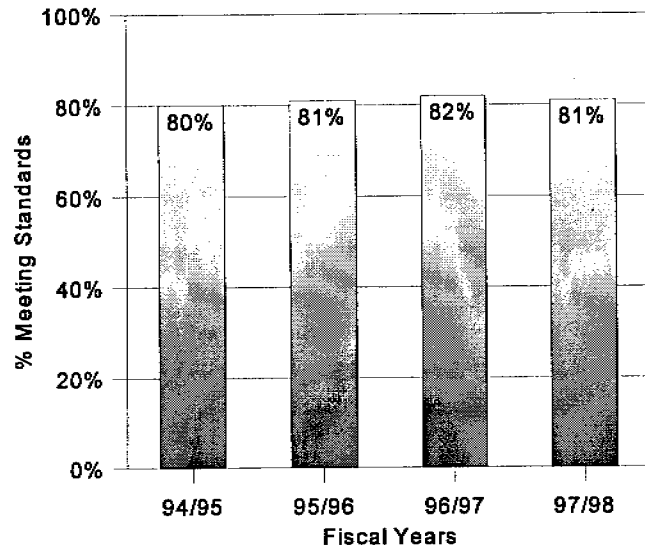
- The Department achieved 99% of plan, having resurfaced 1,782 of 1,805 lane miles planned. The Department resurfaced 116 lane miles planned for future fiscal years. Ten (10) lane miles were added and resurfaced during the year.
- For FY 1997/98, the percentage of state road lane miles meeting standards was 81%, exceeding the proposed goal of 80% by 1 percentage point.

RESURFACING - Number of Lane Miles by Fiscal Year



	Fiscal Year			
	94/95	95/96	96/97	97/98
Plan	2,089	1,934	1,544	1,805
Actual	2,089	1,876	1,478	1,782
<i>% of Plan</i>	100%	97%	96%	99%
Advanced FY	76	8	135	116
Additions	54	7	13	10
Total Resurfaced	2,219	1,891	1,626	1,908

Percentage of Highway Pavement Meeting DOT Standards by Fiscal Year



	Fiscal Year			
	94/95	95/96	96/97	97/98
# Meeting Standards	30,623	31,396	31,863	31,814
Total Lane Miles	38,168	38,558	38,789	39,066
<i>% Meeting Standards</i>	<i>80%</i>	<i>81%</i>	<i>82%</i>	<i>81%</i>

Note:

"Meeting Standards" means that pavement was rated 7 or above (scale 1 worst to 10 best) in annual pavement condition survey conducted by 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-stripping). 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.

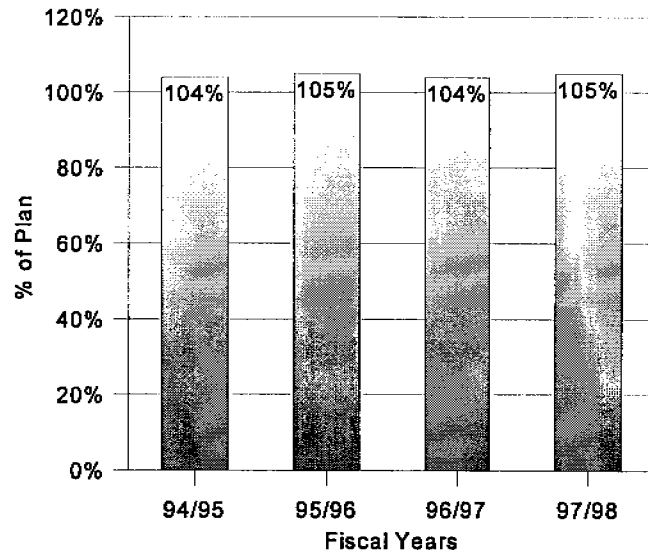
Measure **Achieve a Maintenance Rating of 80 on the State Highway System.**

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 1997/98, the Department achieved 105% of the objective of a system-wide maintenance rating of 80.

ROUTINE MAINTENANCE - Percentage of Maintenance Rating Achieved by Fiscal Year



	Fiscal Year			
	94/95	95/96	96/97	97/98
Plan Rating	80	80	80	80
Actual Rating	83	84	83	84
<i>% Rating Achieved</i>	<i>104%</i>	<i>105%</i>	<i>104%</i>	<i>105%</i>

CAPACITY IMPROVEMENTS

HIGHWAYS & ALL PUBLIC

TRANSPORTATION MODES

CAPACITY IMPROVEMENTS Highways

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

Notwithstanding funding constraints, in its long-range 2020 Florida Transportation Plan, the Department places priority on completing improvements to the Florida Intrastate Highway System (FIHS). The FIHS is a network (3,751 miles of the 11,933 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.

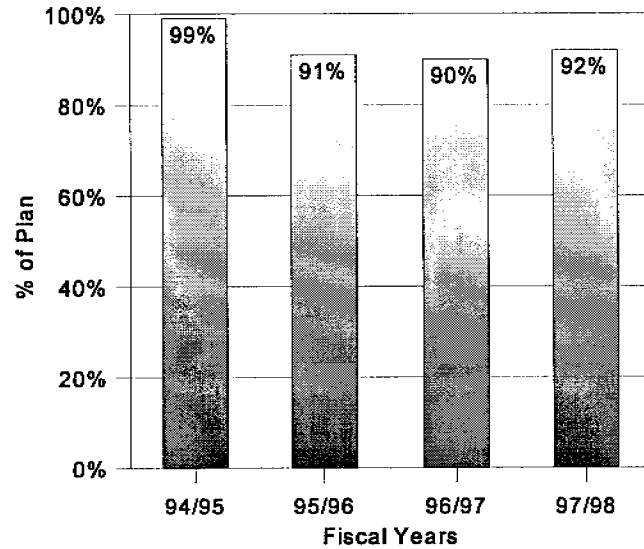
The following measures acknowledge funding limitations and appropriately focus on activities under the Department's control rather than attempting to measure the desired result (reduced congestion/increased mobility) which is subject to factors beyond the Department's control.

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:

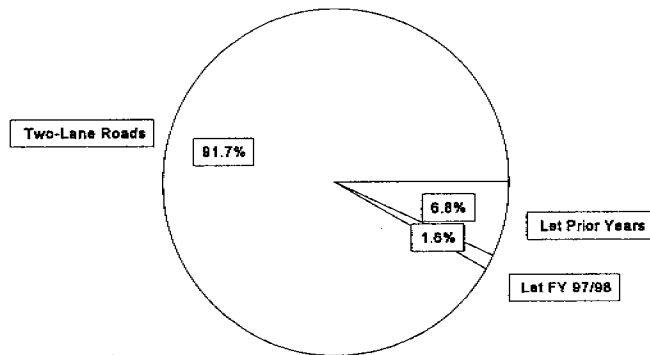
- Of 422 lane miles of capacity improvement projects planned, 387 lane miles or 92% were let.
- Of 888 FIHS miles not meeting the minimum lane standard on July 1, 1993, 14 miles or 1.6% were let to contract during FY 1997/98 for improvement from 2 to 4 lanes. This brings a total of 74 miles or 8.4% of the 888 miles of 2-lane roads up to the 4-lane standard.

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



	Fiscal Year			
	94/95	95/96	96/97	97/98
Plan	290	347	317	422
Actual	288	317	286	387
<i>% of Plan</i>	99%	91%	90%	92%
Advanced FY	39	0	21	0
Additions	5	0	6	0
Total	332	317	313	387

THE FLORIDA INTRASTATE HIGHWAY SYSTEM Centerline Miles Improved from 2-lane to 4-lane, Let to Contract FY 1997/98



	# of Centerline Miles	% of Total
Let Prior Years	60	6.8%
Let FY 97/98	14	1.6%
Two-Lane Roads	814	91.7%
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

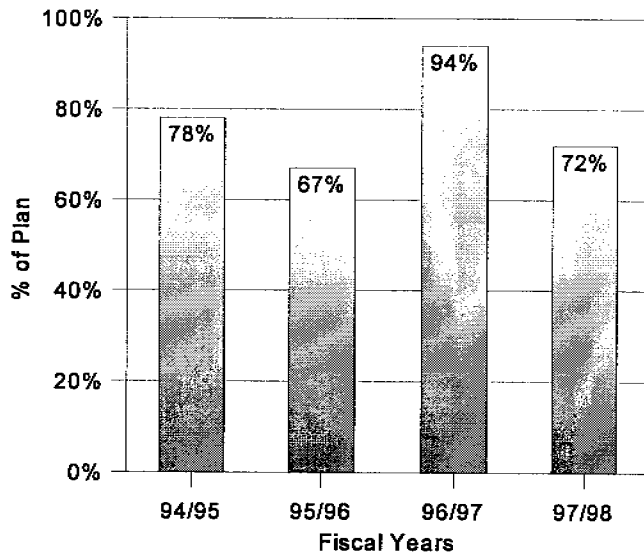
Public Transportation capacity improvements include airports, seaports, rail, bus transit, intermodal development (projects enhancing connectivity of various transportation modes) and commuter assistance (carpooling, vanpooling, park & ride, etc.). The Department's role is generally limited to providing 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 1997/98, the Department achieved 72% of plan, committing \$146.7 M. of a plan of \$203.8 M. in public transportation capacity improvement projects.
- The plan for FY 1997/98 was 29% larger than the plan for FY 1996/97. Department achievement of plan was 22 percentage points lower (94% to 72%) in FY 1997/98 than in FY 1996/97.

PUBLIC TRANSPORTATION CAPACITY IMPROVEMENT PROJECTS - Dollar Amount by Fiscal Year



	Fiscal Year			
	94/95	95/96	96/97	97/98
Plan	\$248.0	\$229.3	\$158.1	\$203.8
Actual	\$194.5	\$154.1	\$148.5	\$146.7
<i>% of Plan</i>	78%	67%	94%	72%
Advanced FY	\$72.5	\$10.0	\$0.0	\$0.0
Total Executed	\$267.0	\$164.1	\$148.5	\$146.7

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 102,000 miles of roads 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.

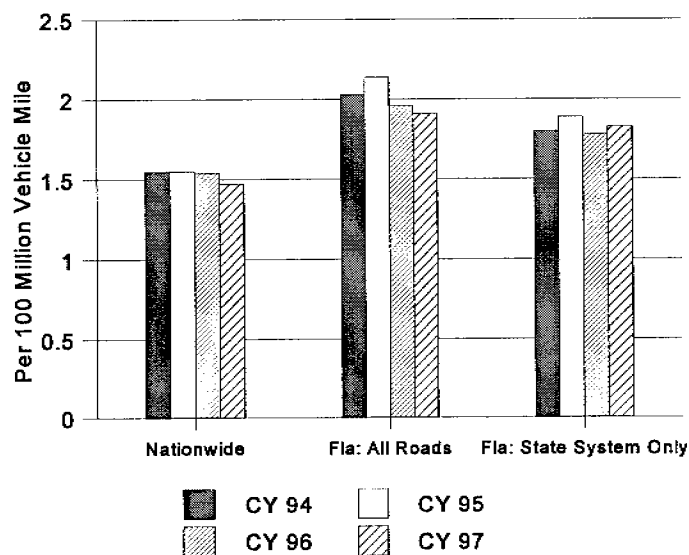
"Fatal crash" means any crash in which a human fatality occurred.

Statewide Performance:

- Florida's 1997 fatal crash rate for all roads (state, county and city) was 1.91 fatal crashes per 100 million vehicle miles traveled (VMT), a decrease of 2.6% from 1996. Compared to the 1997 national rate of 1.47 fatal crashes per 100 million VMT, Florida's 1997 rate is 30% above the national rate.
- For the State System only, the 1997 fatal crash rate was 1.83 fatal crashes per 100 million VMT, an increase of 3% from 1996. The 1997 State System rate of 1.83 fatal crashes per 100 million VMT is 24% over the national rate of 1.47.
- For 1997, road conditions were a contributing cause in 4.35% of crashes on the State Highway System, up 12% from 1996, when road conditions were a contributing cause in 3.89% of crashes.

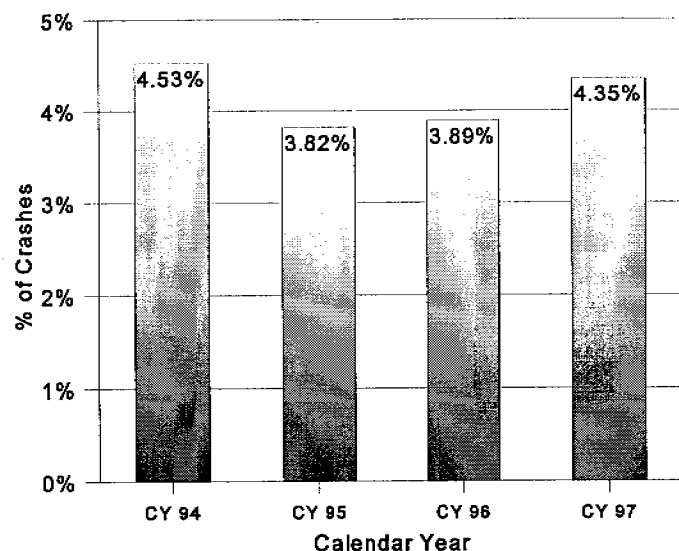
Note: Studies by the Department's Policy Planning Office show that, for 1995 and 1996 crash data, the actual percentage where road conditions could be considered a contributing cause was 0.9% based on actual review of crash reports. The above percentage is based on how the officers coded the crash reports.

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



	Calendar Year			
	1994	1995	1996	1997
Nationwide	1.55	1.55	1.54	1.47
Fla: All Roads	2.03	2.14	1.96	1.91
Fla: State System Only	1.80	1.89	1.78	1.83

Percentage of Crashes Where Road Conditions Were Contributing Cause



Crashes	Calendar Year			
	1994	1995	1996	1997
Road Conditions Contributing Cause	4,983	5,045	4,997	6,310
Total Crashes	110,036	132,154	128,389	144,919
% Where Road Conditions Contributed	4.53%	3.82%	3.89%	4.35%

The Department is responsible for the administration of the Highway Safety Grant Program, which awards federal grants to state and local agencies for traffic safety specific programs. During FY 1997/98, due to funding shortages caused by the failure of Congress to pass a transportation act, states received approximately ½ of their normal funding allocations. Florida received approximately \$4 million and awarded 96 grants 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 Teams. 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 traffic safety problems and reduce traffic crashes, injuries and deaths. The number of Teams has increased from eight in 1993 to 44 CTSTs covering 45 counties through July 1998. Much of this growth is due to the active participation of Departmental employees and increased local agency interest in traffic safety. Although the Department exceeded its initial goal of having 20 CTSTs by October 1996, the remaining 22 counties without CTSTs may be slower to activate. This is based on the fact that of the remaining 22 counties, 18 are more rural in nature and average less than 225 total crashes per year. The only remaining large urban area without a CTST, is Dade County, which averages over 45,000 crashes and 300 fatalities per year.

The Department will continue to promote CTST expansion through DOT District CTST Coordinators' outreach efforts. These full time CTST Coordinators are housed at six of the DOT Districts, and demonstrate the commitment the Department has made to this unique traffic safety concept. The following counties currently have a CTST: Alachua, Bay, Bradford, Brevard, Broward, Charlotte, Citrus/Hernando (one team), Collier, Columbia, Duval, Escambia/Santa Rosa (one team), Glades,

Hardee, Hendry, Highlands, Hillsborough, Jackson, Jefferson, Lake, Lee, Leon, Levy, Manatee, Marion, Martin, Monroe (Key West), Okaloosa, Okeechobee, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, Putnam, St. Johns, St. Lucie, Sarasota, Seminole, East & West Volusia (2 teams), Walton and Washington.

Based on 1997 data, these 44 CTSTs cover approximately 77% of the statewide crashes, 82% of statewide fatalities, 79% of statewide public roads, and 81% 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 programs 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 in the near future. Also, a statewide media campaign on pedestrian and bicycle safety is being planned.

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. Twenty-two (22) of the non-mandatory counties now have at least one trained trainer. Twelve (12) training sessions were held in Florida during FY 1997/98, 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.

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