



FLORIDA TRANSPORTATION COMMISSION

Annual Performance and Production Review of the Department of Transportation

Fiscal Year 2008/09

September 24, 2009

FLORIDA TRANSPORTATION COMMISSION

Marcos Marchena, Chair
Martha "Marty" Lanahan, Vice-Chair
Garrett Walton, Secretary
Thomas Conrecode
Marshall Criser, III
Joseph M. Mazurkiewicz
Bart R. Pullum
Manuel S. Rose, M.D.



Charlie Crist
Governor

September 24, 2009

Honorable Charlie Crist, Governor
State of Florida
The Capitol
400 S. Monroe Street
Tallahassee, Florida 32399-0001

Dear Governor Crist:

On behalf of the members of the Florida Transportation Commission, I am transmitting the annual *Performance and Production Review of the Department of Transportation for Fiscal Year 2008/09*. The final report was presented and adopted during our public meeting in Orlando on September 3, 2009. Florida Department of Transportation Secretary Stephanie Kopelousos, all seven district secretaries and the Turnpike Enterprise Executive Director were present and participated in the review.

Production achievements for Fiscal Year (FY) 2009 resulted in the beginning of construction on 229 lane miles of additional roadway to the State Highway System (SHS). The Department also let to contract 2,897 lane miles of roadway to be resurfaced on the SHS. They were also successful in beginning construction on 92 bridge repair and 23 bridge replacement projects. Nearly 95 percent of bridges were rated as "excellent" or "good", with less than 1 percent being rated "poor".

By the end of the fiscal year, the Department closed out 394 construction projects with a total dollar value of \$2.7 billion and let \$2.7 billion in new projects. The health of the SHS remains good, with nearly 86 percent of lane miles rated either "excellent" or "good", which exceeded the established goal of 80 percent.

The Department's performance in FY 2009, based on the number of adopted goals met, increased to 85 percent achievement, a significant increase from the 71 percent achieved in FY 2008. The Department met or exceeded 17 of 20 of the established primary performance measures. The *primary* measures assess major Departmental functions, measure an end product or outcome, and are, to the greatest extent possible, within the Department's control.

The Department is keeping administrative costs under control, is managing its finances in accordance with statute, and it has once again committed all of the available federal highway funds. In addition, the Department has obligated over 74 percent of the American Reinvestment and Recovery (ARRA) (federal stimulus) funds. Of the 59 construction projects advanced in FY 2009, 11 were ARRA projects.

The Toll Revenue Variance continues to meet the objective of less than 5 percent of toll users violating payment provisions, and this is a reflection of continuing enforcement efforts by the Turnpike Enterprise. The Enterprise did not meet the objective of containing toll collection costs, which is attributed to a decline in transactions. The Enterprise has reduced the number of manual lanes, reduced staffing and is instituting other cost savings measures to reduce the overall cost of toll collection.

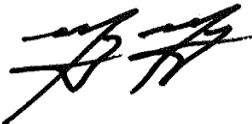
In the area of construction time adjustments, the Department's performance continues to improve. The Department exceeded its construction time goal of 80 percent by bringing to completion nearly 86 percent of its projects within 20 percent of the original time. This is the first year the Department met this more restrictive goal.

Unfortunately, the Department did not meet the goal of 90 percent of contracts completed within 10 percent of originally estimated cost, and performance for FY 2009 was lower than that in FY 2008. The Department has enumerated several instances where an appropriate and long-term cost effective decision was made to add to the scope of the project, which affected the overall performance. The Commission applauds the Department for making sound business decisions in the best interest of the state and the traveling public, even though it sometimes means that performance goals cannot be met.

The Commission is confident that this performance evaluation process is working well and yielding valid results. As areas of concern are recognized, data is gathered, causes are identified and corrective actions are taken to improve performance on a continuous basis. The end result is that the Department is committed to improving the products and services it provides to the citizens of the State of Florida. Based on this assessment, the Florida Transportation Commission can assure you the Department is managing its operations in an efficient, cost effective, and business-like manner.

Our goal is for this report to be meaningful and clear. A summary of performance is provided beginning on page eleven of the enclosed report. If you have any questions regarding this review, please do not hesitate to contact me or the Transportation Commission staff at (850) 414-4105.

With Regards,



Marcos Marchena, Chairman
Florida Transportation Commission

cc: Stephanie Kopelousos, Secretary, Department of Transportation
Honorable Jeff Atwater, Senate President
Honorable Andy Gardiner, Chair, Senate Committee on Transportation
Honorable Mike Fasano, Chair, Senate Committee on Transportation and Economic
Development Appropriations
Honorable Larry Cretul, Speaker of the House
Honorable Richard Glorioso, Chair, House Transportation and Economic Development
Appropriations Committee
Honorable Dave Murzin, Chair, Economic Development and Community Affairs
Policy Council



Florida Department of Transportation

CHARLIE CRIST
GOVERNOR

605 Suwannee Street
Tallahassee, FL 32399-0450

STEPHANIE C. KOPELOUSOS
SECRETARY

September 22, 2009

Mr. Marcos Marchena, Chairman
Florida Transportation Commission
605 Suwannee Street, MS 9
Tallahassee, FL 32399-0450

Dear Chairman Marchena:

I am pleased to present the department's response on its performance for Fiscal Year 2008/2009. Your staff has worked with department staff on this year's report, and I am truly pleased to see significant improvement in a number of areas. Of the 20 measures that the commission has reviewed this year, the department successfully met 17 of them, a testimony to the hard work of the staff.

I want to take this time to address the opportunities we still have where our goal was not met:

1. Construction Contract Costs: 90 percent of the contracts completed within 10 percent of the original contract cost

Once again we continue to work on this measure, which was revised a few years back to 'raise the bar' for the department. Its companion measure 'on time' was met this year, signaling what we have discussed in the past of the need to let the older contracts in the system that were developed under the old measures to be cycled out to let the new strategies take root. Brian Blanchard, our chief engineer, has been working with the team and the industry to develop bolder concepts to get the department to reach this goal by the end of this year. As you have heard from the districts there will still be some challenges with the old projects and particular issues that will take time to move on. I am confident with the right attention, we can successfully achieve this goal.

2. The annual dollar amount of MBE utilization: Annual increase over the prior year

As you can imagine, with a program size that is declining because of revenue reductions, it becomes extremely difficult to show an increase in prior year use of Minority Businesses. That said, this agency should still make every effort to see the rate of usage to remain constant, so when the program does decline at a certain level, the MBE utilization decline (should one occur) be at the proportionate rate. For instance, if the department's program is reduced in budget by 20%, then the decline in MBE usage should be close to 20% as well (given appropriate tolerances). The strategy to make this occur will be contingent upon successful and meaningful discussions with our private partners who are the true

players that can make this happen. In the coming weeks, I plan to meet with many of them to share my expectation on this important goal.

3. Average Amount of each Toll Transaction Dedicated to Cover Costs: <16¢

During FY08/09 the Turnpike had a dramatic decline in traffic brought about by a protracted and deep dislocation in Florida's real estate market, the continued decline in employment and personal income and a relatively flat population growth and net migration. Transactions were 7.1% less than prior year. Revenues likewise declined nearly 10%. The average cost of collection reflected on a per transaction basis naturally increases as transactions decline, unless changes to the total cost of collection are made in a timely manner. Unfortunately these changes generally take time to implement and a balance between cost to collect and the number of transactions is not usually immediate.

However, in response to traffic declines the Turnpike Enterprise has made dramatic cuts to its work program including significant reductions in consultant staff and began reductions to its operating and maintenance expenses. During the current fiscal year the Turnpike Enterprise continued to develop and implement plans to further reduce its cost of operations and maintenance to reflect the reduced traffic. The impact of these reductions will better align the per transaction cost to that of similar organizations, without sacrificing the quality of service shown to its customers.

In addition, the Turnpike Enterprise will work with the Florida Transportation Commission staff to review the appropriateness of using the number of transactions as the denominator in this cost efficiency measure. There is a growing body of knowledge which suggests alternative measures may be more appropriate.

I once again thank the commission and staff for its help to insure the department meets its mission of providing a safe and reliable transportation system that effectively and efficiently moves people and goods throughout this great state.

If you should have any questions, do not hesitate to contact me.

Sincerely,



Stephanie C. Kopelousos
Secretary

SCK:ktp

18th Annual Performance and Production Review of the Department of Transportation

Fiscal Year 2008/2009



September 24, 2009



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Florida's Transportation Commission

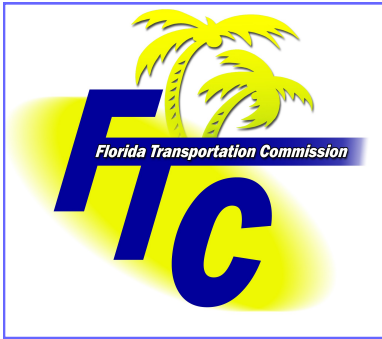
The Florida Transportation Commission was established in 1987 by the Florida Legislature and has, among its statutory duties, the responsibility for reviewing, evaluating, and monitoring the Florida Department of Transportation's policies, transportation systems, and budgets. The nine members of the Commission are appointed by the Governor to serve four-year terms. Commissioners must have private sector business managerial experience and must represent transportation needs of the state as a whole and may not place state needs subservient to those of any particular area. The Transportation Commission could be compared to a private corporation's board of directors.

The mission of the Florida Transportation Commission is to provide leadership in meeting Florida's transportation needs through policy guidance on issues of statewide importance and by maintaining oversight and public accountability for the Department of Transportation and statutorily specified transportation authorities.

Commission Officers



Marcos Marchena, Chairman, Orlando. Senior Partner of the law firm of Marchena and Graham, P.A.; Chairman of the Middle District Federal Nominating Committee; Member of the University of Central Florida Foundation Board of Directors.



Vice-Chairman, Vacant



Martha (Marty) Lanahan, Secretary, Jacksonville. North Florida Area Executive for Regions Financial Corporation; Serves as President of the Cultural Council of Jacksonville; President of the Florida Theater Board; President of the River Club Board of Directors; Board member of the Jacksonville Museum of Modern Art.

Commission Members

Thomas E. Conrecode Naples. Vice president with Collier Enterprises, Ltd. (responsible for the company's governmental affairs strategies at the local, state and federal levels); Past Director of the Naples Area Chamber of Commerce; Member of the Executive Committee of the Southwest Florida Transportation Initiative; Member of Leadership Florida.



Marshall Criser III, Miami. President of AT&T Florida; Chair of the Florida Chamber of Commerce; Member of the Florida Council of 100, Enterprise Florida Board and the board of trustees of the Florida Chamber Foundation; Member of the Executive Committee of the Beacon Council; Board Member of the United Way of Miami-Dade County.



Joseph M Mazurkiewicz, Cape Coral. President of BJM Consulting, Inc., (a firm specializing in local government activities); Served as Mayor of Cape Coral for 10 years; Board Member of the Lee County MPO (three times as Chair); Serves on numerous community boards.



Commission Members



Bart R. Pullum, Navarre. Real estate broker with Bill Pullum Realty, Inc.; Serves on the Navarre Beach Area Chamber of Commerce Transportation Committee; Member of the Pensacola Junior College Board of Governors and the Navarre Family YMCA Board of Directors.



Dr. Manuel S. Rose, Clearwater. Founder of Rose Radiology Centers, Inc.; Member of the American College of Radiology, Florida Medical Association, International Spinal Intervention Society, American Society of Spine Radiology and other medical associations. Prior to medical school, earned degree in engineering from Tufts University.



Garrett W. Walton, Pensacola. A charter member of the Florida Bar Board Certified Tax Attorneys; Served on many U.S. and Florida Bar Committees in the areas of Tax and Estate Planning; active in various Pensacola/West Florida civic and charitable organizations; currently a self-employed real estate investor.



Purpose of this Report

The mission of the Florida Department of Transportation (FDOT) is to “provide a safe transportation system that ensures the mobility of people and goods, enhances economic prosperity, and preserves the quality of our environment and communities.” This is a daunting task, one which the FDOT takes very seriously as it moves forward with delivery of the Five-Year Work Program.

Florida is facing a transportation shortfall of nearly \$53 billion through 2030. The Department has experienced cost increases for construction materials and labor at the same time it is seeing a flattening of its forecasted long-term revenues. The two conflicting trends of higher costs and lower projected revenues will place additional pressures on the Department to develop alternative financing schemes, foster public-private partnerships, and continue to find innovative project delivery methods. It is imperative that the FDOT use its available resources in the most efficient and effective manner possible.

It is the responsibility of the Florida Transportation Commission (FTC), under chapter 334.045, Florida Statutes, to ensure this occurs and to protect the State’s transportation investment through fiscal oversight and performance evaluation. More specifically, the FTC is responsible for:

- ◆ *Developing transportation performance and productivity measures;*
- ◆ *Developing both quantitative and qualitative measures;*
- ◆ *Assessing those factors that are within the Department’s control;*
- ◆ *Evaluating how effectively the Department has addressed the transportation needs of the State;*
- ◆ *Submitting findings to the Governor and to the Legislative Transportation and Appropriations Committees; and*
- ◆ *Recommending actions to improve Department performance based on findings.*

Purpose of this Report

This *Performance and Production Review of the Florida Department of Transportation* is an annual report produced by the Florida Transportation Commission evaluating how effectively the Department has addressed the transportation needs of our state through the production of the Work Program.

The performance measures presented here have been derived through years of effort by a cross-functional Performance Measures Working Group. Though the membership has changed over the years, this Working Group continues to meet on a periodic basis to address revisions to the performance measures process, based on new and improved data, and the changing dynamics of the transportation industry.

CHANGES EFFECTIVE WITH THE 2009 REPORT:

The Working Group reviewed and recommended the following changes which the Commission subsequently adopted.

1. Discontinued the existing Strategic Intermodal System (SIS) measure. This measured the allocation of flexible capacity funds to the SIS. Since there are no new funds, this measure was met in prior years and deemed obsolete. A new SIS measure will be adopted for the 2010 report from the 2009 SIS update report.
2. The Cash Management measure was revised from a +/- variance to a “yes” or “no” measure to reflect the outcome of managing cash rather than as an output of the actual variance. The actual variance will continue to be reported as an indicator.
3. The toll collection methodology was revised to eliminate the cost of insurance in the base, to add the entering transactions on the Ticket System, and to amortize transponder costs. This change better reflects the direct cost of collecting toll transactions.
4. The Sunpass participation goal has been changed from December 31, 2008 to June 30, 2012 to coincide with the conversion to Open Road Tolling.
5. The secondary measure for the Intelligent Transportation System (ITS) has been changed from “percent of contracts let” to “Roadway Clearance Time.” This is to better reflect the outcomes derived from investments in the ITS program.

Summary of Performance

FY 2008/09 Accomplishments By Florida Department of Transportation










- ♦ *17 of 20 primary measures (85.0%) were met or exceeded (a significant improvement over the 71.4% attained in FY 2007/08);*
- ♦ Began construction on 229 lane miles on the State Highway System (SHS), adding less than 1% in size to the system;
- ♦ Let to contract 2,894 miles for resurfacing (up from 2,186 miles in 2008);
- ♦ Let to contract 92 bridge repair contracts (up from 75 in 2008);
- ♦ Let to contract 23 bridge replacement projects (up from 12 in 2008); and,
- ♦ Closed out 394 construction projects valued at \$2.696 billion.

The American Recovery and Reinvestment Act of 2009 (ARRA)









The Department has obligated 72.6% of the federal funds available (as of September 11, 2009) under the American Recovery and Reinvestment Act of 2009 (ARRA). The Department received \$1.347 billion of ARRA spending authority and has obligated \$978.1 million. Eleven of the 59 construction projects advanced in FY 2009 are ARRA projects.

Based on the results of this Review, the Florida Transportation Commission remains confident the Department is managing its operations in an efficient and effective manner and is committed to meeting the needs of the traveling public and the business community.




Summary of Performance

Measure	Objective	FY 08/09 Results	Meets Objective
The number of consultant contracts actually executed compared against the number planned. (See page 22)	$\geq 95\%$	96.3%	
The number of ROW projects certified compared to the number scheduled for certification. (See page 25)	$\geq 90\%$	100%	
The number of construction contracts actually executed compared against the number planned. (See page 31)	$\geq 95\%$	96.9%	
The number of Local Agency Program (LAP) consultant contracts actually executed compared against the number planned. (See page 36)	$\geq 80\%$	97.8%	
The number of Local Agency Program (LAP) construction contracts actually executed compared against the number planned. (See page 39)	$\geq 80\%$	96.0%	
For all construction contracts completed during the year, the percentage of those contracts that were completed within 20% above the original contract time. (See page 43)	$\geq 80\%$	85.5%	
For all construction contracts completed during the year, the percentage of those contracts that were completed at a cost within 10% above the original contract amount. (See page 47)	$\geq 90\%$	79.9%	
The percentage of bridge structures on the State Highway System having a condition rating of either excellent or good. (See page 54)	$\geq 90\%$	94.6%	
The percentage of bridge structures on the State Highway System with posted weight restrictions. (See page 56)	$\leq 1\%$.15%	

Summary of Performance (cont'd)

Measure	Objective	FY 08/09 Results	Meets Objective
The percentage of lane miles on the State Highway System having a Pavement Condition Rating of either excellent or good. (See page 59)	$\geq 80\%$	85.6%	
Achieve a Maintenance Rating of at least 80 on the State Highway System. (See page 62)	80	87	
The number of lane miles of capacity improvement projects on the State Highway System let compared against the number planned. (See page 66)	$\geq 90\%$	106.6%	
The public transit ridership growth rate compared to the population growth rate. (See page 67)	$\geq 1.36\%$	2.26%	
Of the federal funds subject to forfeiture at the end of the federal fiscal year, the percent that was committed by the Department. (See page 74)	100%	100%	
The Department's dollar amount of administrative costs as a percent of the total program. (See page 76)	$< 2\%$	1.32%	
Adopt a balanced work program and manage cash within the statutory requirements. (See page 77)	Yes	Yes	
The annual dollar amount of MBE utilization. (See page 80)	Annual Increase	Decreased by \$90.7 million	

Summary of Performance (concluded)

Measure	Objective	FY 08/09 Results	Meets Objective
Average amount of each toll transaction dedicated to covering operational costs. (See page 86)	<16¢	17.3¢	
The revenue variance expressed as a percentage of indicated revenue. (See page 88)	≤5%	3.7%	
The number of SunPass transactions as a percentage of total transactions. (See page 89)	>75% by June 30, 2012	67.1%	





Key Indicators

The indicators in this section put the Department's performance in perspective. While the Department is meeting or exceeding most of its performance measures, increasing Vehicle Miles Traveled (VMT), Congestion and peak-hour travel outstrip the Department's ability to keep pace with demand.

**FIGURE 1—STATE
HIGHWAY SYSTEM**

SUPPLY VS. DEMAND

- Daily vehicle miles traveled decreased by 15,000 or .005%
- 229 lane miles to be added (.54%)
- Supply exceeded demand due to economic conditions

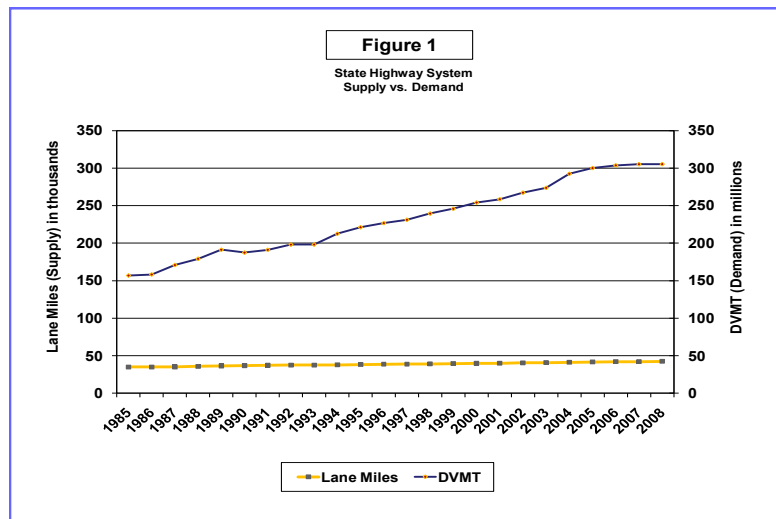
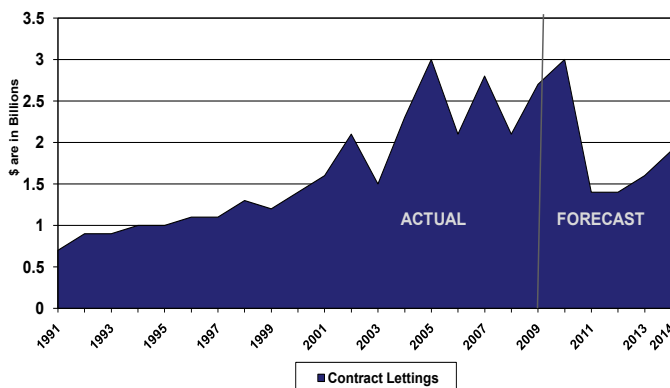


Figure 2

Construction Contract Letting History



**FIGURE 2—CONTRACT
LETTINGS**

HISTORICAL VS.

FORECAST

- \$658 Million in FY 1991
- \$2.7 Billion let in FY 2009
- FY 2009 includes the I-595 P3 Concession
- FY 2010 includes \$1.6 billion of ARRA funds
- FY's 2011 and 2012 only \$1.4 billion each due to reduction in forecast of recurring revenues

Key Indicators

FIGURE 3—FLORIDA INTRASTATE HIGHWAY SYSTEM (FIHS) INTERSTATE LANES

DENSITY-VEHICLES PER LANE MILE

- Growth in vehicles per lane mile during peak hour of travel
- Statewide interstate travel increased at a higher level in 2006 than did interstate travel in the 7 largest counties

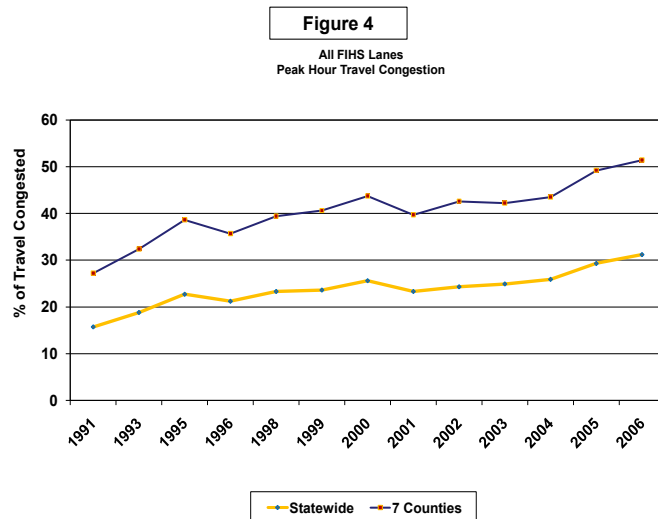
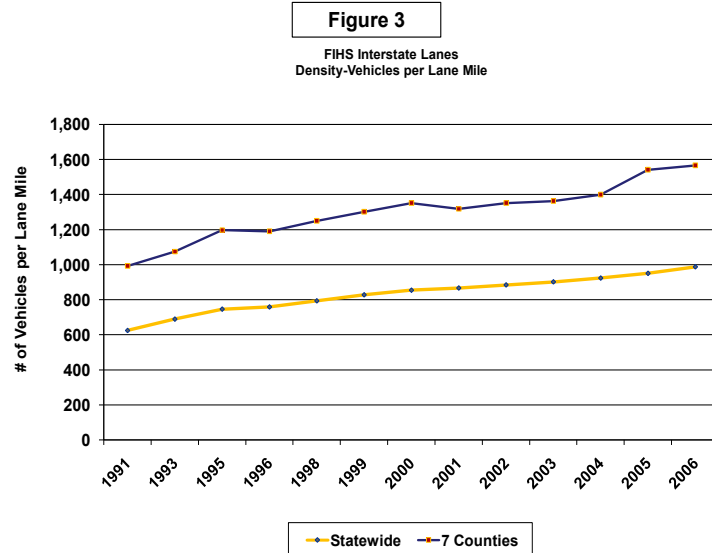
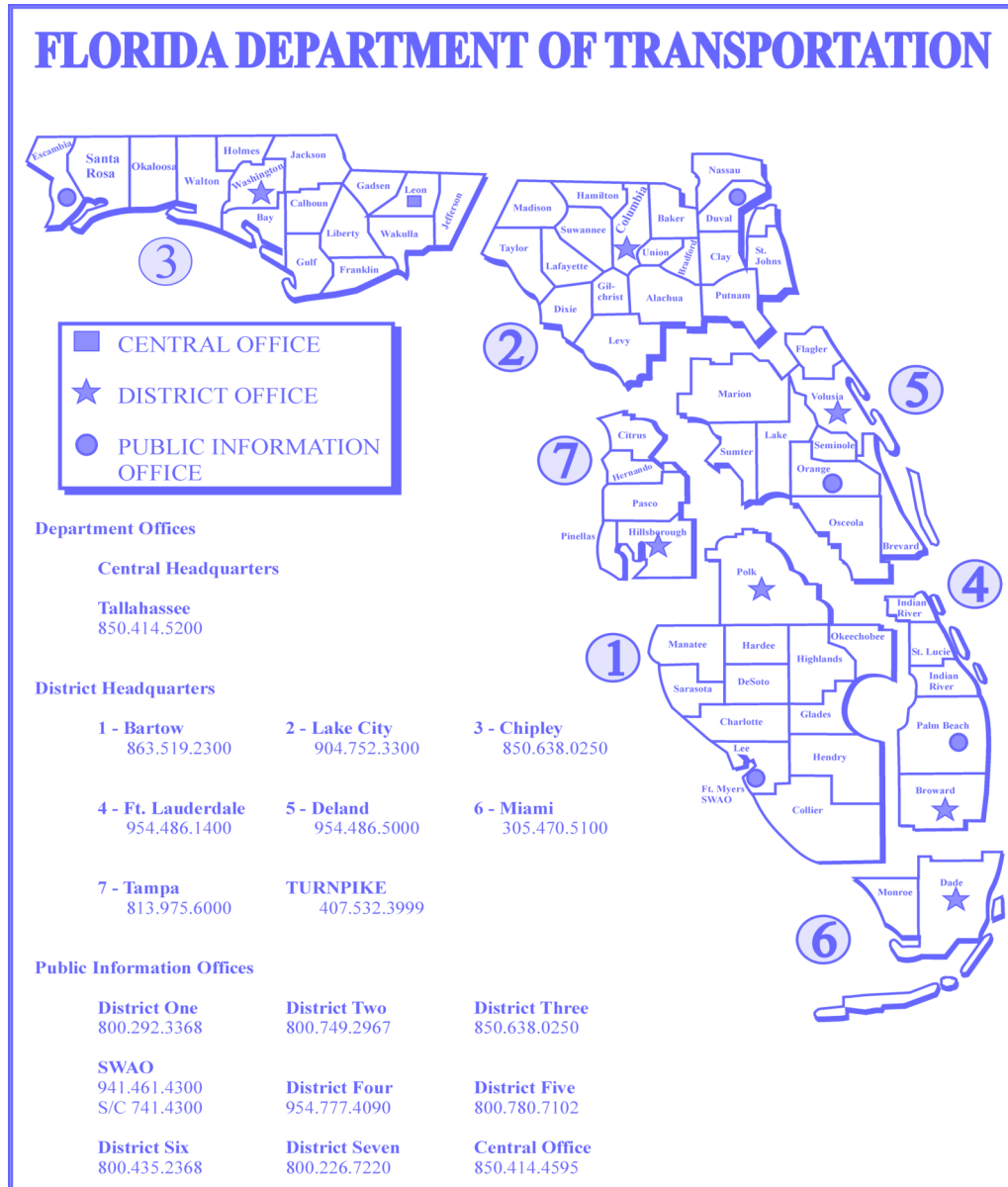


FIGURE 4— ALL FIHS LANES

PEAK HOUR TRAVEL CONGESTION

- Congestion increasing in 7 largest counties faster than statewide
- Metro-Orlando is first in Florida and sixth in nation
- Miami and Tampa-St. Petersburg tie for 2nd in Florida and 11th Nationally

State and District Profiles



Population (millions)	18.8 (est.)
Square Miles	59,928
Counties	67
SHS Lane Miles	42,432
Bridges, Fixed	6,166
Bridges, Movable	94

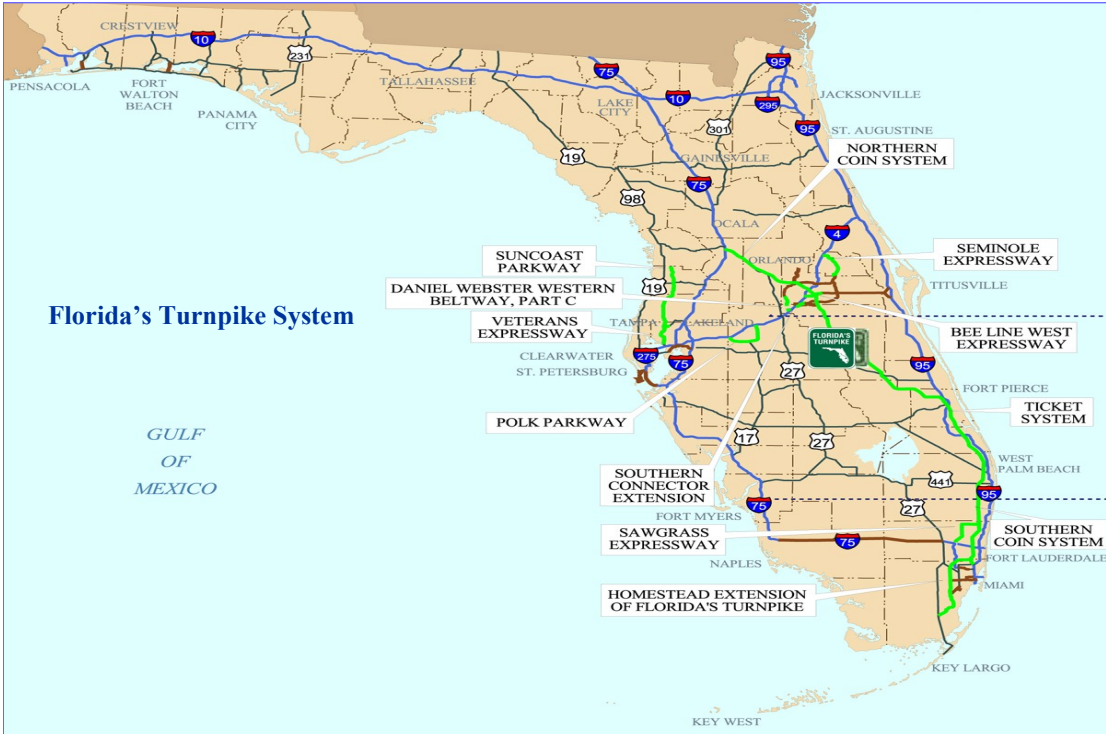
Transit Systems	25
Aviation Facilities	830
Railway Miles	2,887
Deep-Water Ports	14
Tunnel	1
Space Port	1

State and District Profiles

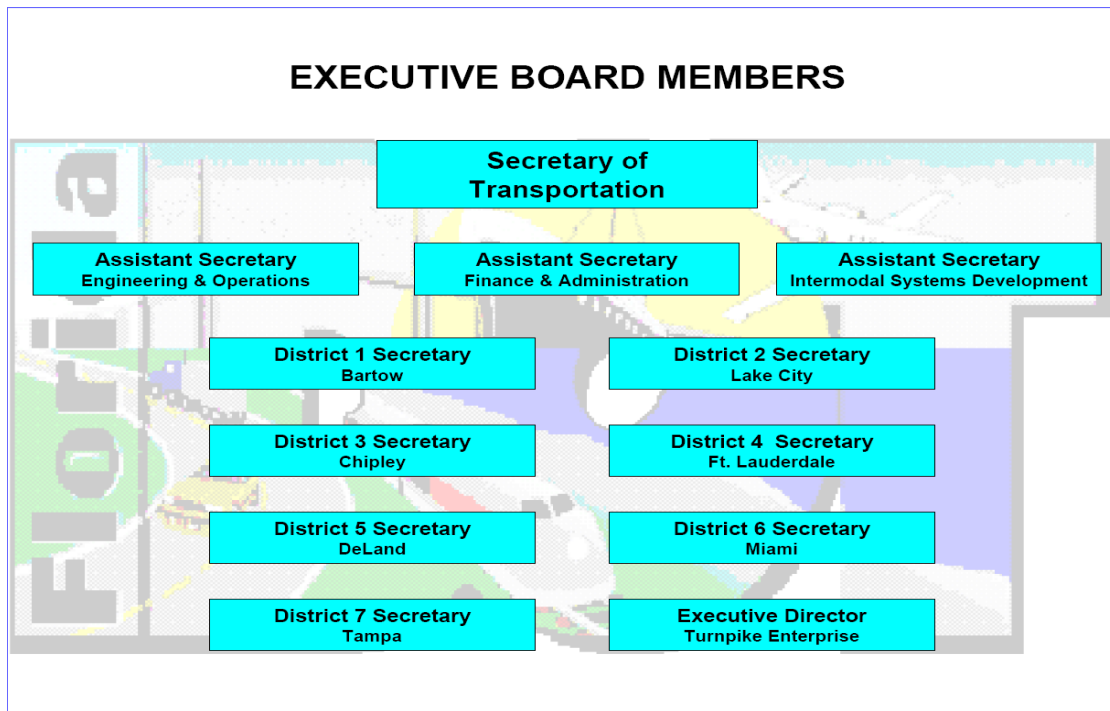
	D-1	D-2	D-3	D-4	D-5	D-6	D-7	Turnpike Enterprise
Population (millions)	2.6	2.0	1.4	3.6	3.7	2.6	2.9	-
Square Miles	11,629	11,865	11,378	4,837	8,282	2,989	3,177	-
Counties	12	18	16	5	9	2	5	-
SHS Lane Miles	6,063	8,147	6,626	6,216	8,008	2,957	4,415	2,053(1)
Bridges, Fixed	892	1,167	784	713	731	437	649	699
Bridges, Movable	15	8	0	37	8	15	11	0
Transit Systems	4	2	4	2	8	2	3	-
Aviation Facilities	169	139	135	98	168	53	68	-
Rail Lines	4	3	4	2	5	2	1	-
Deep-Water Ports	1	2	3	3	1	2	2	-
Tunnel	-	-	-	1	-	-	-	-
Space Port	-	-	-	-	1	-	-	-
Service Plazas	-	-	-	-	-	-	-	8

(1) Lane miles of the Turnpike Enterprise are included in the District in which the roadway is located.

The Turnpike system consists of 460 miles of limited access toll highways in 16 counties in the central and southern areas of the State and is managed by the Turnpike Enterprise. The Turnpike Enterprise is also responsible for toll collection activities for eight off-system facilities.







1. Cost-Effective and Efficient Business Practices: Production

- 1a. Consultant Acquisition
- 1b. Right-of-Way Acquisition
- 1c. Construction Contract Lettings
- 1d. Local Agency Program (LAP)
 - 1.d.1. Consultant Acquisition
 - 1.d.2. Construction Contract Lettings
- 1e. Construction Contract Adjustments

Each year the Department develops a detailed plan (Work Program) of the transportation projects it has committed to undertake during the next five-year period. The Department schedules each project by phase (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 a responsible bidder, the construction firm that will actually build the facility, whether it is a road, bridge or other structure.

The production cycle of a road and bridge begins with the preliminary engineering and design phases, followed by right of way acquisition, and then construction engineering and inspection activities.

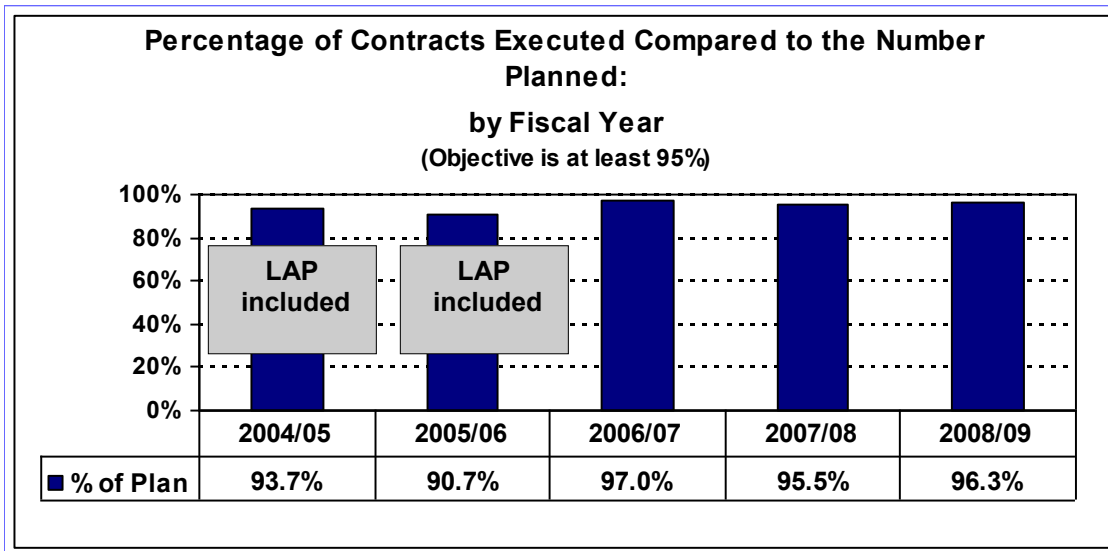
1a. CONSULTANT ACQUISITION

Although the Department employs engineers and other staff to perform design, right of way and inspection functions, it also contracts with private-sector consultants to produce 91% of the design plans, 88% of the right-of-way activities, and 87% of the construction engineering and inspection (CEI) activities. The consultant contracting process is carried out pursuant to Ch. 287 requiring competitive negotiations. Selection of consultants is based on the quality of the technical proposal submitted and, once selected, the price of the contract is negotiated.

Primary Measure: The number of consultant contracts actually executed compared to the number planned.

Objective: Not less than 95% of plan.

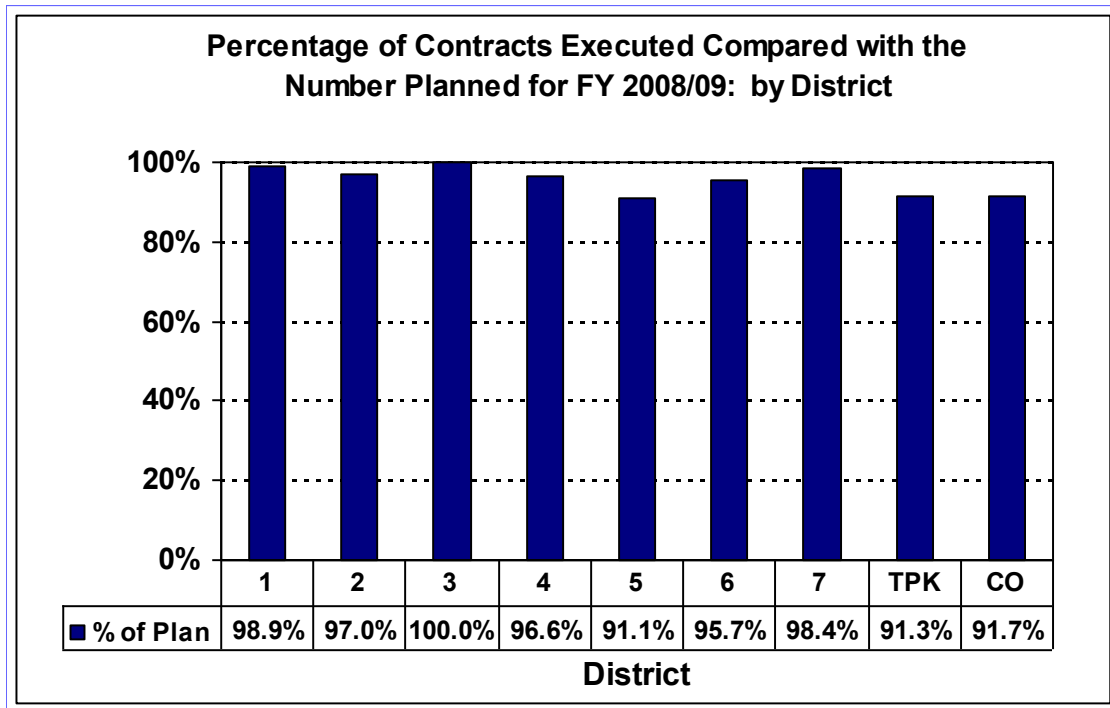
Results: The Department achieved 96.3% of its plan, executing 772 of 802 contracts planned, executing \$535.0 million of contracts. The Department also executed an additional 66 contracts not in the plan valued at \$27.1 million for a production total of 802 contracts valued at \$562.1 million. Another 10 contracts associated with the stimulus plan were also encumbered.



	Fiscal Year				
	2004/05	2005/06	2006/07	2007/08	2008/09
Plan	811	869	711	775	802
Actual	760	788	690	740	772
% of Plan	93.7%	90.7%	97.0%	95.5%	96.3%
Additions	86	46	85	61	66
Total	846	834	775	801	838

1a. CONSULTANT ACQUISITION (cont'd)

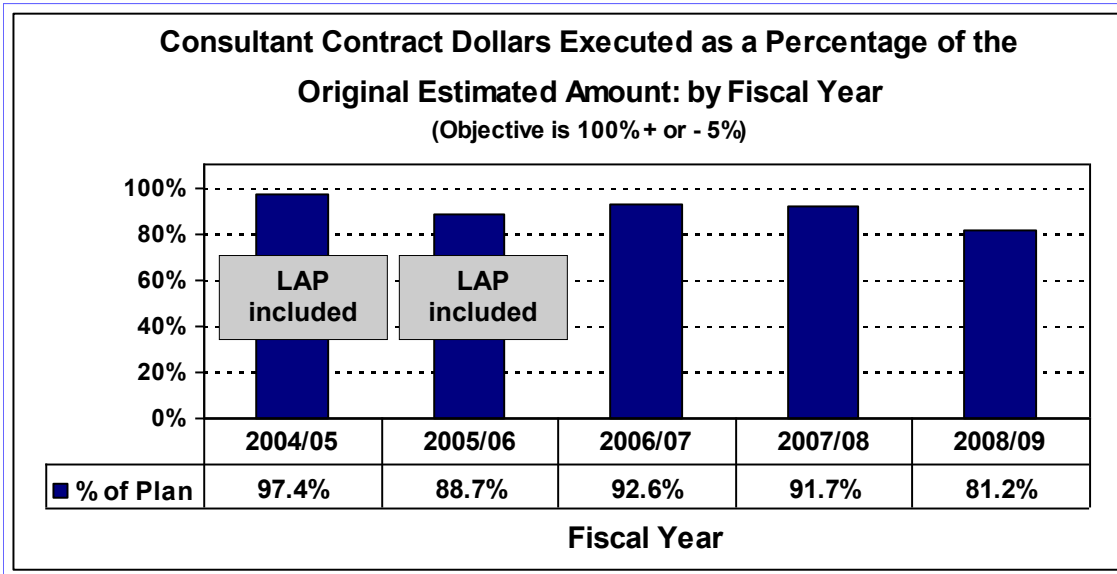
District specific results:



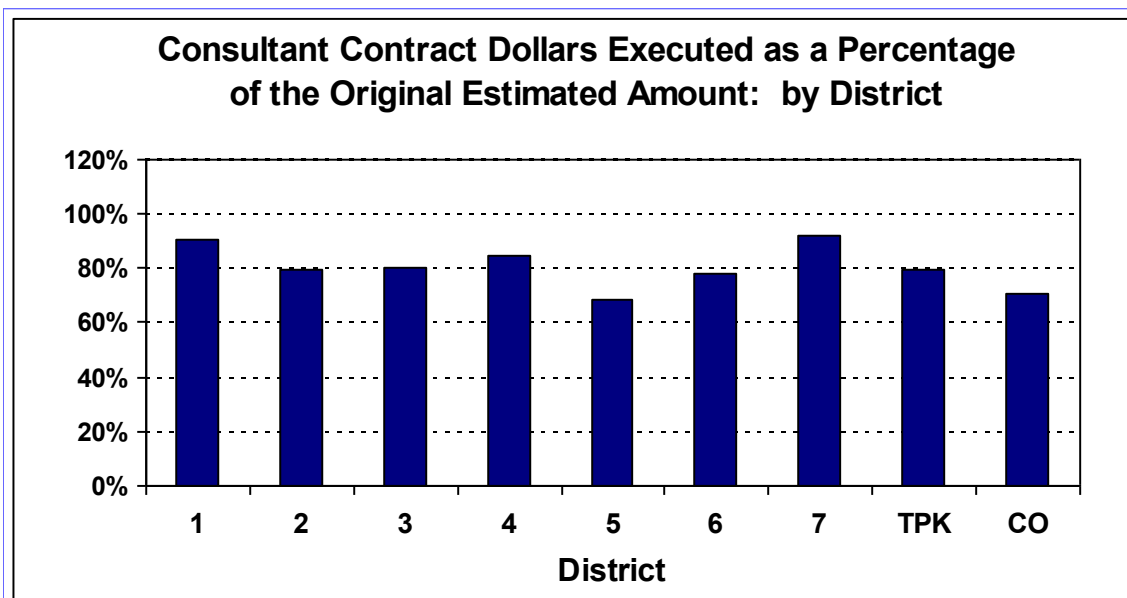
	District								
	1	2	3	4	5	6	7	TPK	CO
Plan	178	66	75	146	79	93	61	92	12
Actual	176	64	75	141	72	89	60	84	11
% of Plan	98.9%	97.0%	100.0%	96.6%	91.1%	95.7%	98.4%	91.3%	91.7%
Additions	0	2	17	26	11	8	2	0	0
Total	176	66	92	167	83	97	62	84	11

Secondary Measure: The following measure is an indicator of how well the Department manages its finances in the contract estimating and negotiation process. The closer to the estimate the price is negotiated, the better utilization of finances. A contract negotiated above the estimate utilizes additional funds and budget; more than 5% under the estimate could result in under utilization of resources and ineffective cash management.

Results: The Department executed \$535.0 million of consultant contracts, which was \$124.0 million less than the estimate of \$659.0 million, or 81.2% of estimate. The Districts and the Turnpike Enterprise have been the beneficiaries of good bids that have lowered the initial cost of consultant services.

1a. CONSULTANT ACQUISITION (concluded)

	Fiscal Year				
	2004/05	2005/06	2006/07	2007/08	2008/09
Estimate	\$675.6	\$710.5	\$749.8	\$672.4	\$659.0
Actual	\$658.0	\$629.9	\$694.1	\$616.7	\$535.0
% of Plan	97.4%	88.7%	92.6%	91.7%	81.2%

District Specific Results:

	District								
	1	2	3	4	5	6	7	TPK	CO
Estimate	\$69.5	\$53.8	\$65.7	\$93.5	\$62.0	\$54.3	\$65.0	\$168.0	\$27.2
Actual	\$63.0	\$42.9	\$52.9	\$78.9	\$42.3	\$42.2	\$59.7	\$133.8	\$19.3
% of Plan	90.6%	79.7%	80.5%	84.4%	68.2%	77.7%	91.8%	79.6%	71.0%

1b. RIGHT-OF-WAY ACQUISITION

In the usual production cycle of a road or bridge project, the necessary right-of-way is acquired prior to the start of construction. With the exception of Design-Build and certain Turnpike Enterprise contracts, which must be “cleared” prior to start of construction, all parcels must be acquired and “cleared” (ready for construction to proceed) before contract letting.

The following performance measures assess the Department’s ability to:

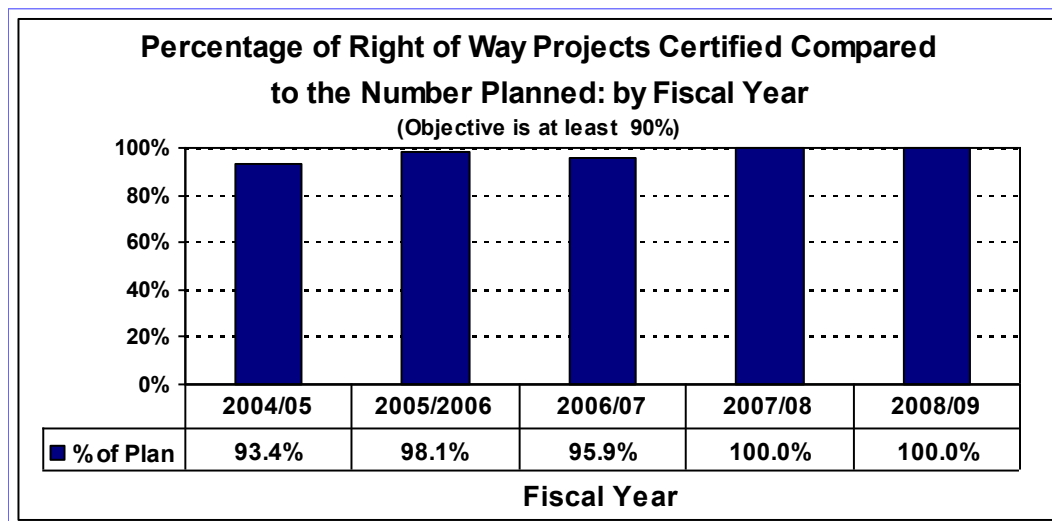
- ◆ Acquire parcels as planned;
- ◆ Acquire parcels based on negotiation versus condemnation;
- ◆ Negotiate parcels within 20% of initial offer;
- ◆ Acquire parcels through condemnations at one-half of price contention difference; and
- ◆ Expend more dollars on land than on ancillary costs.

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. Failure to certify all parcels on schedule for a given project may delay the project and increase project cost.

Primary Measure: Number and percent of projects *certified* versus *planned*.

Objective: Not less than 90% of plan.

Results: The Department certified 42 of 42 projects or 100% of plan. An additional 28 projects not in the plan were also certified.

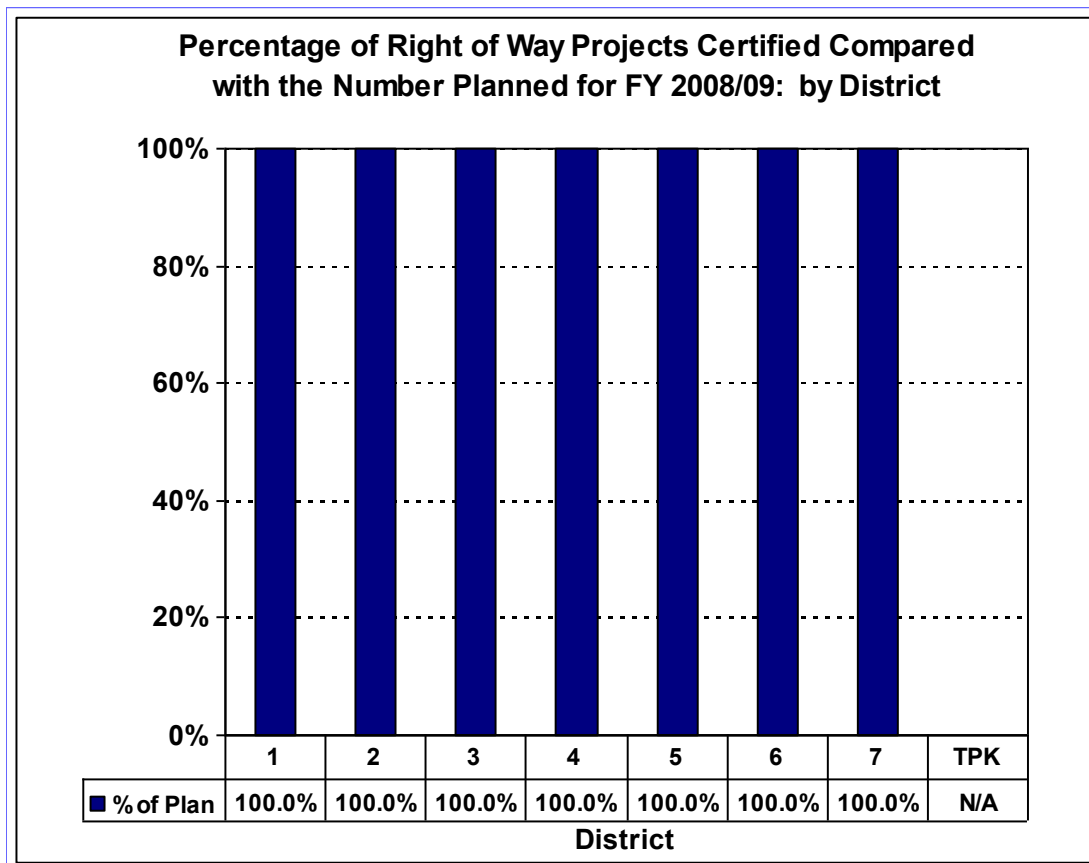


1b. RIGHT-OF-WAY ACQUISITION (cont'd)**Five-Year Statewide Right of Way Certification Data:**

	Fiscal Year				
	2004/05	2005/06	2006/07	2007/08	2008/09
Plan	61	52	49	34	42
Actual	57	51	47	34	42
% of Plan	93.4%	98.1%	95.9%	100.0%	100.0%
Additions	9	18	14	9	28
Total	66	69	61	43	70

District specific results:

All Districts achieved 100% of the plan during 2009.

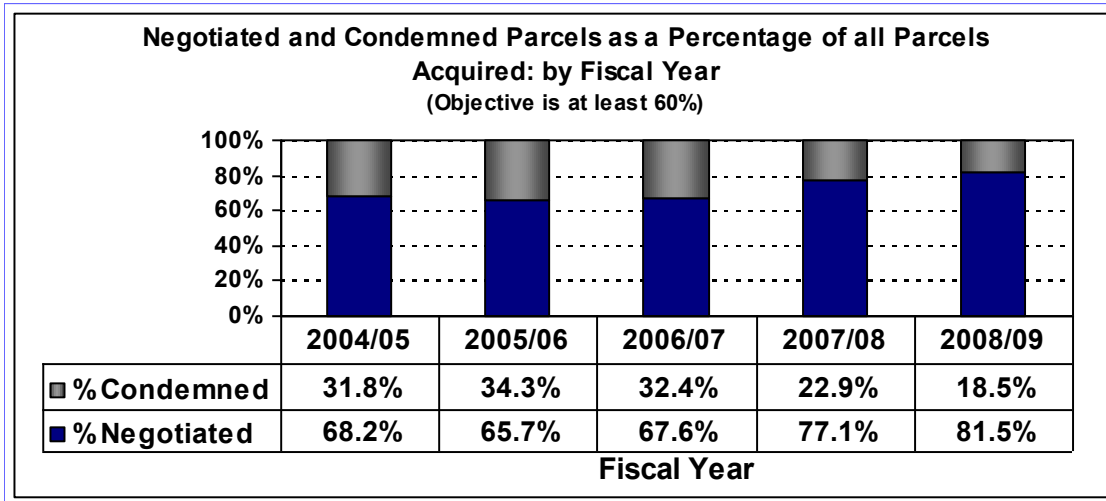


	By District							
	1	2	3	4	5	6	7	TPK
Plan	3	14	5	4	7	3	6	N/A
Actual	3	14	5	4	7	3	6	N/A
Additions	6	4	4	1	0	4	9	N/A
Total	9	18	9	5	7	7	15	N/A

1b. RIGHT-OF-WAY ACQUISITION (cont'd)

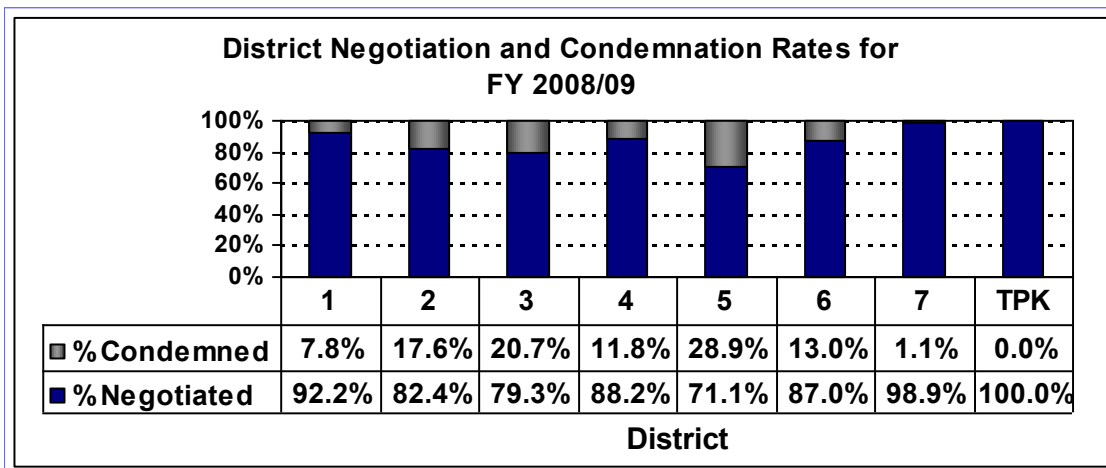
Secondary Measure: Percent of parcels acquired by negotiation, target 60%.

Results: Acquired 81.5% through negotiation.



	Fiscal Year				
	2004/05	2005/06	2006/07	2007/08	2008/09
# Negotiated	925	666	630	688	692
# Condemned	432	347	302	204	157
Total Parcels	1,357	1,013	932	892	849

District specific results:

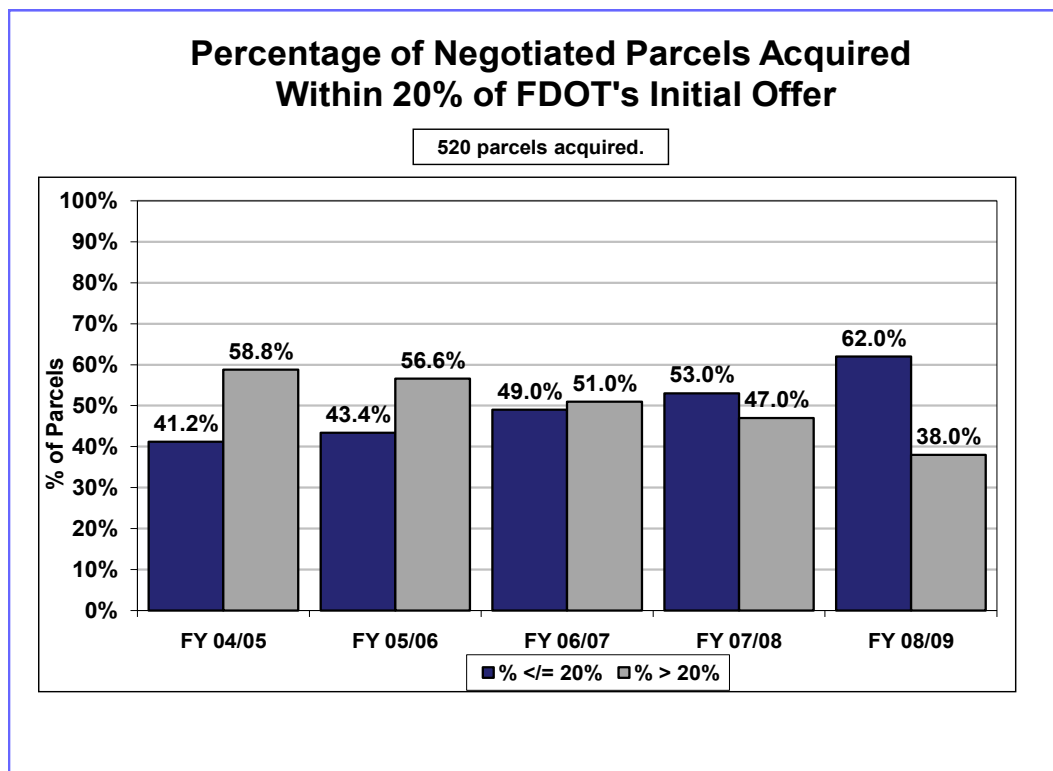


	District							
	1	2	3	4	5	6	7	TPK
# Negotiated	59	122	184	30	165	40	87	5
# Condemned	5	26	48	4	67	6	1	0
Total Parcels	64	148	232	34	232	46	88	5

1b. RIGHT-OF-WAY ACQUISITION (cont'd)

Secondary Measure: Percentage of parcels negotiated within 20 percent of initial offer. This was a new measure beginning in FY 2004/05. The intent is to show that the Department is prosecuting the acquisition of parcels in good faith and that its first offer is the best offer. Presumably, if the Department is prosecuting the acquisition of parcels in an effective and efficient manner, then the percentage of parcels acquired within 20 percent of the initial offer should be substantial.

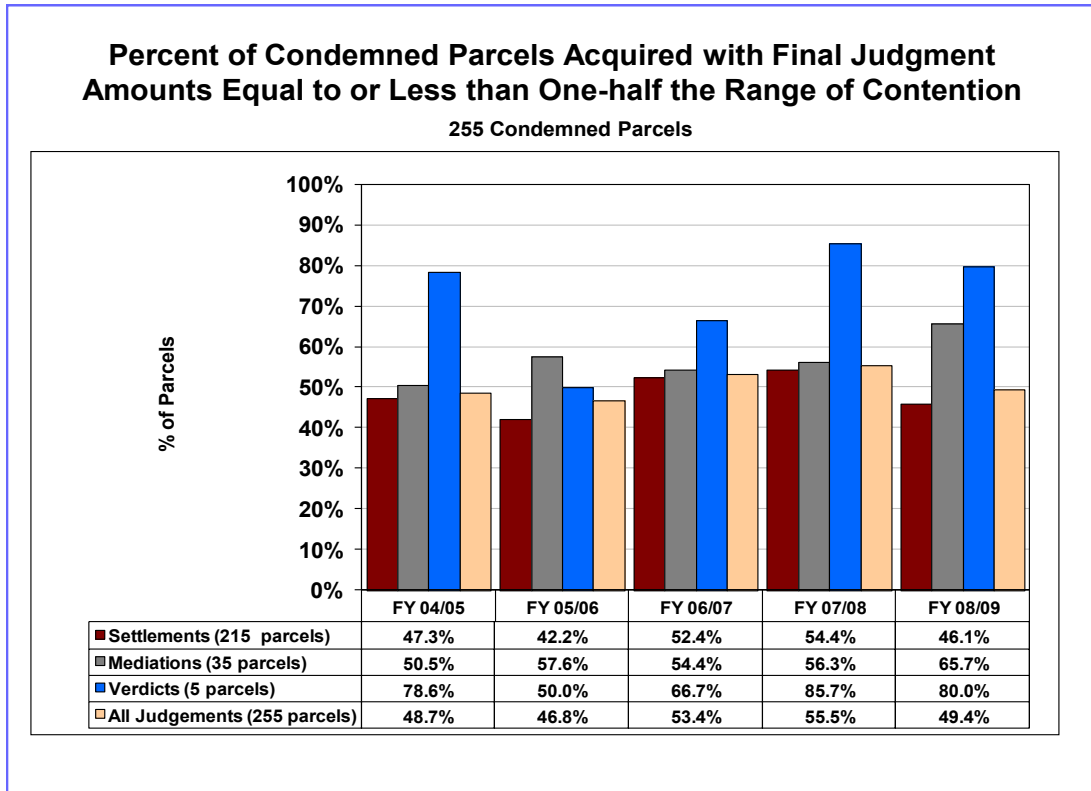
Results: Acquired 62% of parcels within 20% of initial offer.



Secondary Measure: Percentage of condemned parcels acquired equal to or less than one-half of contention difference. Presumably, if the outcome of a final judgment is an even split in the range of contention between the Department and the landowner, then both parties gave and gained something. Thus, a greater percentage of final judgments on the Department side of the range of contention would indicate more successful negotiation on behalf of the state.

1b. RIGHT-OF-WAY ACQUISITION (cont'd)

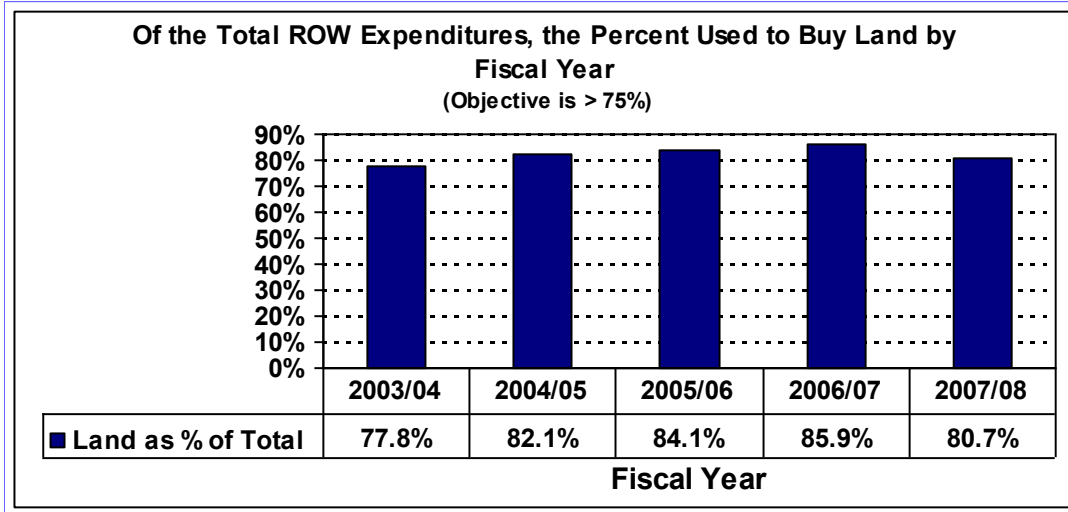
Results: 49.4% of condemned parcels were acquired with final judgment amounts equal to or less than one-half the range of contention.



1b. RIGHT-OF-WAY ACQUISITION (concluded)

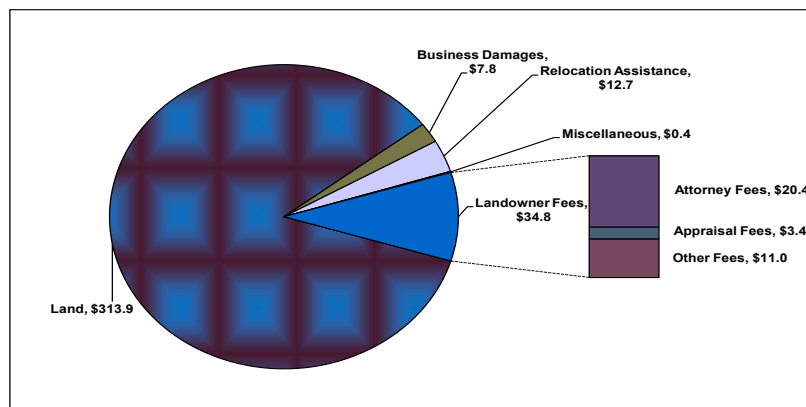
Secondary Measure: Percent of Land cost to total cost; target >75%.

Results: 84.9% of ROW costs were for land.



ROW Expenditures Statewide	FY 2007/08		FY 2008/09		Change	
	\$ (millions)	%	\$ (millions)	%	\$ (millions)	%
Land	\$301.4	80.7%	\$313.9	84.9%	\$12.5	4.3%
Business Damages	\$13.7	3.7%	\$7.8	2.1%	-\$5.9	-1.6%
Landowner Fees	\$41.2	11.0%	\$34.8	9.4%	-\$6.4	-1.6%
Relocation Assist.	\$14.9	4.0%	\$12.7	3.4%	-\$2.2	-0.6%
Miscellaneous	\$2.4	0.6%	\$0.4	0.1%	-\$2.0	-0.5%
Total	\$373.6	100.0%	\$369.6	100.0%	-\$4.0	-1.1%

Right of Way Expenditures – Statewide Summary for FY 2008/09



1c. CONSTRUCTION CONTRACT LETTINGS

The construction phase results in the final tangible product of the Department and accounts for 39% of total dollars in the Work Program. This measure addresses the question “Is the Department building the projects it committed to build, and is it doing so in the time promised?”

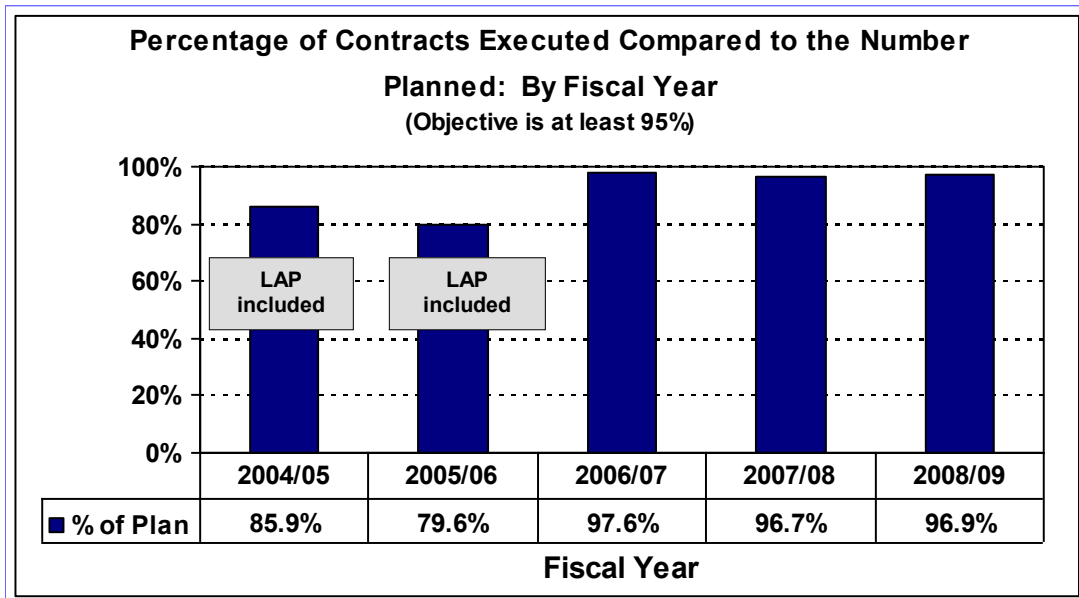
The following performance measures assess the Department’s ability to:

- ◆ Execute construction contracts as planned; and
- ◆ Award contracts within estimated value.

Primary Measure: The number of Construction Contracts executed compared to the number planned.

Objective: No less than 95% of plan.

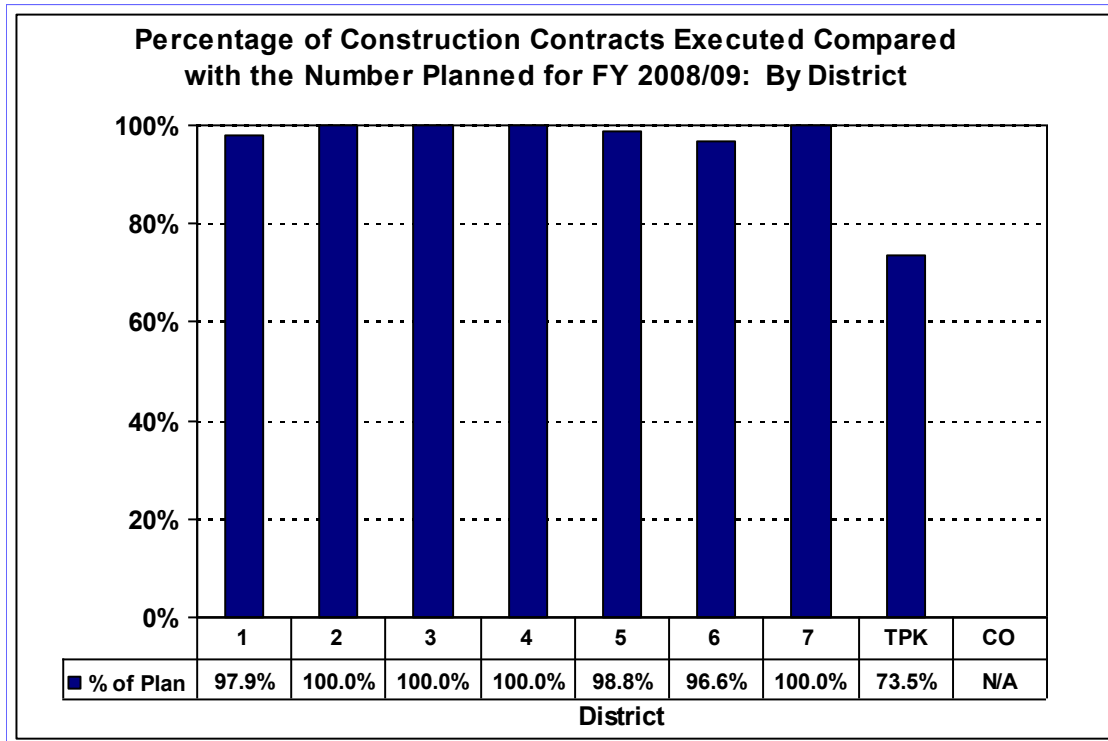
Results: The Department achieved 96.9% of plan, executing 435 of 449 projects planned. The Department executed an additional 59 projects that were not in the plan, valued at \$298.8 million. The ARRA projects accounted for 11 of these advances. A total of 494 projects, valued at \$2.7 billion, were executed and placed in production.



	Fiscal Year				
	2004/05	2005/06	2006/07	2007/08	2008/09
Plan	601	668	458	388	449
Actual	516	532	447	375	435
Additions	69	36	72	55	59
Total	585	568	519	430	494

1c. CONSTRUCTION CONTRACT LETTINGS (cont'd)

District specific results:



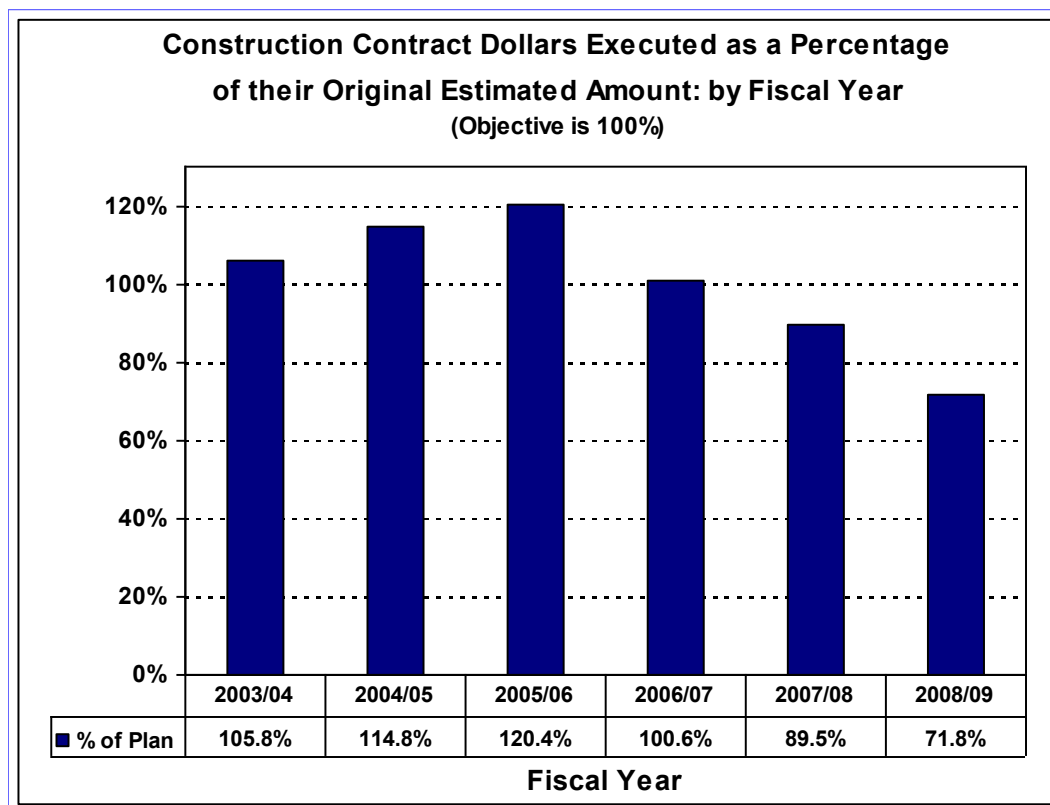
	District								
	1	2	3	4	5	6	7	TPK	CO
Plan	95	58	44	49	84	58	27	34	0
Actual	93	58	44	49	83	56	27	25	0
Additions	4	17	10	1	18	4	5	0	0
Total	97	75	54	50	101	60	32	25	0



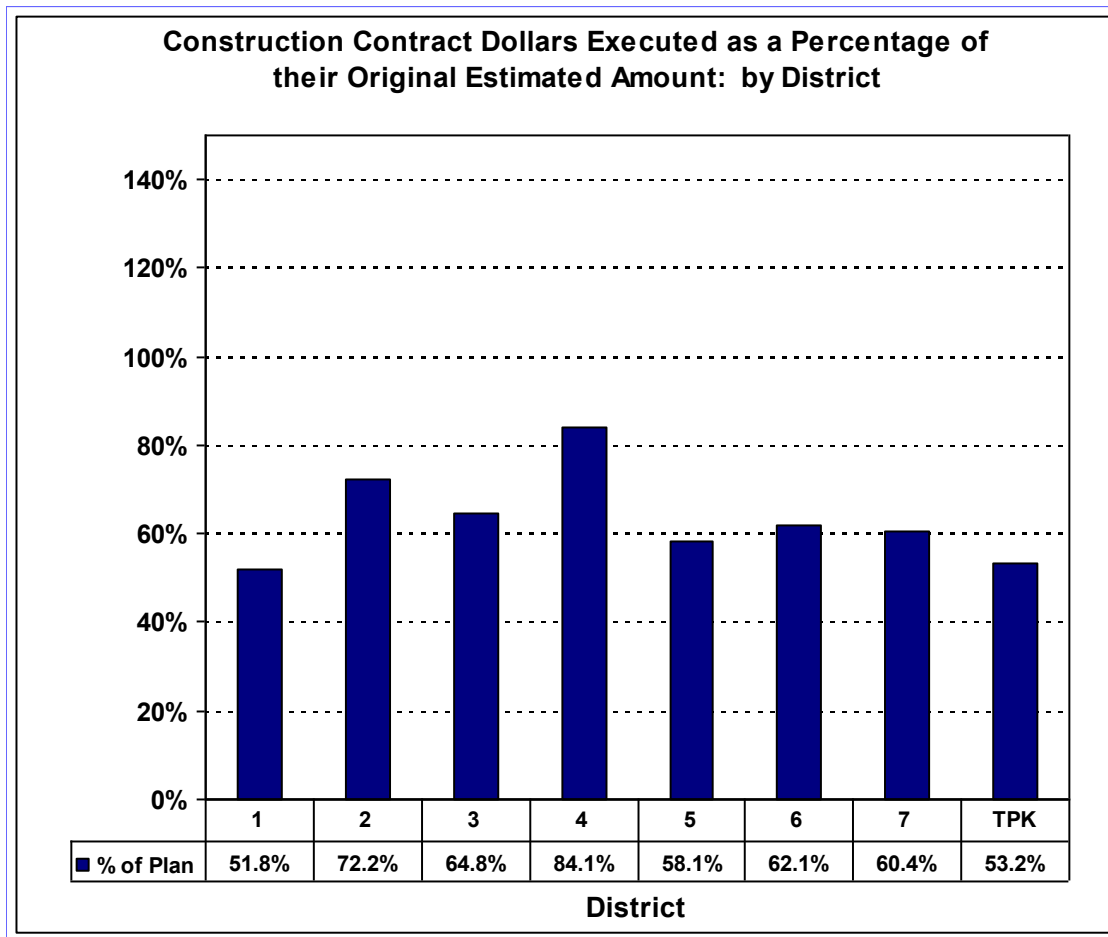
1c. CONSTRUCTION CONTRACT LETTINGS (cont'd)

Secondary measure: *Award amount compared to estimated amount.* This measure is an indicator of how well the Department manages its finances in the construction estimating and awarding process. The closer to estimate the contract is awarded, the better utilization of finances. Contract awards above 100% require additional funds and budget; more than 5% under the goal could result in under utilization of resources and ineffective cash management.

Results: The actual cost of planned lettings was \$2.373 billion, compared to the estimate of \$3.304 billion, or 71.8% of estimate. Even though the components of construction costs continue to increase, the Department has received bids at a much lower initial cost than originally planned, due to economic conditions and competition in the construction industry.



	Fiscal Year				
	2004/05	2005/06	2006/07	2007/08	2008/09
(\$=millions)					
Estimate	\$2,141.9	\$1,659.0	\$2,731.1	\$2,235.3	\$2,372.5
Actual	\$2,458.3	\$1,997.8	\$2,748.6	\$2,001.2	\$3,303.5

1c. CONSTRUCTION CONTRACT LETTINGS (concluded)**District specific results:**

	District							
(\$=millions)	1	2	3	4	5	6	7	TPK
Estimate	\$329.4	\$299.9	\$166.8	\$1,636.1	\$320.0	\$113.9	\$164.5	\$272.9
Actual	\$170.6	\$216.4	\$108.1	\$1,376.2	\$186.0	\$70.7	\$99.4	\$145.1

Due to economic conditions that have persisted over the past year, most notably a downturn in the construction industry, the Department has received more bids per project letting and better prices at time of award. This has resulted in contracts being awarded for about one-third less than estimated, or an initial reduction of \$931 million during FY 2009. The Department will be re-programming the future cash outlays tied to these projects on either new projects or on contingencies to cushion against potential cost increases during the construction phase.

1d. LOCAL AGENCY PROGRAM (LAP)

The Department has historically contracted with other governmental agencies to develop, design, acquire right-of-way, and construct transportation facilities and to reimburse these governmental agencies for services provided to the traveling public. When the Department contracts with Local Agencies for reimbursement to the Local Agencies using Federal funds administered by the Federal Highway Administration (FHWA), the Department will be held accountable to ensure that Certified Local Agencies comply with all applicable Federal statutes, rules and regulations. Locals must be LAP-certified before entering into a LAP Agreement.

The Local Agency Program (LAP) is administered in each District by a District LAP Administrator designated by the District Secretary. Project-level direction and oversight are provided through the District Offices of Planning, Environmental Management, Design, Right-of-Way, Policy Planning, Environmental Management, Federal-Aid, Design, Contracts Administration, Equal Opportunity, Comptroller, and Program Development. The Central Office LAP Administrator chairs the standing committee on standards and practices for local agencies.

LAP projects are programmed in the Work Program, but responsibility for these projects has passed to local governments. In previous years, LAP projects were included in the Consultant Acquisition and Construction Contract Letting measures previously discussed. However, the Performance Measures Working Group (PMWG) determined that the relatively small number of LAP contracts was skewing the results of the consultant and construction contract measures. The PMWG felt strongly that LAP contracts should continue to be a primary measure, but that LAP contracts should be measured separately since much of the control over the execution of LAP contracts rests with the local governments.

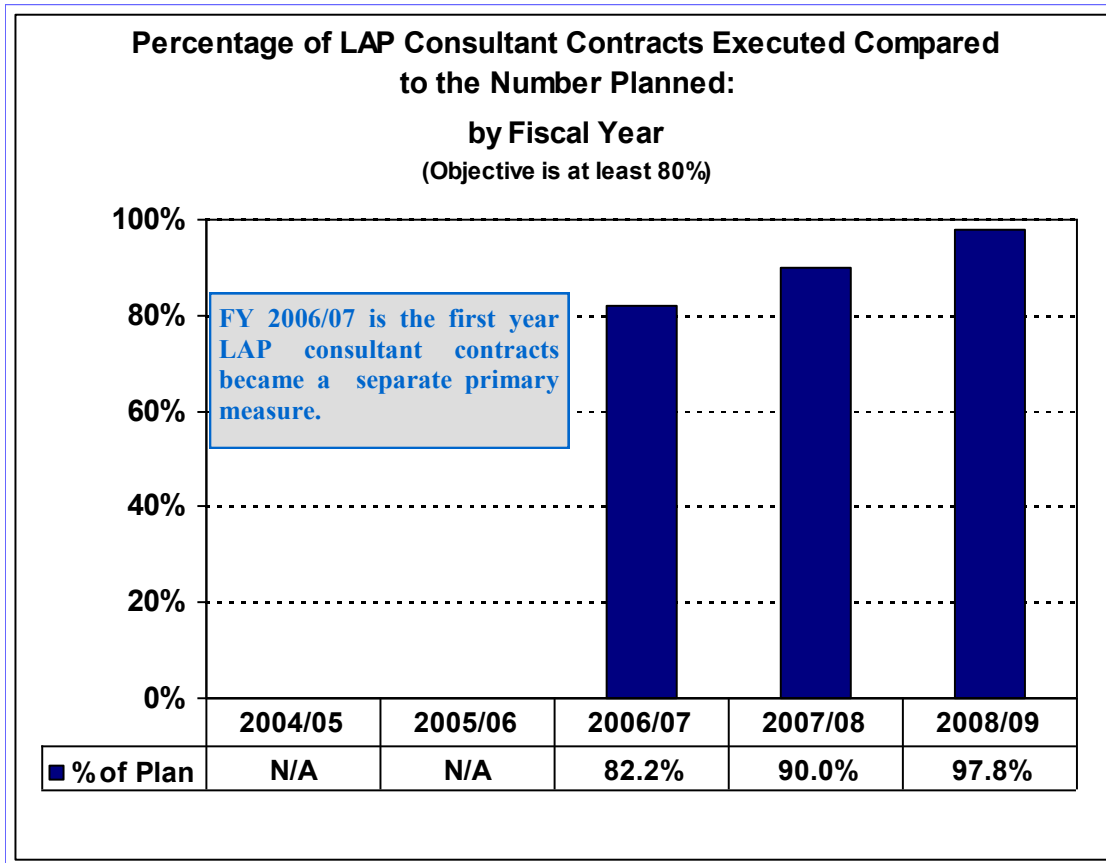


1d1. LAP CONSULTANT ACQUISITION

Primary Measure: The number of consultant contracts actually executed compared to the number planned.

Objective: Not less than 80% of plan.

Results: The Department achieved 97.8% of its plan, executing 45 of 46 contracts planned and valued at \$7.3 million. The Department also executed an additional 6 contracts not in the plan that are valued at \$1.1 million. The 97.8% achievement is the highest since this measure was adopted.



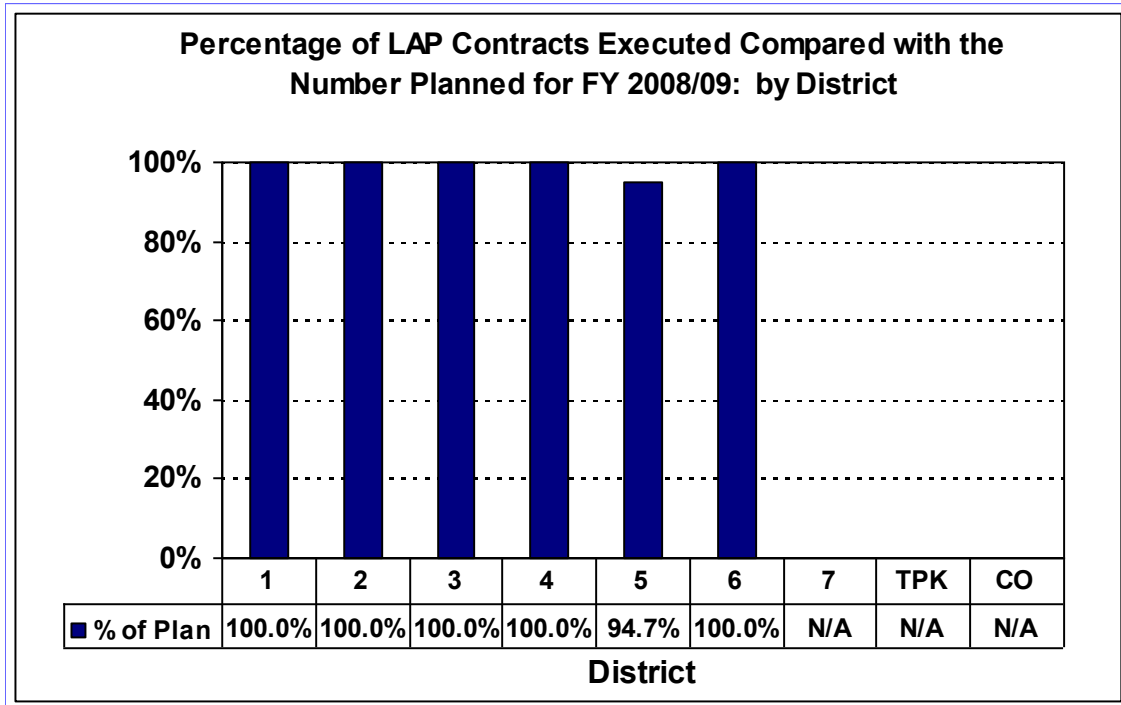
	Fiscal Year				
	2004/05	2005/06	2006/07	2007/08	2008/09
Plan	N/A	N/A	101	60	46
Actual	N/A	N/A	83	54	45
Additions	N/A	N/A	14	19	6
Total	N/A	N/A	97	73	51

Note: Includes planning, preliminary engineering and construction engineering inspection (CEI) consultants.

1d1. LAP CONSULTANT ACQUISITION (cont'd)

District specific results:

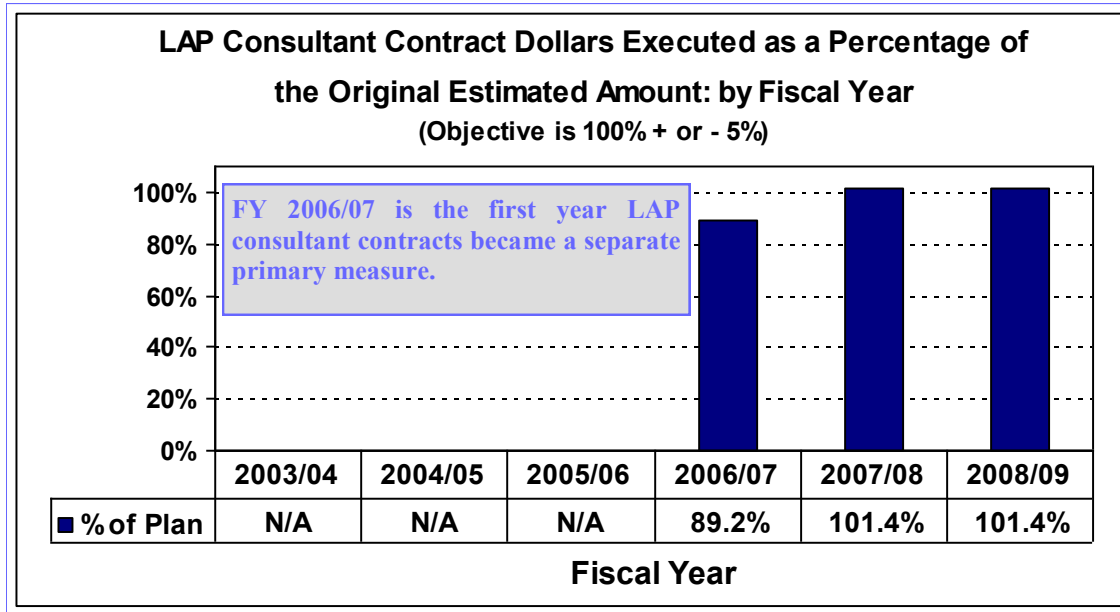
All Districts, with LAP projects planned, except District 5, achieved 100% and all Districts met the goal of 80% for the first time in FY 2009. District 7 had no LAP projects planned.



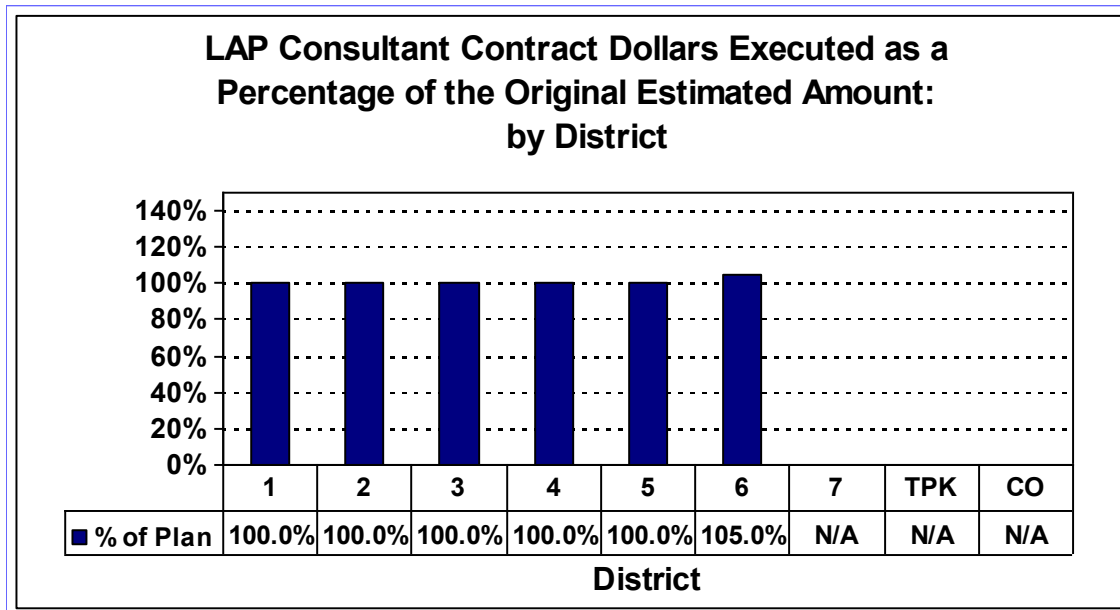
	District								
	1	2	3	4	5	6	7	TPK	CO
Plan	3	4	4	4	19	12	N/A	N/A	0
Actual	3	4	4	4	18	12	N/A	N/A	0
Additions	3	0	2	0	0	1	N/A	N/A	0
Total	6	4	6	4	18	13	N/A	N/A	0

Secondary Measure: The following measure is an indicator of how well the Department manages its finances in the contract estimating and negotiation process. The closer to the estimate the price is negotiated, the better utilization of finances. A contract negotiated above the estimate utilizes additional funds and budget; more than 5% under the estimate could result in under utilization of resources and ineffective cash management.

Results: The Department executed \$7.3 million of consultant contracts, which was \$100 thousand more than the estimate of \$7.2 million, or 101.4% of estimate.

1d1. LAP CONSULTANT ACQUISITION (concluded)

	2004/05	2005/06	2006/07	2007/08	2008/09
Estimate	N/A	N/A	\$27.8	\$14.6	\$7.2
Actual	N/A	N/A	\$24.8	\$14.8	\$7.3

**District Specific Results:**

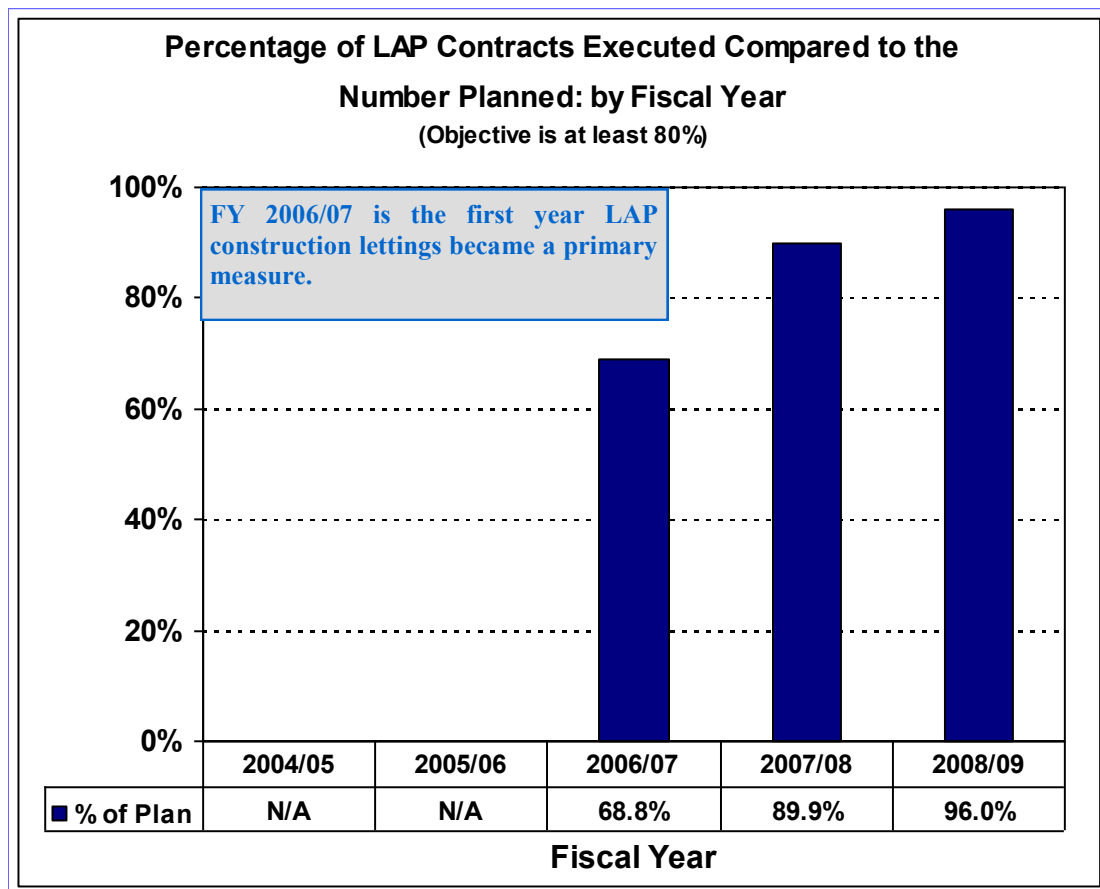
	District								
	1	2	3	4	5	6	7	TPK	CO
Estimate	\$0.4	\$0.4	\$0.4	\$0.5	\$3.5	\$2.0	\$0.0	N/A	\$0.0
Actual	\$0.4	\$0.4	\$0.4	\$0.5	\$3.5	\$2.1	\$0.0	N/A	\$0.0
% of Plan	100.0%	100.0%	100.0%	100.0%	100.0%	105.0%	N/A	N/A	N/A

1d2. LAP CONSTRUCTION LETTINGS

Primary: The number of Construction Contracts executed compared to the number planned.

Objective: Not less than 80% of plan.

Results: The Department achieved 96.0% of plan, executing 95 of 99 projects planned. The Department has continued to improve in this area since this was added as a separate measure in FY 2007. The Department added and executed 12 projects that were not planned and valued at \$12.1 million. There were also 95 ARRA projects encumbered but not executed.

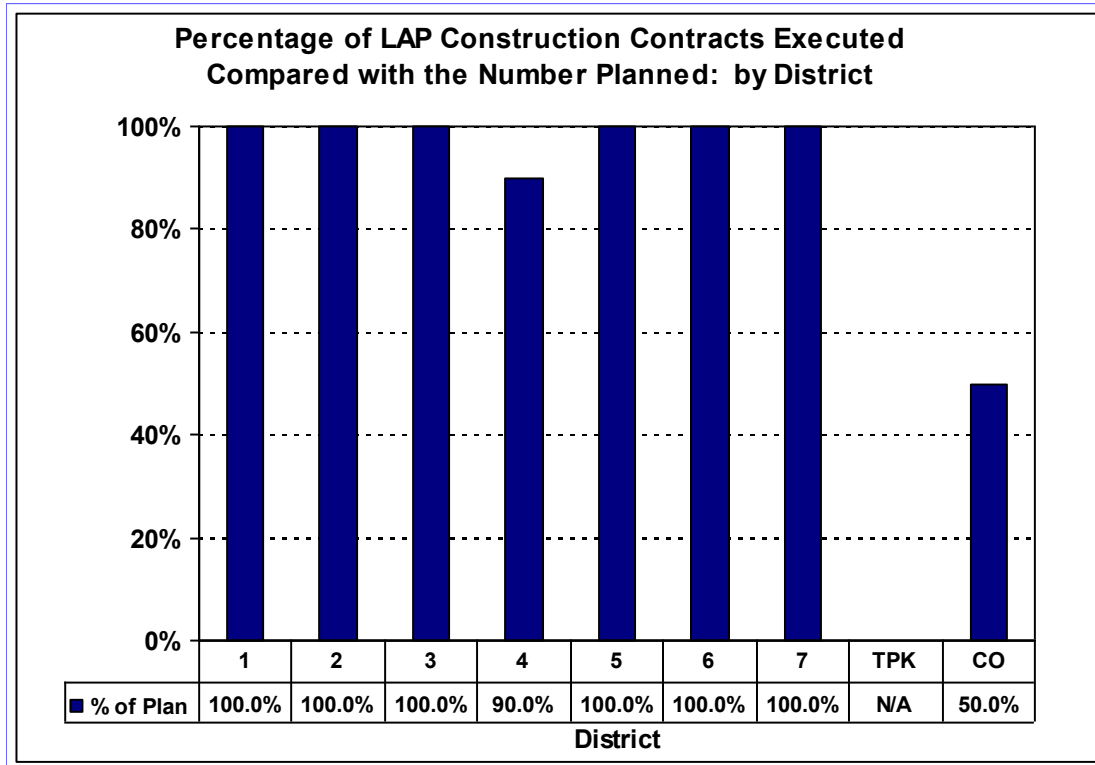


	Fiscal Year				
	2004/05	2005/06	2006/07	2007/08	2008/09
Plan	N/A	N/A	141	119	99
Actual	N/A	N/A	97	107	95
Additions	N/A	N/A	5	26	12
Total	N/A	N/A	102	133	107

1d2. LAP CONSTRUCTION LETTINGS (cont'd)

DISTRICT SPECIFIC RESULTS:

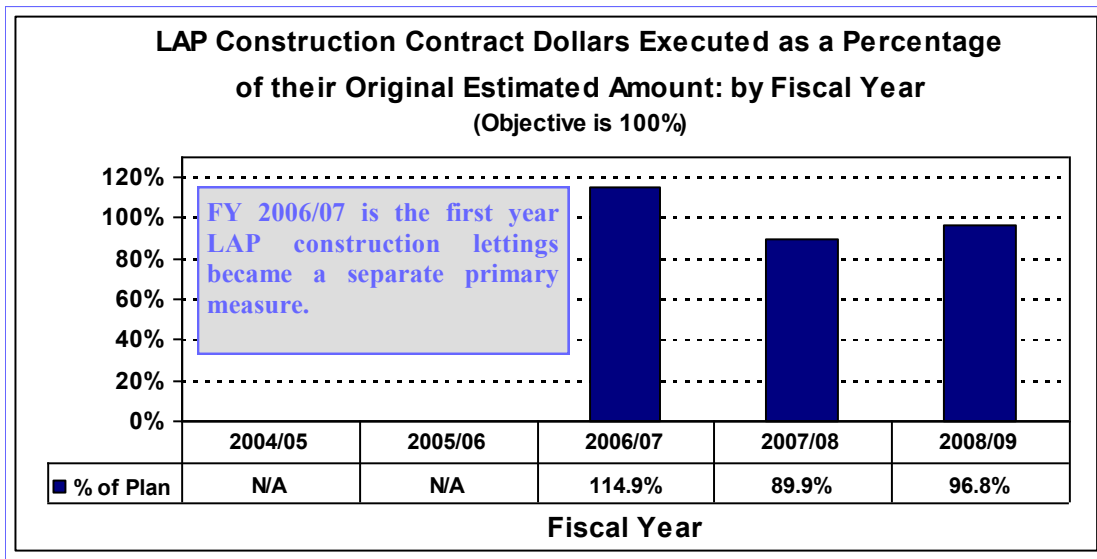
Six Districts achieved 100% and all Districts met the goal of 80%. The Central Office improved from 33% to 50% in FY 2009.



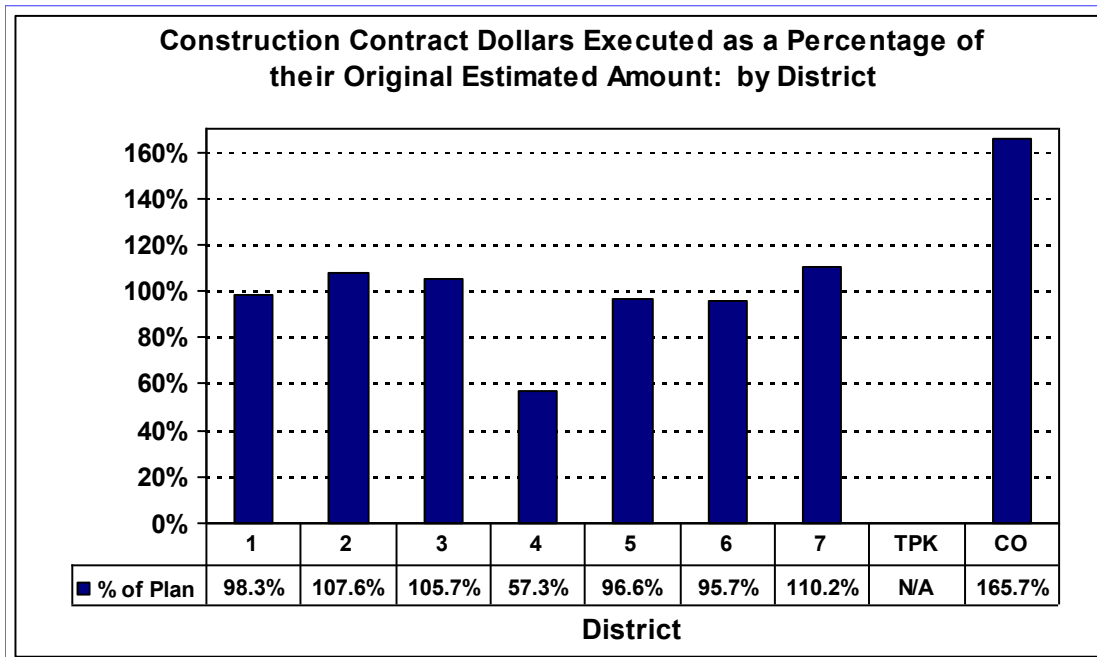
	District								
	1	2	3	4	5	6	7	TPK	CO
Plan	12	9	5	20	9	16	24	0	4
Actual	12	9	5	18	9	16	24	0	2
Additions	1	0	3	0	1	0	7	0	0
Total	13	9	8	18	10	16	31	0	2

Secondary measure: Award amount compared to estimated amount. This measure is an indicator of how well the Department manages its finances in the construction estimating and awarding process. The closer to estimate the contract is awarded, the better utilization of finances. Contract awards above 100% require additional funds and budget; more than 5% under the goal could result in under utilization of resources and ineffective cash management.

Results: The Department executed \$106.4 million of construction contracts, which was \$3.5 million less than the estimate of \$109.9 million, or 96.8% of estimate.

1d2. LAP CONSTRUCTION LETTINGS (concluded)

	Fiscal Year				
(\$=millions)	2004/05	2005/06	2006/07	2007/08	2008/09
Estimate	N/A	N/A	\$91.3	\$89.1	\$109.9
Actual	N/A	N/A	\$104.9	\$86.5	\$106.4

District Specific Results:

	District								
	1	2	3	4	5	6	7	TPK	CO
Plan	\$5.8	\$13.2	\$3.5	\$23.9	\$5.8	\$13.8	\$40.4	N/A	\$3.5
Actual	\$5.7	\$14.2	\$3.7	\$13.7	\$5.6	\$13.2	\$44.5	N/A	\$5.8



1e. CONSTRUCTION CONTRACT ADJUSTMENTS

Time extensions and cost increases are granted to the contractor by the Department due to:

- ◆ rain or other inclement weather conditions (“weather days”);
- ◆ unanticipated environmental/soil conditions (hazardous waste on site);
- ◆ design changes or omissions; and
- ◆ equipment, material or workforce related issues.

Although there are justifiable reasons for time extensions, the Department’s objective is to keep time adjustments to a minimum and complete the project “on time and on budget.” The following measures determine the Department’s ability to manage its construction contracts related to time and cost increases.

CONSTRUCTION CONTRACT TIME ADJUSTMENTS

Time extensions due to inclement weather (“weather days”) are unavoidable and not included in this measure. Time extensions due to holidays are granted by the Department to aid in traffic flow during the holidays and therefore are considered unavoidable and are not included in this measure.

Additional days granted by the Department resulting in time extensions, or authorization of additional work through a supplemental agreement, are included in this measure. If a contractor fails to complete the project within the original contract time plus extensions, the contractor is declared delinquent and must pay liquidated damages for each day delinquent.

Primary Measure: The percentage of contracts that were completed at no more than 20% above the original contract time.

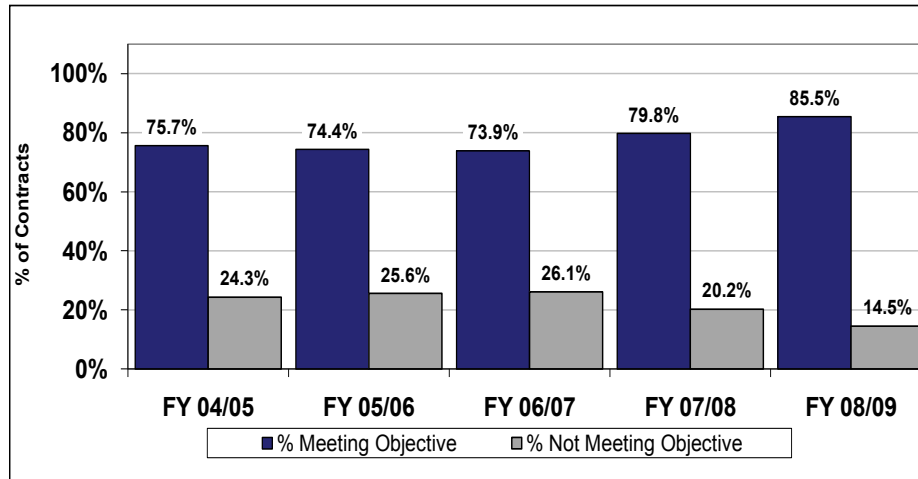
Objective: No less than 80% of completed contracts falling within the 20% threshold.

Results: Of the 394 construction contracts completed, 85.5% (337) were completed within 20% of their original contract time. There has been significant improvement in this area. This performance measure was changed from a measure of additional time over original time to a percentage of contracts meeting an objective. The Department has been successful in keeping overall time to within 10% of original time but a more meaningful measure is how well the majority of projects perform - hence, the new objective. The Department has made great strides in improving the percentage of contracts that are completed within 20% of original time.

1e. CONSTRUCTION CONTRACT ADJUSTMENTS (cont'd)**Time Adjustments: Construction Contracts
Percentage of Contracts Meeting Objective**

Objective: 80% of contracts < or = 20% Over Original Time

394 Contracts Completed

**Five-Year Construction Contract Time Data**

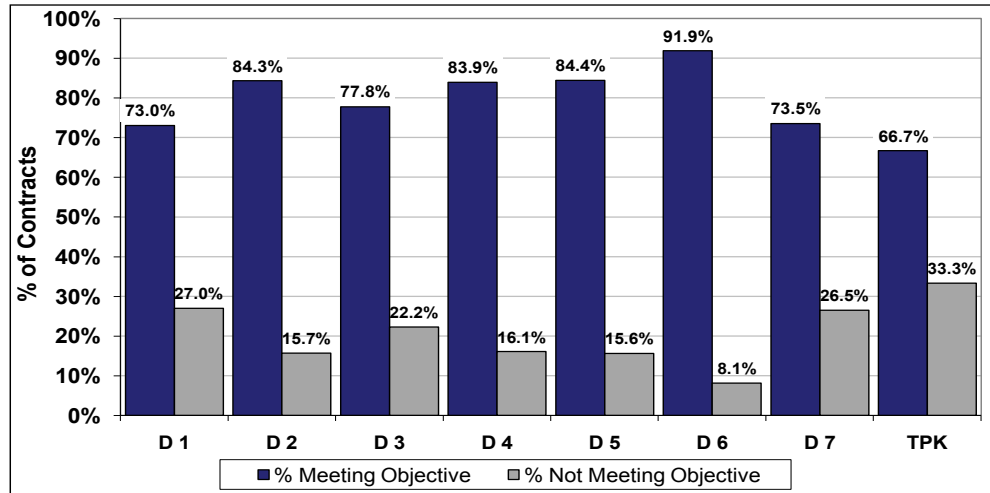
	# of Contracts	# > 20%	% > 20%	# < or = to 20%	% < or = to 20%
FY 08/09	394	57	14.5%	337	85.5%
FY 07/08	440	89	20.2%	351	79.8%
FY 06/07	394	103	26.1%	291	73.9%
FY 05/06	297	76	25.6%	221	74.4%
FY 04/05	296	72	24.3%	224	75.7%

District Specific Results:

All Districts were successful in achieving or exceeding the 80% goal in 2009. Only four Districts met the goal in 2008.

1e. CONSTRUCTION CONTRACT ADJUSTMENTS (cont'd)**Time Adjustments: Construction Contracts by District
Percentage of Contracts Meeting Objective**

Objective: 80% of contracts < or = 20% Over Original Time

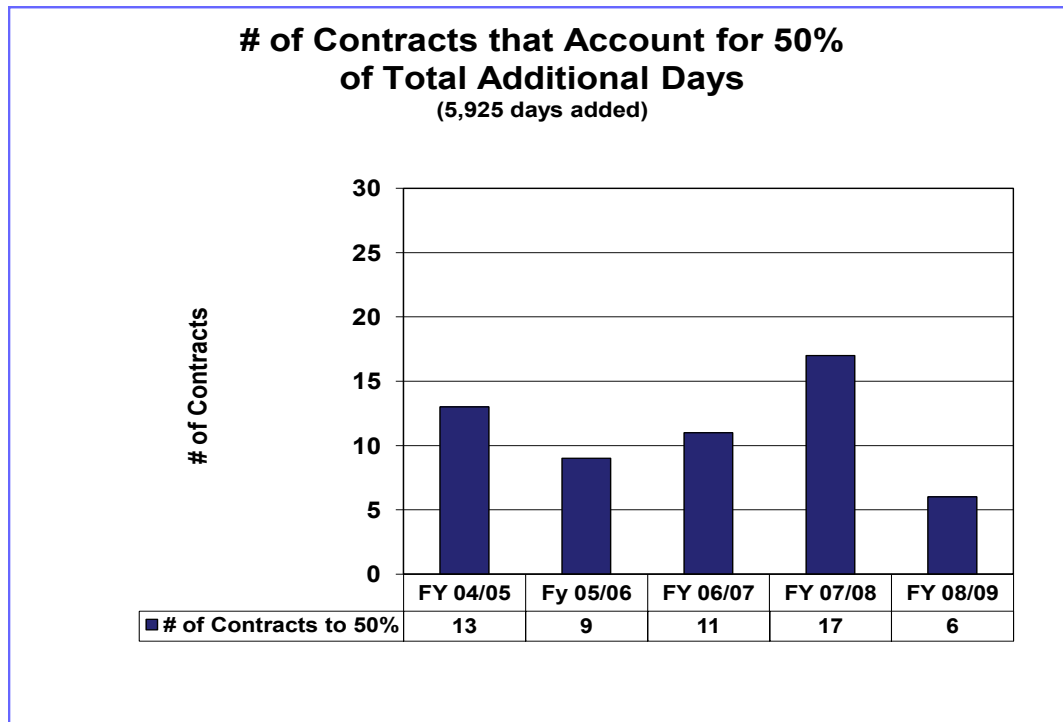


District	# of Contracts	# > 20%	% > 20%	# < or = to 20%	% < or = to 20%
1	68	13	19.1%	55	80.9%
2	49	3	6.1%	46	93.9%
3	47	8	17.0%	39	83.0%
4	56	10	17.9%	46	82.1%
5	65	11	16.9%	54	83.1%
6	32	1	3.1%	31	96.9%
7	48	6	12.5%	42	87.5%
TPK	29	5	17.2%	24	82.8%
Statewide	394	57	14.5%	337	85.5%

Of the 394 contracts closed in FY 2008/09, 6 contracts accounted for 50% of the total additional days.

Original Days:	97,711
Additional Days:	<u>5,925</u>
Total Days:	103,636
Percent Additional Days	6.1%

Contracts Completed:	394
Number of Contracts with 50% of Add Days	6
Percent of Contracts with 50% Add Days	1.5%

1e. CONSTRUCTION CONTRACT ADJUSTMENTS (cont'd)

The 6 contracts accounting for 50% of the additional days:

District	Contract #	Project Description	Original Days	Additional Days	Total Days	% Over
4	21446	Dixie Hwy from SR 704 to Palm Beach Lakes Blvd	855	726	1,581	84.9%
4	T4003	SR 60/Osceola Blvd from MP 7.74 to M 11.80	1,050	588	1,638	56.0%
4	21457	SR 60/Osceola Blvd from MP 14.634 to MP19.00	1,200	516	1,716	43.0%
5	T5043	I-4 Interchange at John Young Parkway	630	400	1,030	63.49%
7	T7001	US 19 from South of NE Coachman Rd to North of Sunset Point	1,260	377	1,637	29.92%
3	T3227	I-10 Arterials Amber Alert Plan Digital MGT Sys Signing	125	362	487	289.6%

1e. CONSTRUCTION CONTRACT ADJUSTMENTS (cont'd)

CONSTRUCTION CONTRACT COST ADJUSTMENTS:

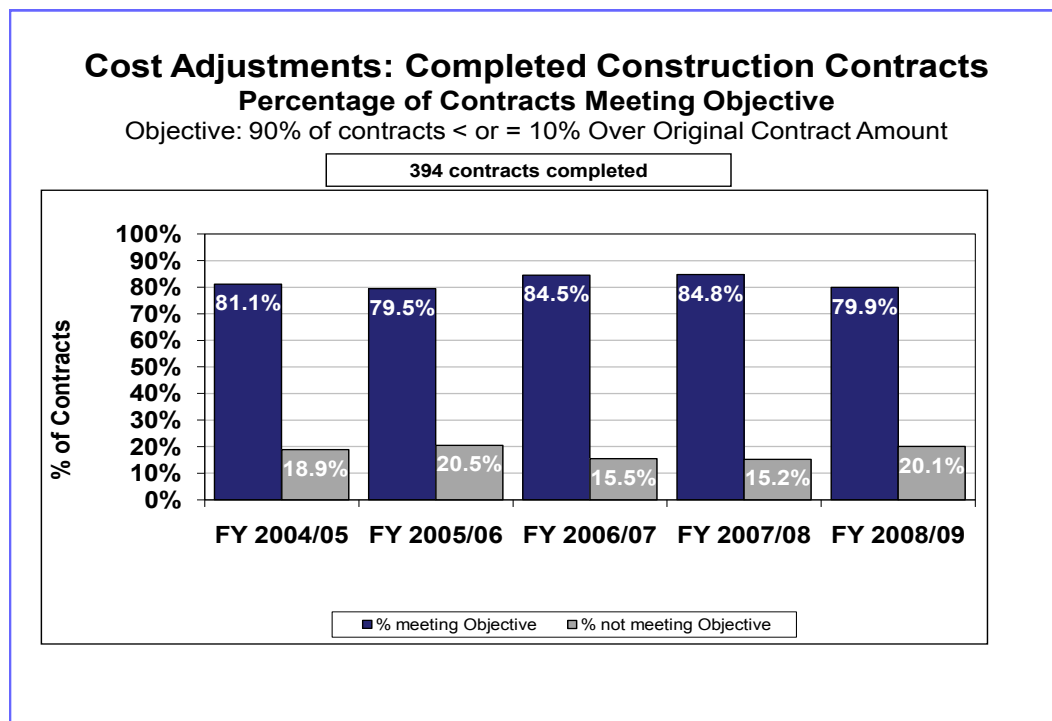
Factors such as changing market conditions, volatile changes in the cost of materials, and the call for aesthetic additions to projects have made cost increases an accepted norm within the construction industry. Additional costs are provided for:

- ♦ Individual work items which may increase by 5% (minor cost overrun);
- ♦ Overruns of 5% which must be authorized through Supplemental Agreement;
- ♦ Supplemental Agreements which authorize additional work at an additional cost; and
- ♦ Claims for work that the Department disagrees with paying (requiring administrative or legal resolution)

Primary Measure: Percentage of construction contracts completed at no more than 10% above original contract amount.

Objective: Not less than 90% of completed construction contracts falling within the 10% threshold.

Results: Of the 394 contracts completed, 315 or 79.9% were within 10% of the original contract amount. This is a decline in performance from FY 2008.

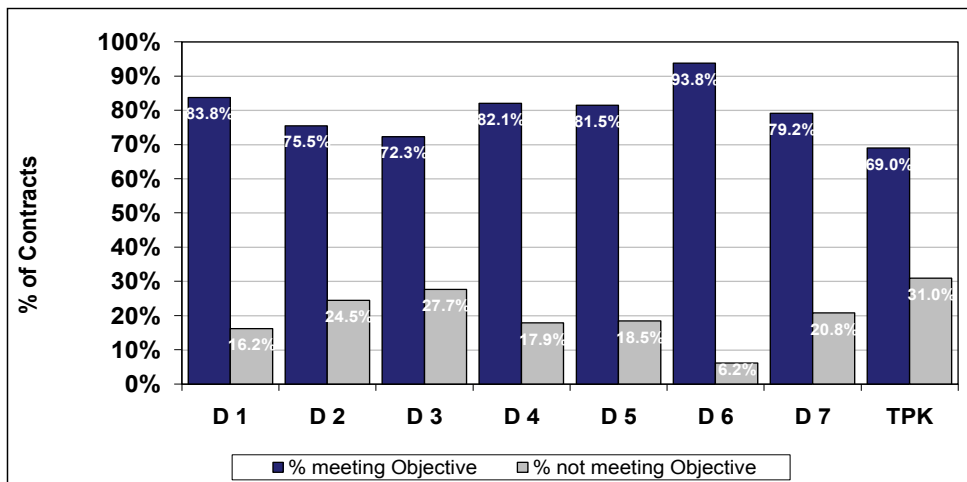


1e. CONSTRUCTION CONTRACT ADJUSTMENTS (cont'd)**Five-Year Construction Contract Amount Data**

	# of Contracts	# > 10%	% > 10%	# < or = to 10%	% < or = to 10%
FY 08/09	394	79	20.1%	315	79.9%
FY 07/08	440	67	15.2%	373	84.8%
FY 06/07	394	61	15.5%	333	84.5%
FY 05/06	297	61	20.5%	236	79.5%
FY 04/05	296	56	18.9%	240	81.1%

District specific results:
Cost Adjustments: Construction Contracts by District
Percentage of Contracts Meeting Objective

Objective: 90% of contracts < or = 10% over original amount



District	# of Contracts	# > 10%	% > 10%	# < or = to 10%	% < or = to 10%
1	68	11	16.2%	57	83.8%
2	49	12	24.5%	37	75.5%
3	47	13	27.7%	34	72.3%
4	56	10	17.9%	46	82.1%
5	65	12	18.5%	53	81.5%
6	32	2	6.2%	30	93.8%
7	48	10	20.8%	38	79.2%
TPK	29	9	31.0%	20	69.0%
Statewide	394	79	20.3%	315	79.9%

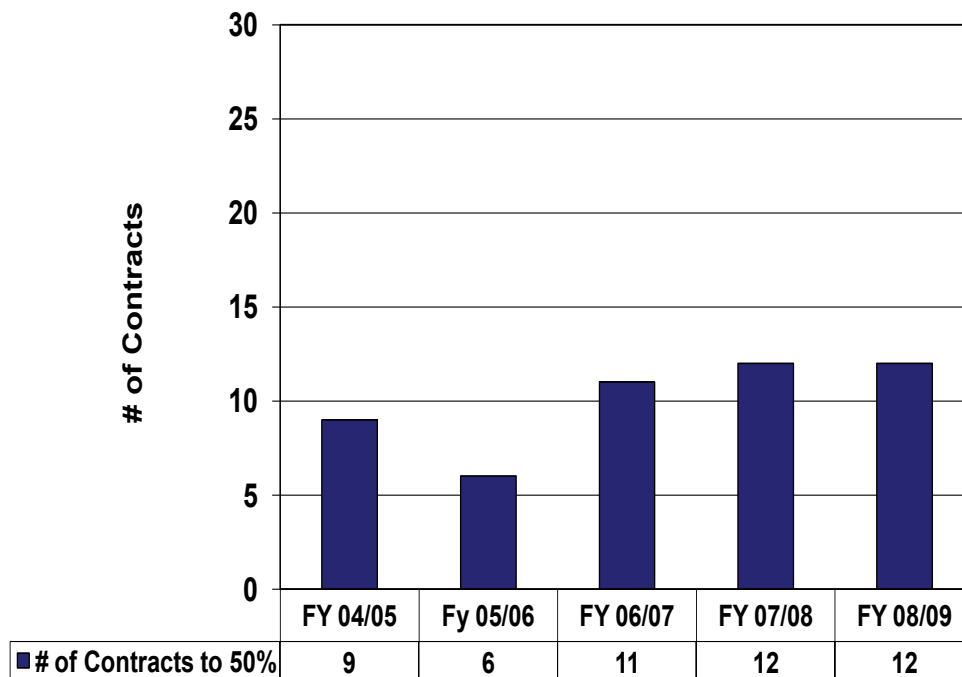
1e. CONSTRUCTION CONTRACT ADJUSTMENTS (cont'd)

Of the 394 contracts closed during FY 2008/09, 12 contracts accounted for 50% of the total additional cost.

Total Original Amount	\$2.494 Billion
Additional amount:	<u>.202 Billion</u>
Total Amount:	\$2.696 Billion
Percent Additional Amount	8.10%

Contracts Completed:	394
Number of Contracts with 50% of added Cost	12
Percent of Contracts with 50% added Cost	3.04%

**# of Contracts that Account for 50%
of Total Additional Cost**
(\$202.2 million in additional costs)



1e. CONSTRUCTION CONTRACT ADJUSTMENTS (cont'd)

The 12 construction contracts accounting for 50% of the additional costs:

District	Contract #	Project Description	Original Amount	Additional Amount (\$= millions)	Total Amount	% Over
7	T7011	I-4 from West of 14th Street to East of 59th Street	\$149.8	\$26.3	\$176.1	17.6%
2	T2117	I-95 from Lem Turner to Hecksher	\$53.3	\$11.0	\$64.3	20.7%
FTE	E8F16	Widen Turnpike Atlantic to Lantana	\$31.2	\$8.5	\$39.7	29.3%
5	T5071	I-95 from Palm Coast Parkway to St. Johns County Line	\$73.0	\$7.7	80.7	10.6%
6	T6047	MIC/MIA Interchange	\$71.2	\$6.6	\$77.8	9.22%
4	T4003	SR 60/Osceola Blvd from MP 7.74 to MP 11.8	\$35.1	\$6.6	\$41.7	18.7%
5	T5043	I-4 Interchange at John Young Parkway	\$38.7	\$6.2	\$44.9	16.0%
FTE	E8F78	Widen Turnpike from MP 254 - 259 (Beeline to I-4)	\$56.7	\$5.8	\$62.5	10.2%
4	21446	Dixie Hwy from Lake View to Palm Beach Lakes Blvd	\$8.6	\$5.7	\$14.3	66.2%
4	21457	SR 60/Osceola Blvd from MP 14.634 to 19.0	\$30.4	\$4.9	\$35.3	16.3%
3	T3152	I-10 from West of Yellow River to East of Shoal River	\$11.3	\$4.7	\$16.0	41.8%
2	T2223	I-95 from Hecksher to SR 9A	\$21.0	\$4.6	\$25.6	21.8%

FTE = Florida's Turnpike Enterprise

1e. CONSTRUCTION CONTRACT ADJUSTMENTS (cont'd)

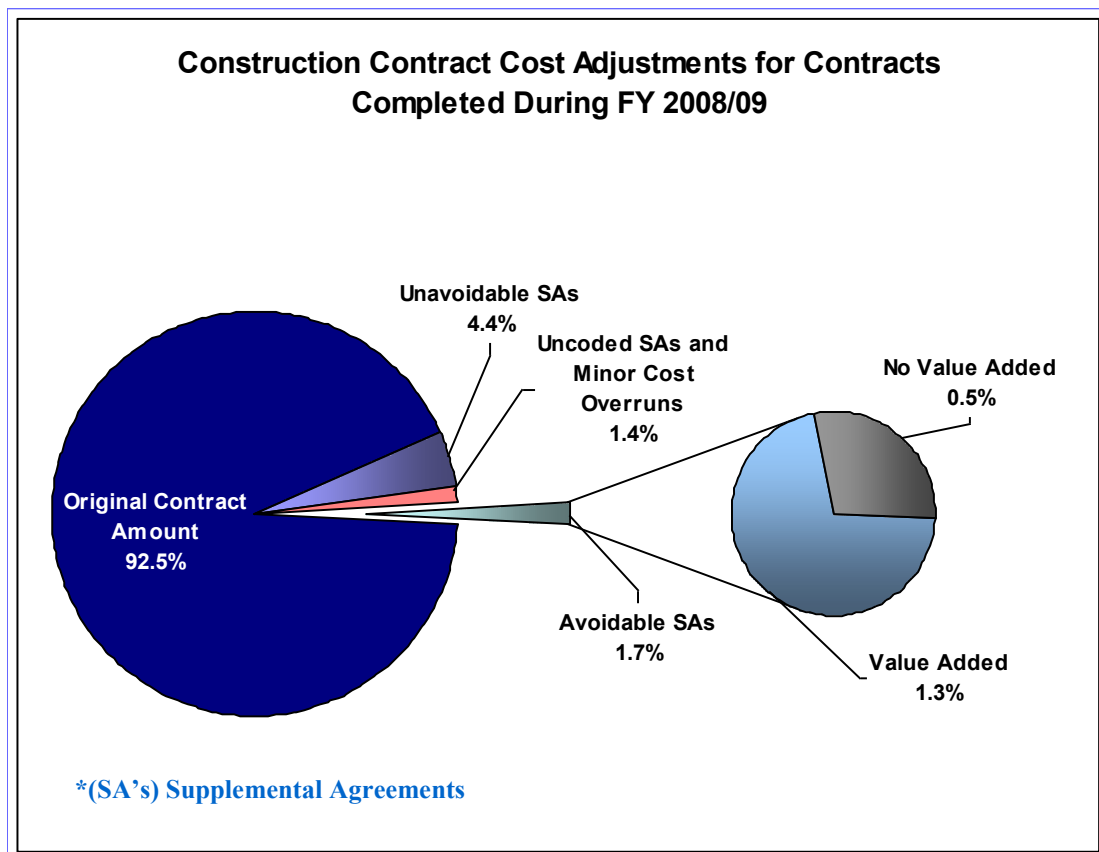
Supplemental Agreements: Avoidable and Unavoidable

Supplemental Agreements (SA's) comprised almost 94% of cost adjustments to closed construction contracts. Minor cost overruns make up the other 6%. Nearly all supplemental agreements add value to the project because they purchase additional labor and materials necessary for the project to become functional as project requirements change during the construction process.

However, there are avoidable costs related to material quantities and "delay costs". To the extent these costs are avoidable and responsible parties identified, the Department should pursue monetary recovery where recovery is cost effective.

Secondary Measure: The additional amounts paid attributable to supplemental agreements that were determined to be avoidable.

Results: Of the final amount paid of \$2.696 billion on 394 contracts closed, \$48.1 million (1.78%) was deemed avoidable and of this amount, \$34.2 million (1.3%) added value and \$13.9 million did not add value to the projects.



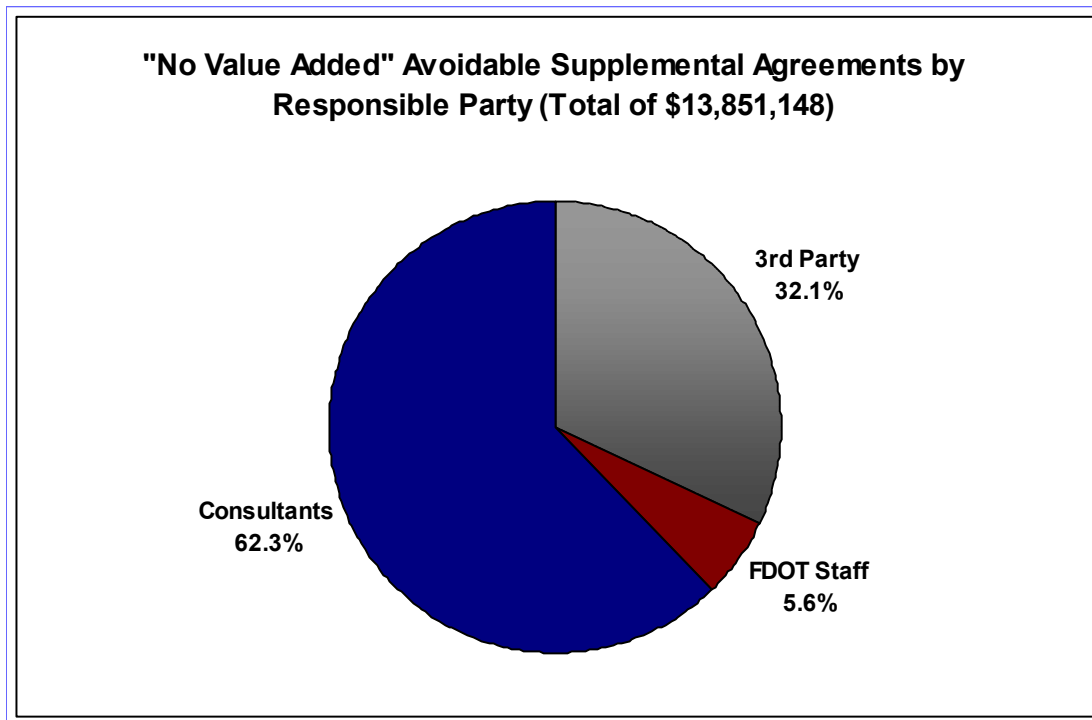
1e. CONSTRUCTION CONTRACT ADJUSTMENTS (concluded)

Supplemental Agreements (SA's): Avoidable and Unavoidable

The Department should focus its efforts on identifying the reasons for the avoidable supplemental agreements where no value was added. This totaled \$13.9 million in FY 08/09.

	Amount	%	Avoidable SAs		
Original Contract Amount	\$2,494,001,557	92.50%	Value Added	\$34,193,198	1.27%
Unavoidable SAs	\$117,545,317	4.36%	No Value Added	\$13,851,148	0.51%
Avoidable SAs	\$48,044,346	1.78%	Total	\$48,044,346	1.78%
Uncoded SAs	\$0	0.00%			
Minor Cost Overruns	\$36,577,555	1.36%			
Total Final Amount Paid	\$2,696,168,775	100.0%			

Parties responsible for avoidable supplemental agreements:



Responsible Party	Amount	%
3rd Party	\$4,440,894	32.06%
Consultants	\$8,632,119	62.32%
FDOT Staff	\$778,135	5.62%
Total Avoidable SA Amount	\$13,851,148	100.00%

Note: 3rd Party refers to local governments and utility companies.



2. Preservation of Current State Highway System

2a. Bridges

2b. Pavement

2c. Routine Maintenance

This section reports on the Department's ability to preserve and maintain its road, bridge and other infrastructure assets. The Department is charged with:

- ◆ Preserving the billions of dollars of capital investment;
- ◆ Providing for a safe means of transportation for the residents and visitors of the State;
- ◆ Correcting structural deficiencies to avoid costly major reconstruction efforts;
- ◆ Preserving a transportation network essential to the State's economic vitality;
- ◆ Preserving the structural integrity of the roads through periodic resurfacing; and,
- ◆ Maintaining the aesthetic and environmental qualities of the system through pothole patching, mowing, litter removal, signing and striping.

2a. BRIDGES

Fast Facts:

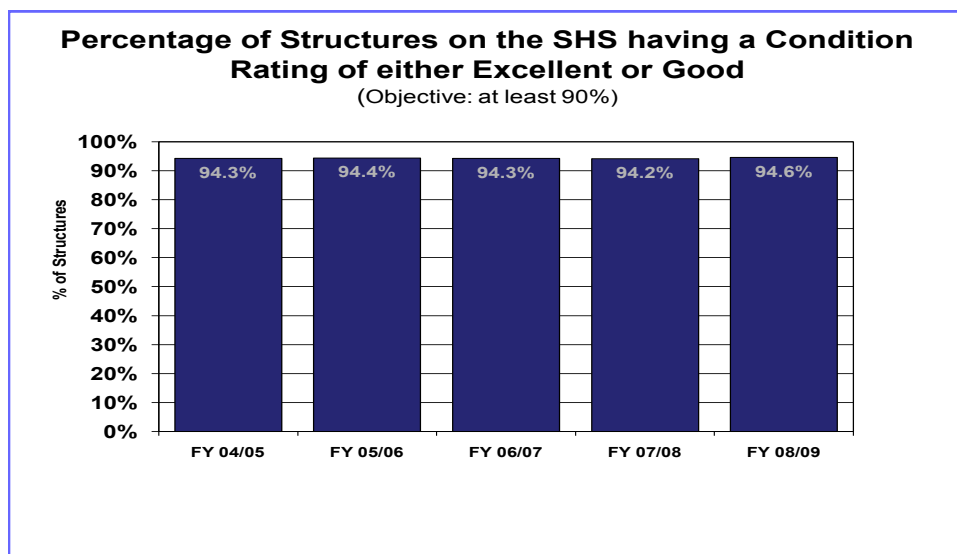
- ♦ There are 11,309 bridges in Florida.
- ♦ 6,166 are the responsibility of the Department of Transportation.
- ♦ The Department inspects all bridges, including local bridges, for structural deficiencies once every two years.
- ♦ No bridge, including a local bridge, is allowed to become unsafe for the traveling public.
- ♦ Florida law requires the Department to meet the annual needs for repair and replacement of bridges on the State Highway System.
- ♦ Focus is on preserving bridges through cost effective repairs and preventive maintenance.

BRIDGE CONDITION

Primary Measure: Percentage of bridge structures on the State Highway System (SHS) rated either “excellent or good” (substructure, superstructure and deck), or the culvert condition rating. This includes bridges on the Tampa-Hillsborough County Expressway System maintained by the Department, but not the Orlando-Orange County Expressway System or Miami-Dade Expressway System bridges, which are not maintained by the Department.

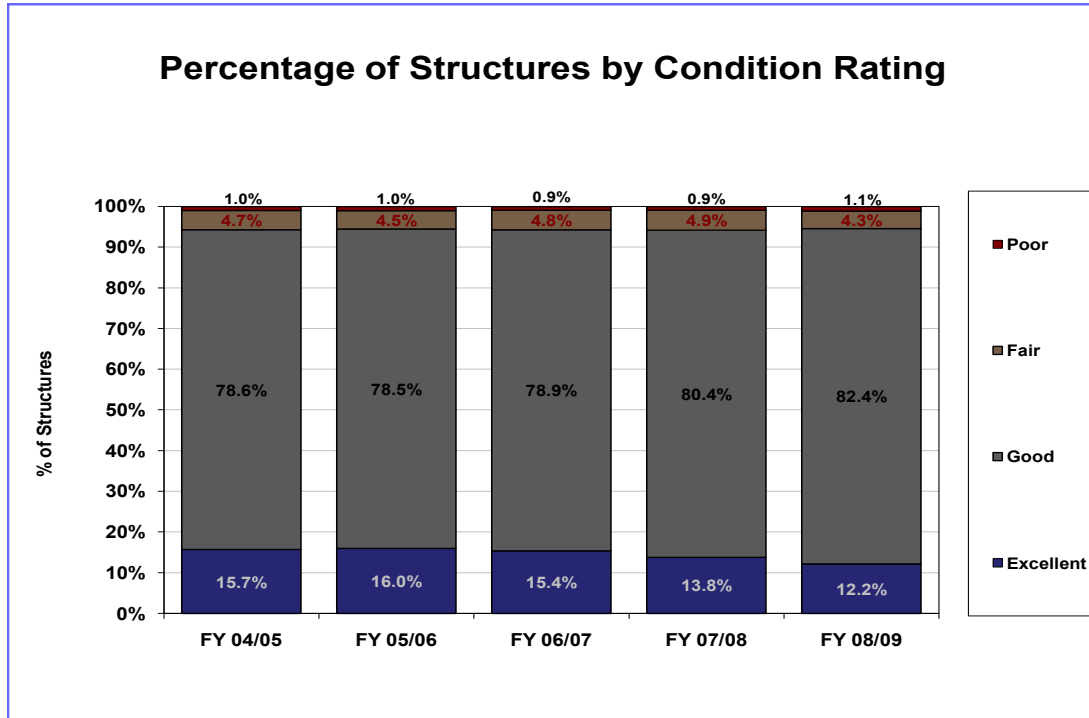
Objective: At least 90% of all bridge structures on the SHS having a condition rating of “excellent or good.”

Results: 94.6% of SHS bridges were rated “excellent or good.”



2a. BRIDGES (cont'd)

CONDITION RATING:



FHWA Rating	Condition Rating	# of Bridges	% of Total
8 or 9	Excellent	751	12.18%
6 or 7	Good	5,082	82.42%
5	Fair	268	4.35%
0 to 4	Poor	65	1.05%
Totals		6,166	100.00%



2a. BRIDGES (cont'd)

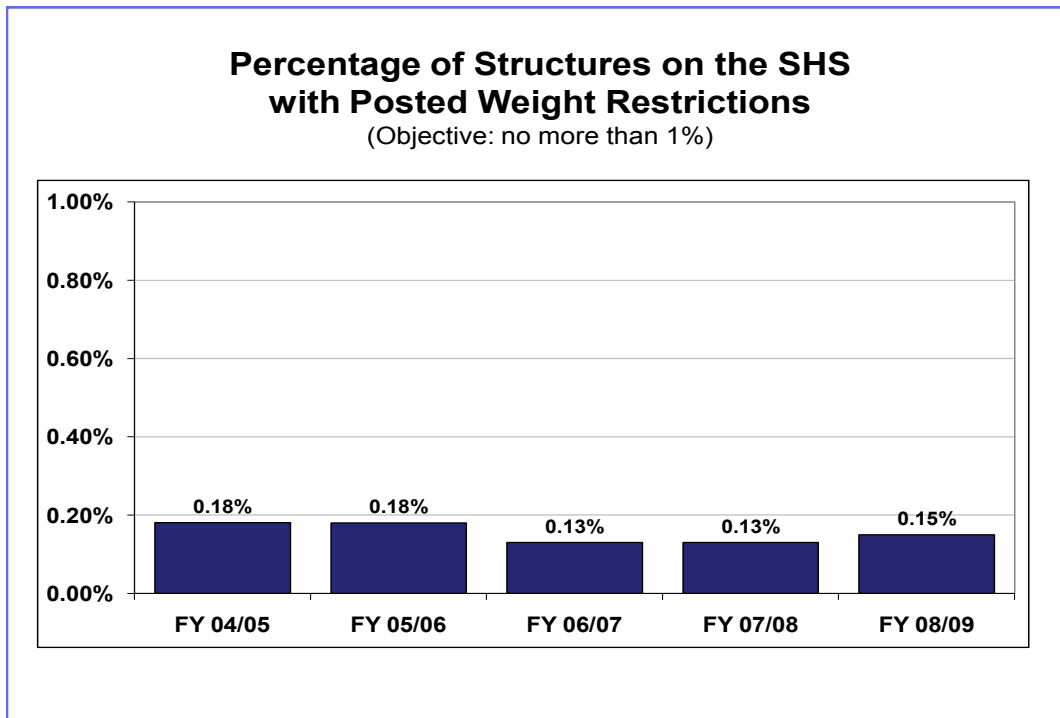
RESTRICTED BRIDGES: Those with posted weight limitations.

Primary measure: Percentage of bridges on the SHS with posted weight restrictions. This includes bridges on the Tampa-Hillsborough County Expressway System maintained by the Department, but not the Orlando-Orange County Expressway System or Miami-Dade Expressway System bridges which are not maintained by the Department.

This measure works in concert with the secondary measures of actual bridge replacement and repair projects let compared to the number planned. If the Department is meeting its production goals, then the percent of bridges with weight restrictions will remain low. If production were to slip, there should be a rise in the percent of bridges with weight restrictions.

Objective: No more than 1% of all bridge structures on the SHS with weight restrictions.

Results: Only 9 of the 6,166 or .15% of bridges on the SHS have weight restrictions.



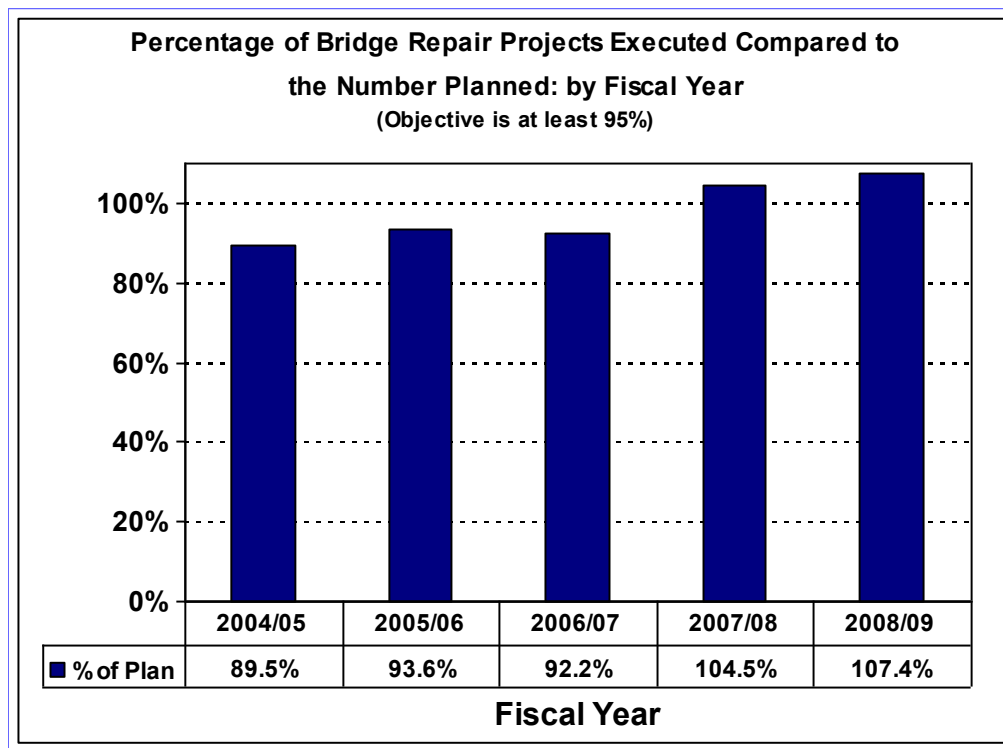
2a. BRIDGES (cont'd)

BRIDGE REPAIR:

Secondary Measure: The number of bridges actually let for contract to be repaired compared to the number planned. (Note: A bridge repair contract may include more than one bridge and a bridge repair job can be included as part of a road project.)

Objective: Let no less than 95% of planned bridge repair projects.

Results: Achieved 107.4%, having let 73 of a planned 68 bridge repair projects. An additional 19 bridges that were not in the current or future plans were also let.



	Fiscal Year				
	2004/05	2005/06	2006/07	2007/08	2008/09
Plan	86	78	115	67	68
Actual	77	73	106	70	73
Additions	6	6	26	5	17
Advanced FY	1	0	0	0	2
Total	84	79	132	75	92

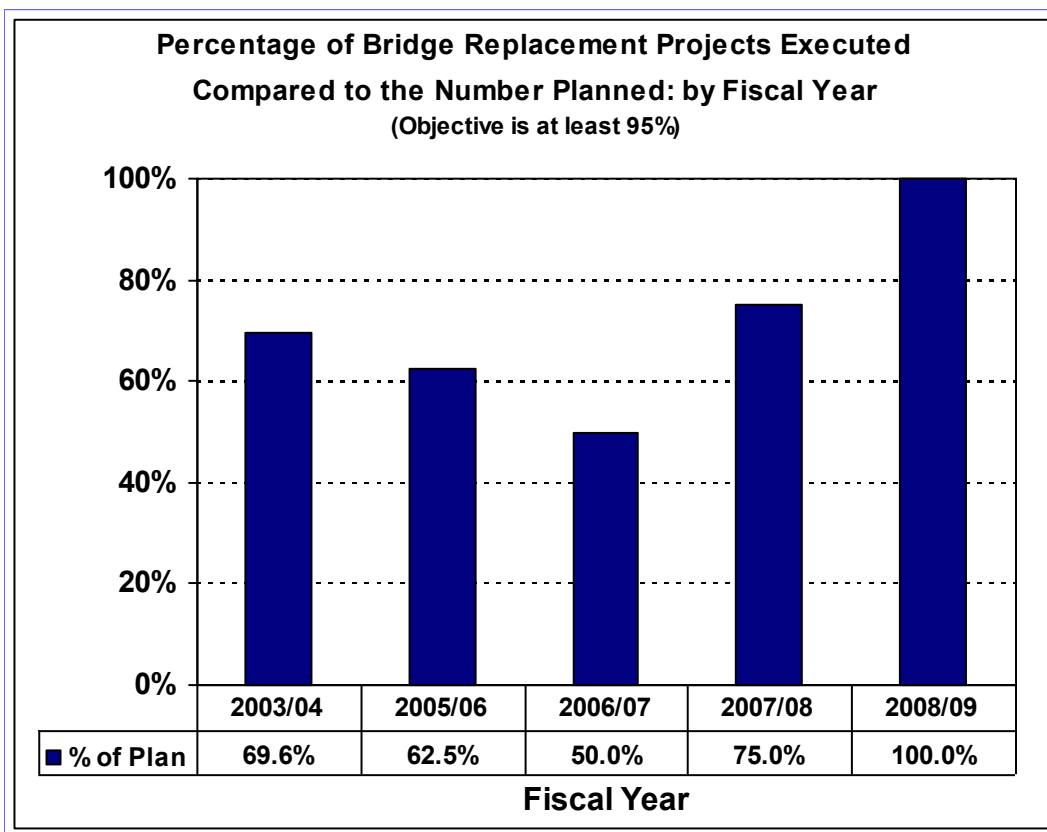
2a. BRIDGES (concluded)

BRIDGE REPLACEMENT:

Secondary Measure: The number of bridges actually let to contract to be replaced compared to the number planned.

Objective: Let no less than 95% of planned bridge replacements.

Results: Achieved 100%, having let 19 of 19 planned contracts. The Department added 2 projects and advanced 2 projects for a total of 23 projects in production.



	Fiscal Year				
	2004/05	2005/06	2006/07	2007/08	2008/09
Plan	21	24	14	16	19
Actual	13	15	7	12	19
Additions	0	0	0	0	2
Advanced FY	0	1	0	0	2
Total	13	16	7	12	23

2b. PAVEMENT

The Department measures the condition of road pavements on an annual basis. Segments that do not measure up to predefined standards are considered deficient and repairs are scheduled in the Department's work program.

The frequency of resurfacing depends on:

- ♦ traffic volume;
- ♦ type of traffic (heavier vehicles cause more "wear and tear"); and,
- ♦ weather conditions.

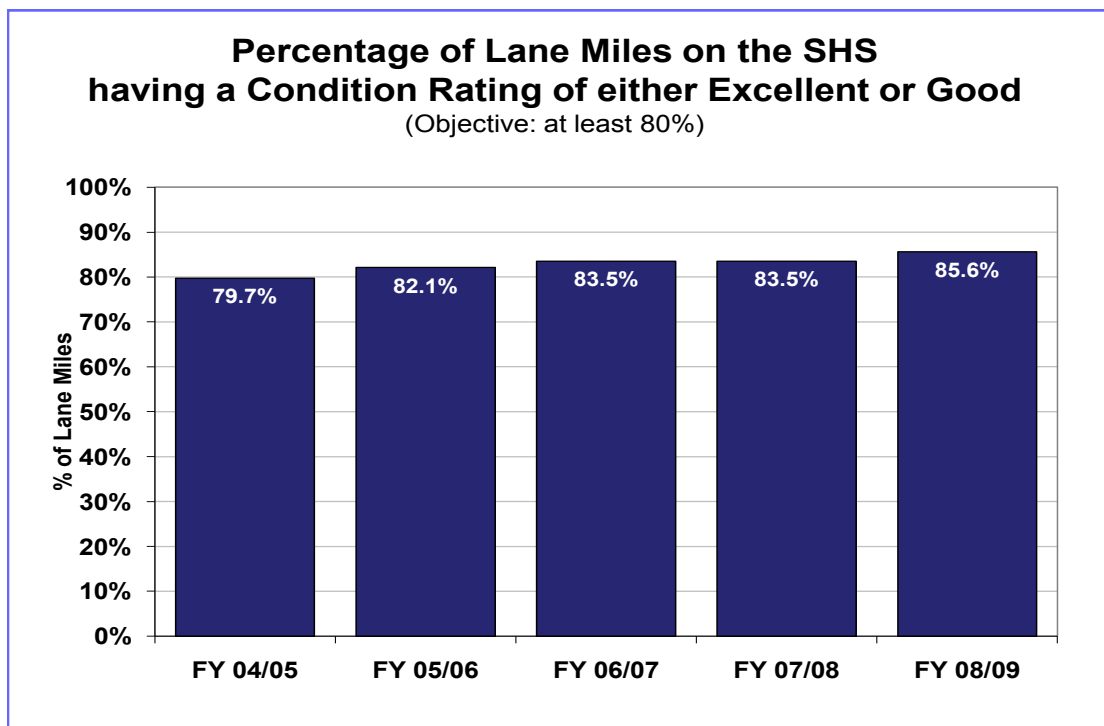
Florida law requires the Department to meet annual needs for resurfacing of the SHS through regular maintenance, which avoids high repair bills and prolongs the useful life of the asset.

PAVEMENT CONDITION:

Primary Measure: The percentage of lane miles on the SHS having a Pavement Condition Rating (PCR) of "excellent or good." The standard is a 6.5 or above on a ten point scale for: ride quality, crack severity, and rutting.

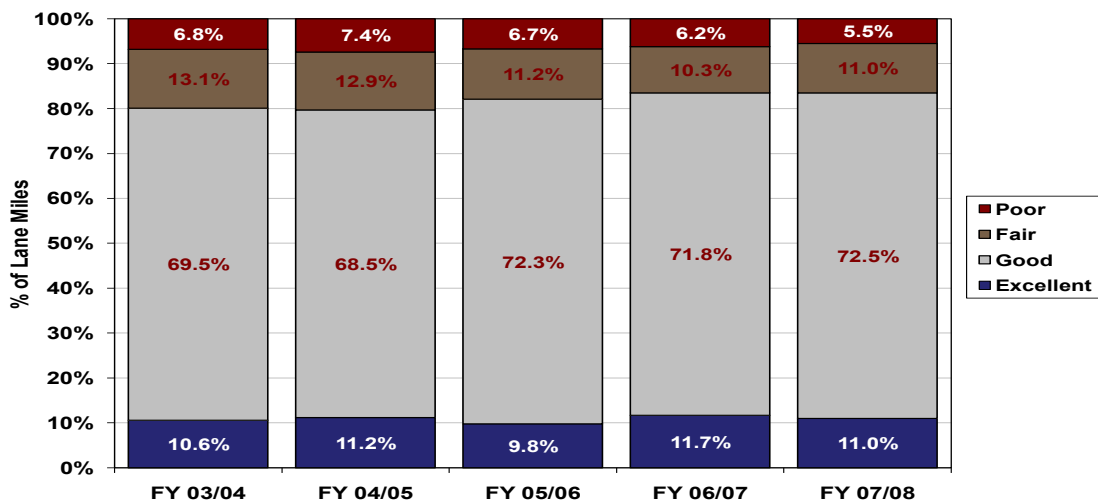
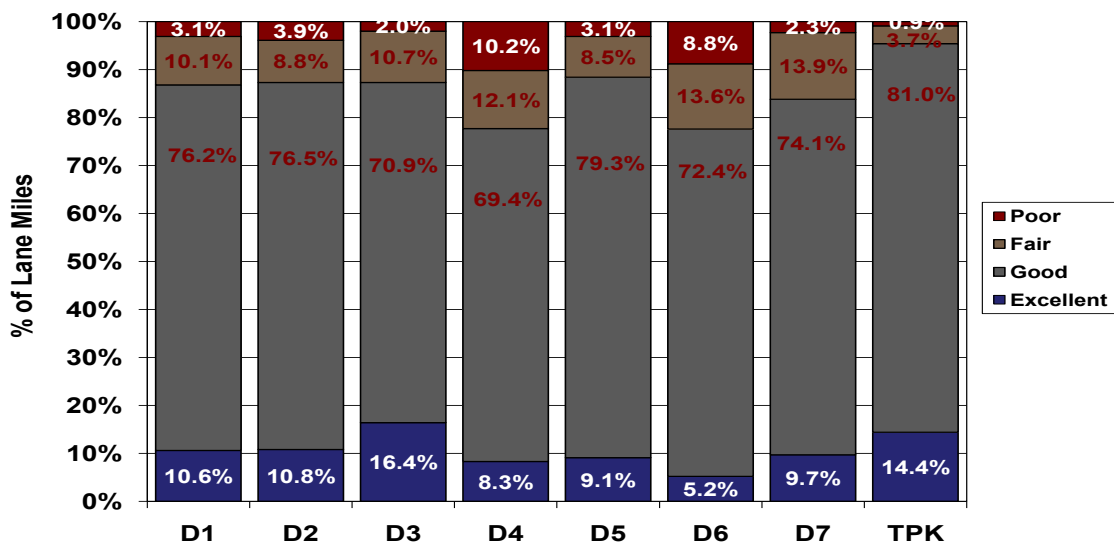
Objective: 80% of all lanes on the SHS having a PCR of "excellent or good."

Results: A rating of 85.6%, exceeding the goal of 80%.



2b. PAVEMENT (cont'd)**Statewide Pavement Condition Rating (PCR) Data for FY 2008/09:**

PCR	Condition Rating	# of Lane Miles	% of Total
8.5 to 10	Excellent	4,554	10.7%
6.5 to 8.4	Good	31,767	74.9%
4.5 to 6.4	Fair	4,333	10.2%
0.0 to 4.4	Poor	1,778	4.2%
Totals		42,432	100.00%

Percentage of Lane Miles by Condition Rating**Percentage of Lane Miles by Condition Rating by District**

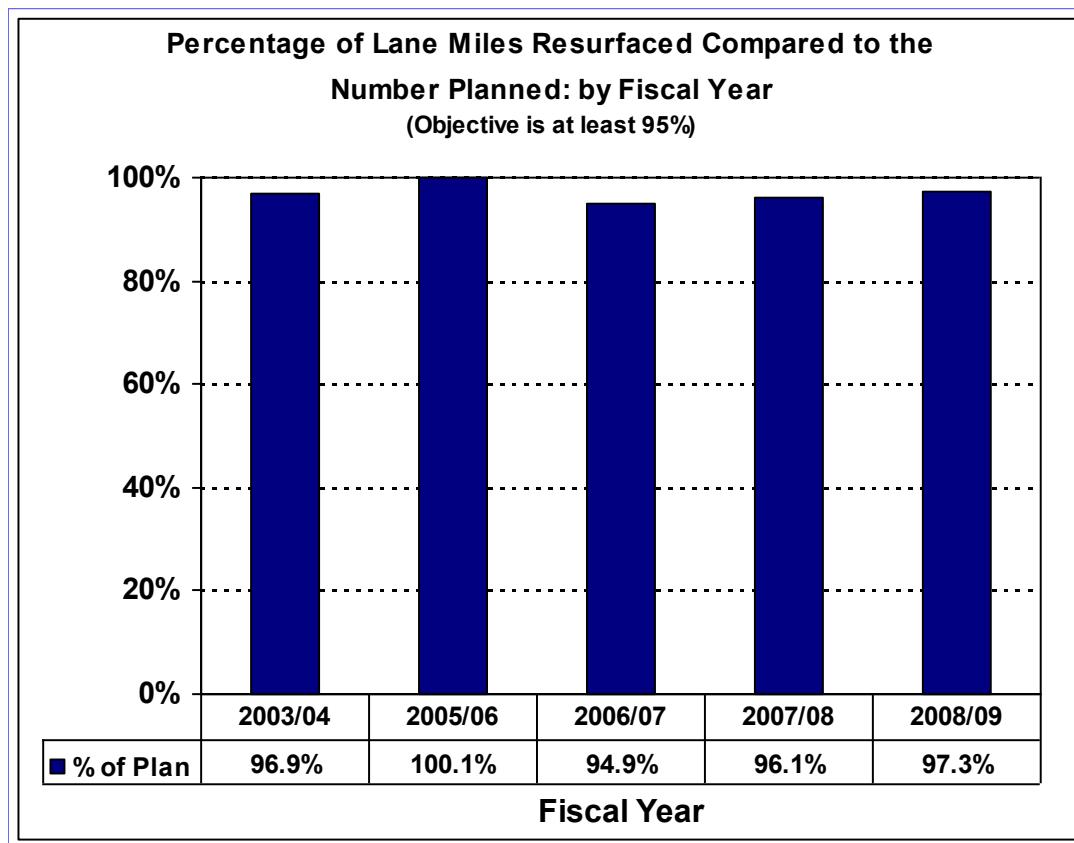
2b. PAVEMENT (concluded)

LANE MILES RESURFACED:

Secondary Measure: The actual number of lane miles on the SHS let for resurfacing compared to the number of miles planned.

Objective: Let no less than 95% of the planned resurfacing contracts.

Results: Achieved 97.3% of the plan by letting to contract 2,511 of 2,582 lane miles planned. In addition, the Department advanced 383 miles that were not in current or future plans.



	Fiscal Year				
	2004/05	2005/06	2006/07	2007/08	2008/09
Plan	2,084.6	2,355.4	2,371.0	1,792.0	2,582
Actual	2,046.8	2,358.2	2,250.0	1,722.0	2,511
Capacity related (new for FY 07)	N/A	N/A	1,394.3	299.2	N/A
Additions	98.8	87.8	66.0	164.8	383
Total	2,145.6	2,445.8	3,710.3	2,186.0	2,894

2c. ROUTINE MAINTENANCE

This component includes:

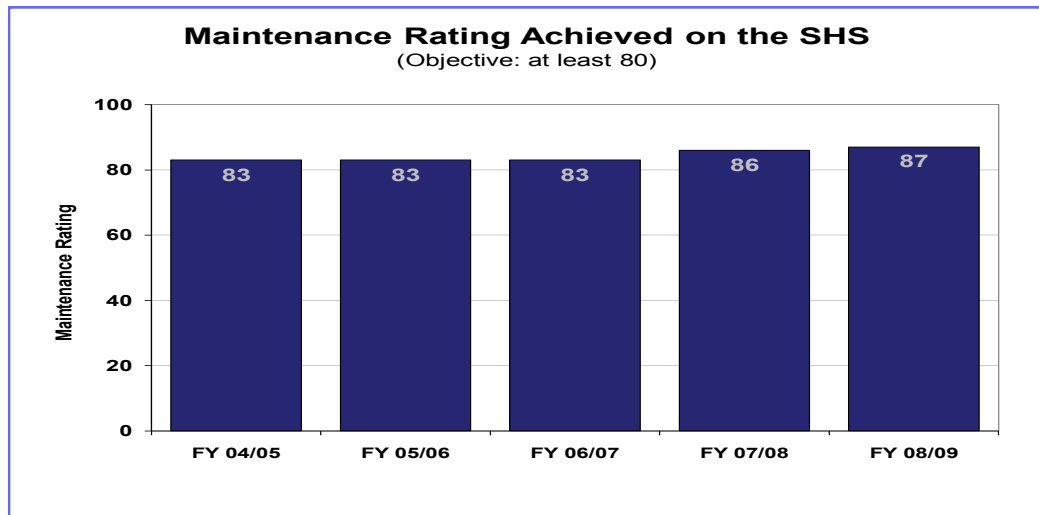
- ♦ Highway repairs (repairing potholes, patching, etc);
- ♦ Roadside upkeep (mowing, litter removal);
- ♦ Drainage management; and
- ♦ Traffic services (road signs, re-striping).

Adequate and uniform road maintenance is essential from both 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 SHS.

Primary Measure: Achieve a Maintenance Rating of at least 80 on the SHS. The Maintenance Rating goal of 80 is based on the Department's evaluation of its performance using the Maintenance Rating Program (MRP) which grades five maintenance elements and arrives at a composite score, based on a scale of 1 to 100, with 80 being the Department standard.

Objective: Achieve a rating of at least an 80 on the SHS.

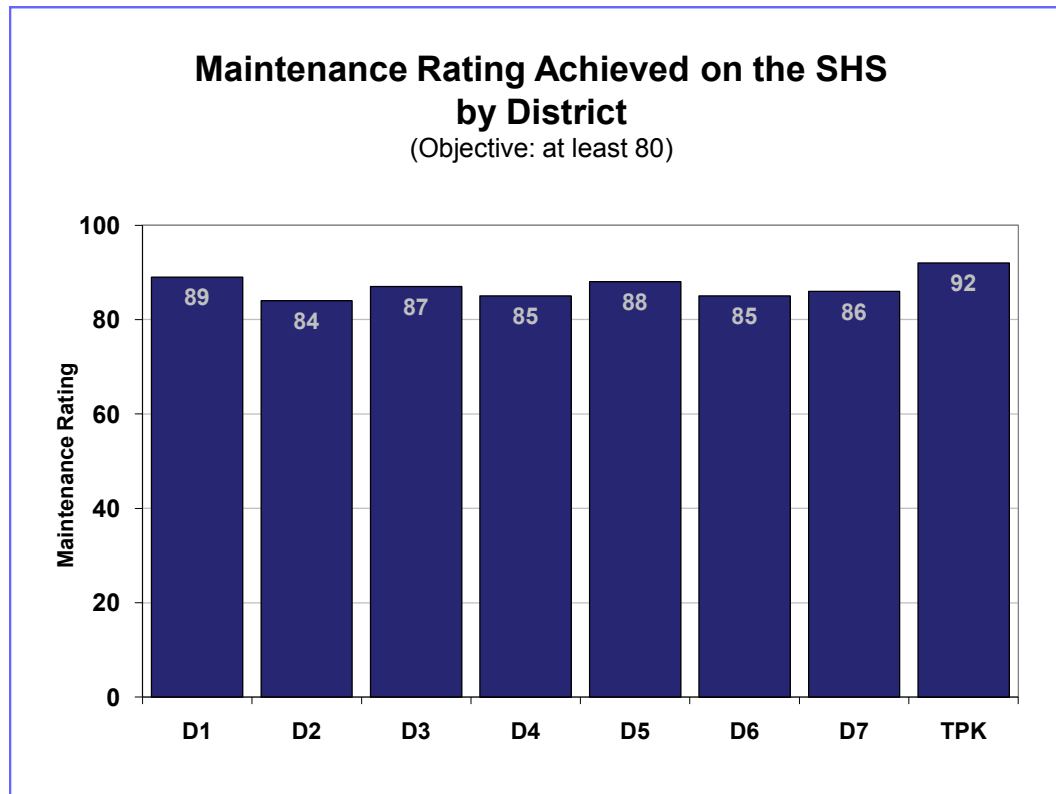
Results: Achieved an MRP of 87 or 108.6% of the objective.



	Fiscal Year				
	2004/05	2005/06	2006/07	2007/08	2008/09
Rating Goal	80	80	80	80	80
Actual Rating	83	83	83	86	87
% of Goal Achieved	103.8%	103.8%	103.8%	107.5%	108.6%

2c. ROUTINE MAINTENANCE (concluded)

District specific results:







3. Capacity Improvements: Highway and All Public Transportation Modes

3a. Capacity Improvements: Highways

3b. Capacity Improvements: Public Transportation

3c. Intelligent transportation Systems (ITS)

The Department's highest funding priorities are:

- ♦ Preservation of the existing highways, bridges and other transportation assets; and
- ♦ Maintenance of the transportation assets to standards established and funded.

Because a backlog of preservation needs exists, highway capacity improvements (new road construction, adding lanes, intersection improvements, signal timing, etc...) have been accorded secondary priority.

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 because of competing preservation priorities for limited funding.

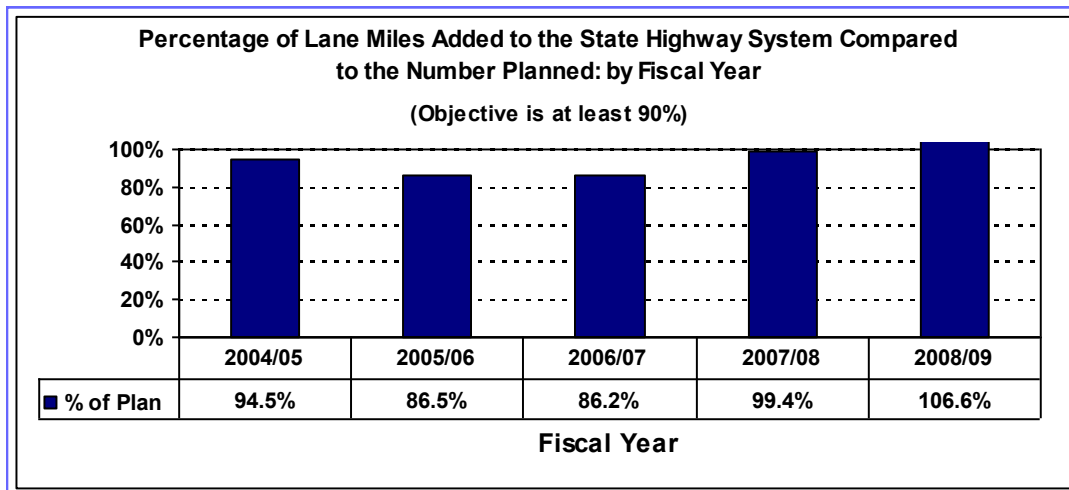
3a. CAPACITY IMPROVEMENTS: HIGHWAYS

The Department has primary jurisdiction over the State Highway System. Currently, there are approximately 120,000 centerline miles of public roads within the state. The State Highway System (SHS) comprises about 10 percent, or 12,062 of the total centerline miles and accounts for 42,082 lane miles of roadway. The SHS carries two-thirds of the traffic in the state. The handling capacity and efficiency of the SHS is a critical determining factor to Florida's economic future, enabling the state to compete for new and expanding domestic and international markets and to maintain its tourism industry. Established standards for improved capacity and control on the SHS, and the ability of the Department to implement these standards will determine the extent to which the Department is successful in maintaining, improving, and expanding the SHS.

Primary Measure: Number of lane miles of capacity projects on the SHS let compared to the number planned.

Objective: Let no less than 90% of the lane miles planned.

Results: Achieved 106.6% of the plan by letting to contract 178 of the 167 lane miles planned. Also, 51 lane miles not in the original plan were let to contract for a total of 229 new lane miles to be added to the SHS.



	Fiscal Year				
	2004/05	2005/06	2006/07	2007/08	2008/09
Plan	271.7	207.2	390.0	215.2	167.2
Actual	256.7	179.2	336.0	213.9	177.6
Additions	8.4	38.7	8.0	26.9	12.5
Advanced FY	14.0	9.3	0	0	38.7
Total	279.1	227.2	344.0	240.8	228.8

3b. CAPACITY IMPROVEMENTS: PUBLIC TRANSPORTATION MODES

Transportation needs cannot be met by highways alone. Limitations on the State's resources for highway expansion make it necessary to focus on additional means of travel. Although the automobile is expected to continue to be the dominant means of travel for the foreseeable future, the use of other modes must increase significantly to maintain air and water quality and to provide travel choices. Public Transportation capacity improvements include:

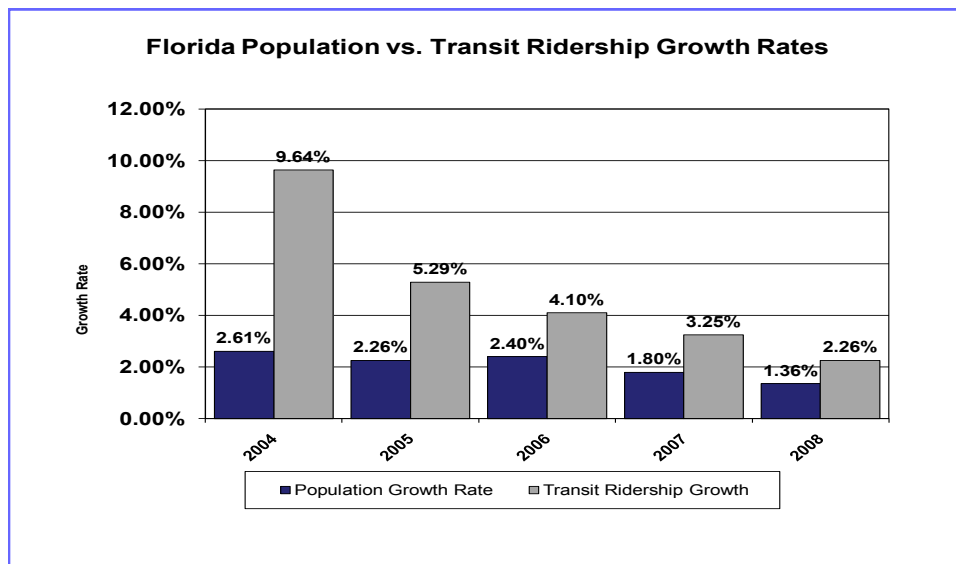
- ◆ Airports, Seaports, Rail, Bus, Transit;
- ◆ Intermodal Development (enhancing connectivity to various modes); and
- ◆ Commuter Assistance (carpooling, vanpooling, park and ride).

The Department is generally limited to providing funding and technical support, with ownership and operation provided by local governments or private-sector entities that utilize State support through grants and other sources.

Primary Measure: Public Transit ridership growth rate compared to the State population growth rate.

Objective: Increase transit ridership at twice the average rate of population growth.

Results: Florida's population growth rate for 2008 was .68%, therefore transit ridership would have to meet or exceed 1.36%. Florida's transit growth was 2.3%, exceeding the goal. The results are based on preliminary data from the Federal Transit Administration.



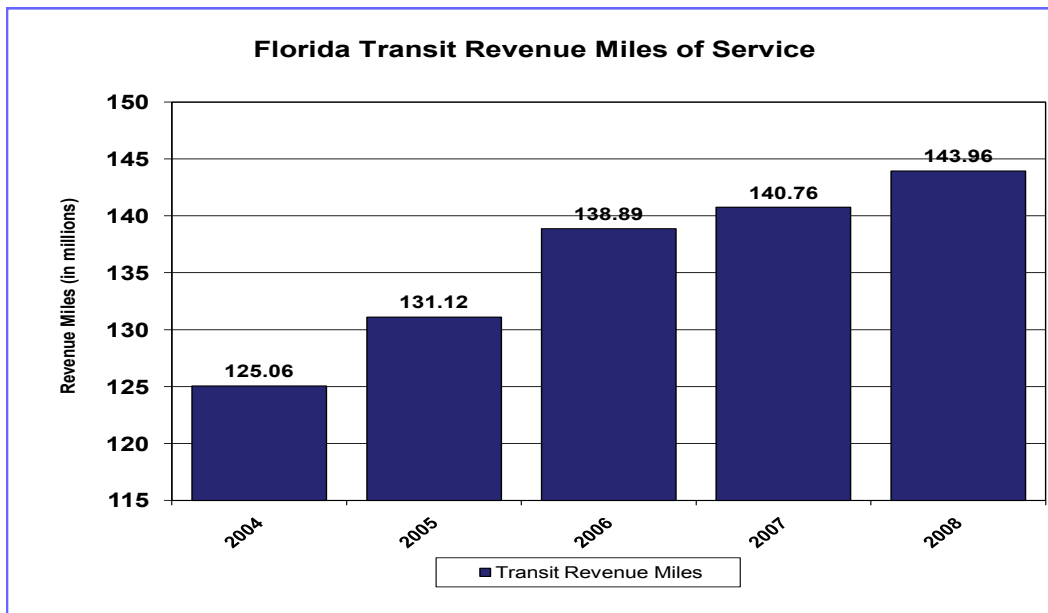
3b. CAPACITY IMPROVEMENTS: PUBLIC TRANSPORTATION MODES (concluded)

Secondary Measure: Annual growth in transit revenue miles (the number of miles transit vehicles are in service). Revenue miles increase:

- ♦ when the service area covered is expanded;
- ♦ when frequency is increased; and
- ♦ when daily start and/or end times for service are expanded.

Objective: An annual increase in revenue miles. Growth rate objective has not been established.

Results: Increased in FY 2008 by 2.27% compared to revenue miles in 2007 (results for this measure are presented by Federal Fiscal Year).



3c. INTELLIGENT TRANSPORTATION SYSTEMS (ITS)

ITS represents the application of real-time information systems and advanced technologies as transportation management tools to improve the movement of people, goods, and services.

In prior years, the Commission measured the Department's performance by reporting on the number of ITS contracts let compared to the number planned. This measure was in place until the ITS program was operational in a majority of Districts where outcome performance measures data could be captured and reported.

Incident Duration:

For FY 2009, the Commission adopted a measure of the time it takes to clear an incident or "Incident Duration". In 2006 the SunGuide system, the Traffic Management Center (TMC) software that captures this information, was able to report on incident duration in District 4. Beginning with FY 2008, Districts 2, 4, 5 6, 7 and the Turnpike Enterprise have been able to report this data. In 2008, the terminology for reporting incident duration was modified to more closely align with National Traffic Incident Management definitions. The Incident Duration timeline includes the following components: Notification/Verification time, Response time, and Open Roads time. The Open Roads time is defined as the time that begins with the arrival of the first responder, either Florida Highway Patrol or FDOT, and ends when all mainlane travel lanes are cleared. The Open Roads time is directly comparable with Florida's Open Roads Policy of clearing all travel lanes in 90 minutes or less.

SunGuide, the Statewide advanced traffic management system, uses the incident information entered in the system by district TMC staff to calculate the incident duration. Currently, SunGuide conducts the incident duration calculation using data provided on Road Ranger assisted incidents. The SunGuide software reporting module is being enhanced for the next year to include FDOT Maintenance, Asset Maintenance contractors and FHP assisted incidents in the calculations.

Florida has a very active Statewide Traffic Incident Management Program. There are three major components to Florida's Program:

- ◆ Open Roads Policy
- ◆ Rapid Incident Scene Clearance (RISC) Program
- ◆ Traffic Incident Management (TIM) Teams

3c. INTELLIGENT TRANSPORTATION SYSTEMS (ITS)

The Florida Open Roads Policy is an agreement between the Florida Department of Transportation and the Florida Highway Patrol. This agreement was signed by both agencies in November 2002. The agreement states that it is policy of FHP and FDOT to expedite the removal of vehicles, cargo and debris from state highways and to restore, in an urgent manner, the safe and orderly flow of traffic on Florida's roadways. Both agencies agreed to work together to clear roadways as soon as possible. A goal was set to clear incidents from the roadway within 90 minutes of the arrival of the first responding officer.

The Rapid Incident Scene Clearance (RISC) Program is a highly innovative incentive-based program to meet the goal of safely clearing major highway incidents and truck crashes. This Program pays bonuses of \$2500 to wrecker operators with specialized heavy equipment for successful removal of all wreckage and roadway re-opening within 90 minutes of being given a Notice-to-Proceed. Additionally \$1000 is paid to the wrecker company if additional specialty equipment is approved for use during the incident cleanup. As a further incentive, if the travel portion of the roadway is not cleared in three hours the wrecker company can be assessed a penalty of \$10/minute (\$600/hour) until the roadway is reopened. Most of the seven FDOT Districts and the Florida Turnpike Enterprise have adopted this program.

Traffic Incident Management (TIM) Teams bring together all agencies involved in clearing an accident, including FHP and local law enforcement, fire departments, emergency medical personnel, towing companies, spill response firms, FDOT TMC operators, FDOT Road Rangers and FDOT maintenance crews. The TIM Teams may be Districtwide or they may be local to one county. These teams strive to reduce the time needed to reopen travel lanes and get traffic moving again by reviewing past response actions, exploring ways that incident management can be improved and coordinating upcoming planned events or planning for unplanned events such as hurricanes, wildfires and floods. Most TIM Teams have four program areas: incident detection, verification and response; incident clearance; communications; and training. TIM Teams are currently active in most of 8 FDOT Districts.

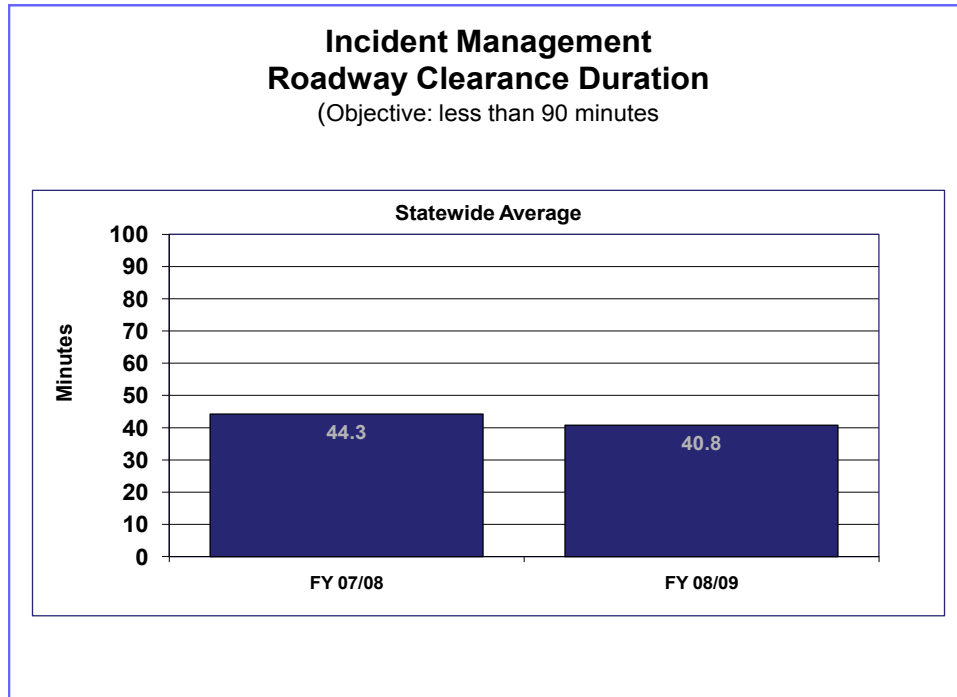
With the investment of hundreds of millions of dollars in the development and operation of TMC's, the Commission felt that a better measure of performance was warranted. The Commission, therefore, adopted Incident Duration as a measure and an less than 90 minutes as the objective.

3c. INTELLIGENT TRANSPORTATION SYSTEMS (ITS)

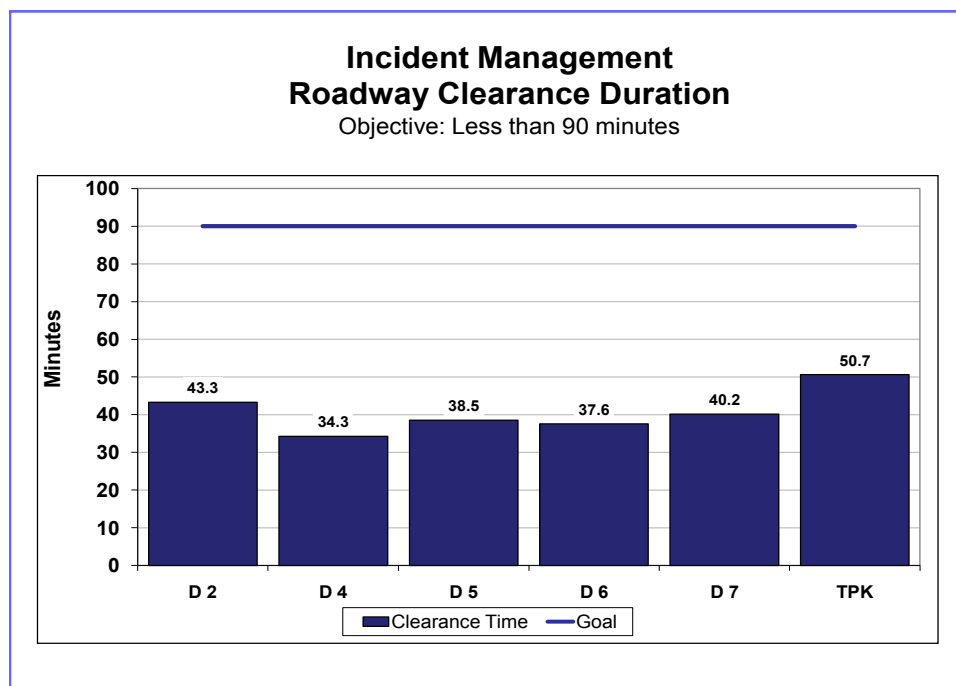
Secondary Measure: The average time to clear an incident.

Objective: Less than 90 minutes.

Results: The Department achieved an average time of 40.8 minutes



District Specific Results:



3c. INTELLIGENT TRANSPORTATION SYSTEMS (ITS)

Travel Time Reliability:

The Commission also adopted a performance indicator to review the ITS programs impact on improving mobility and decreasing congestion. Travel time reliability measures the variability or uncertainty in the performance of a facility over time. With investments in ITS, as well as investments in construction of new lanes, travel time reliability can be used to measure the outcomes of these investments.

There are two metrics to measure travel time reliability and congestion. One is the travel time index (TTI), which measures congestion. This is the ratio of average peak travel to off-peak travel. A TTI of 1.20 means the peak travel time is 20 percent longer than off-peak travel.

Another metric, Buffer Index, is calculated as the difference between the 95th percentile travel time and the average travel time divided by the average travel time. For example, a TTI of .4 means that a traveler should budget an additional 8 minute buffer for a 20-minute peak trip to ensure 95 percent on-time arrival. The Commission adopted this indicator beginning with the 2009 report and will monitor how well the investments the Department is making is generating a positive outcome.

Districts 2, 4, 5, 6 and 7 are able to capture this information at this time and only on instrumented Interstates. The Districts capture this information at a very granular level, but for the purposes of this report, the indicator will be for the entire Interstate, by system, within each reporting District.

Buffer Time Index Range by District and Roadway

	I-95	I-295	I-595	I-4	SR 826	I-75	I-195	I-275
D2	0-.42	0-.53	-	-	-	-	-	-
D4	0-.48	-	0-.77	-	-	-	-	-
D5	0-.19	-	-	0-.89	-	-	-	-
D6	-	-	-	-	.2-.41	0-.33	.04-.78	-
D7	-	-	-	0-.64	-	-	-	0-.83



4. Cost Effective and Efficient Business Practices: Finance and Administration

- 4a. Commitment of Federal Funds**
- 4b. Obligation Authority**
- 4c. Management of Administrative Costs**
- 4d. Cash Management**

A financially sound and balanced financial plan requires the full use of all Federal Funds, control of Administrative costs, and an effective cash forecasting and management system.

The Department of Transportation is the only state agency that operates on a “cash flow” basis. That is, future revenues are projected to be available as needed to meet expenditures. Unlike other state agencies that require the entire contract amount to be on hand before the work begins, the Department of Transportation only needs to forecast that sufficient cash will be available to meet expenditures prior to awarding a contract. The Department anticipates future revenues will be available to finance current projects in much the same way that a family anticipates future earnings to pay for a mortgage.

4a. COMMITMENT OF FEDERAL FUNDS

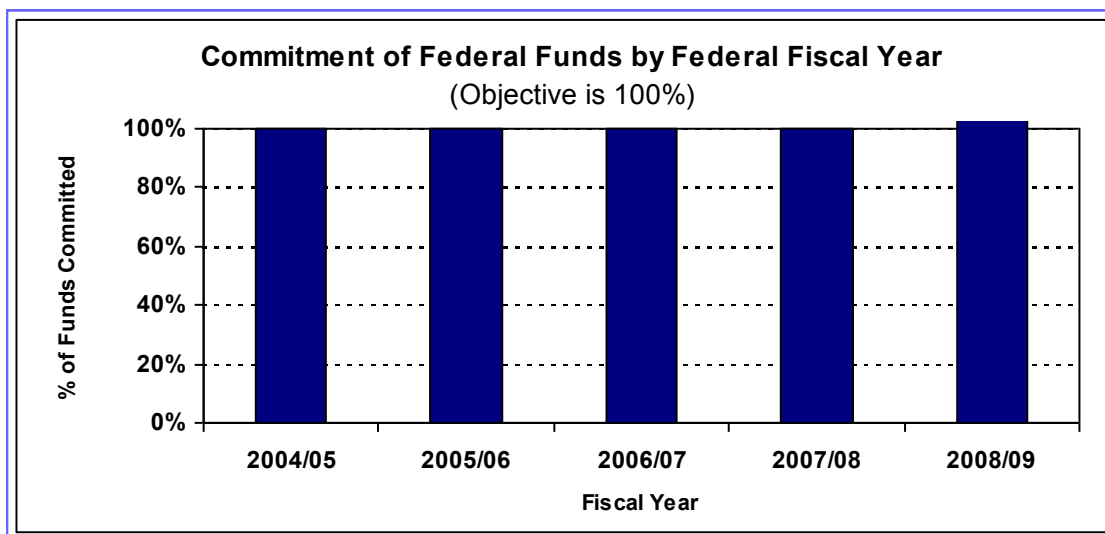
Federal motor fuel taxes paid by Florida's residents, businesses and visitors are deposited in the Federal Highway Trust Fund, and a portion of that tax is returned to Florida as federal funds. The Department uses these federal funds for transportation projects on a match basis (e.g., Interstate Highway Construction is matched 80% Federal to 20% State).

Federal funds must be committed to projects by a specified period of time or the funds lapse, are pooled, and redistributed to state's that have consumed their federal funds. It is imperative that the Department commit all available federal funds on qualifying projects and that all federal requirements are met.

Primary Measure: The percent of federal funds committed compared to federal funds available and subject to forfeiture (on federal fiscal year ending September 30).

Objective: Commit 100% of federal funds subject to forfeiture.

Results: The Department is on track to commit 100% (\$1.523 billion) of federal funds by September 30, 2009. Of the \$1.03 billion of 2009 obligating authority available for redistribution, the Department will receive \$43.5 million, or 4.2% of the funds available.



	Fiscal Year				
\$ in millions	2004/05	2005/06	2006/07	2007/08	2008/09
Planned Commitments	\$1,174.4	\$1,218.8	\$1,401.1	\$1,457.4	\$1,522.6
Actual Commitments	\$1,174.4	\$1,218.8	\$1,401.1	\$1,457.4	\$1,522.6
% of Plan	100%	100%	100%	100%	100%

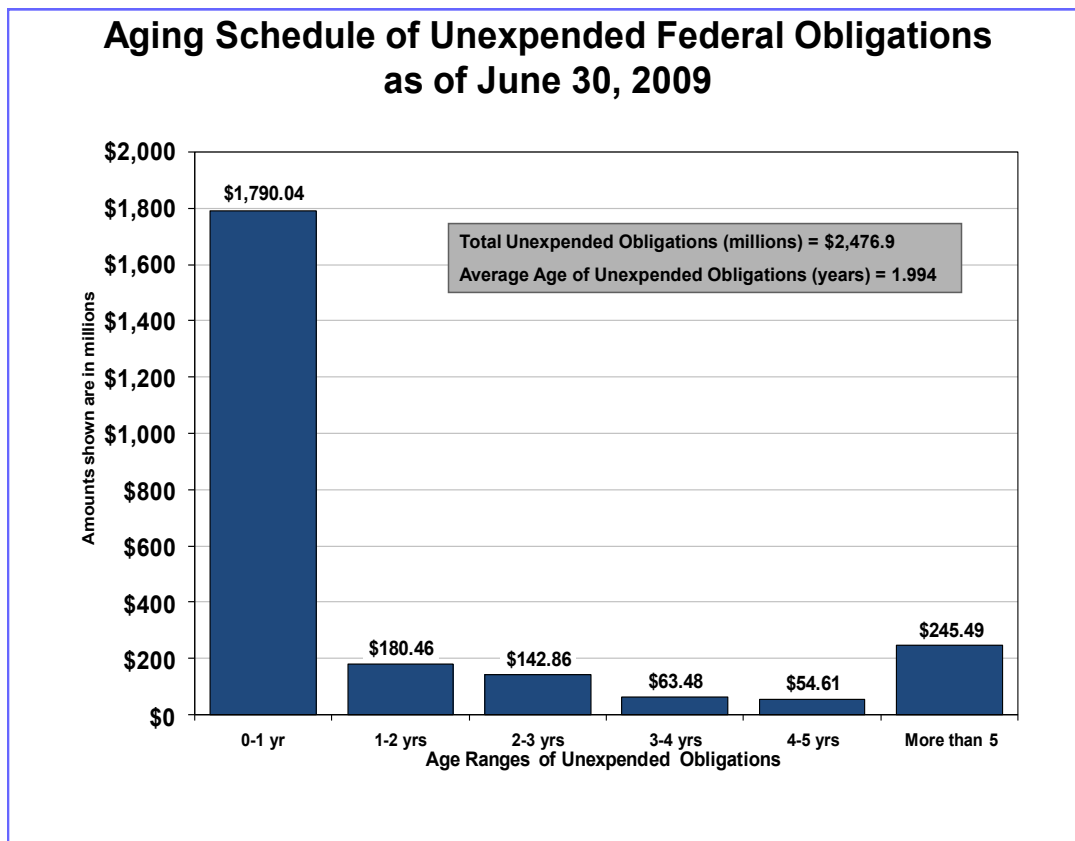
4b. OBLIGATION AUTHORITY

Congress and the Federal Highway Administration (FHWA) allocate “obligation authority” each federal fiscal year to commit federal funds. When a project moves forward it is “authorized” and obligation authority is assigned. As expenses are incurred, the FHWA reimburses the Department and obligation authority assigned to the project is drawn down. The Department is moving forward with new tools that maximize the use of obligation authority to more timely draw down allocations in order to generate cash more quickly.

Secondary Measure: The average age of obligation authority balance under commitment, but not yet consumed.

Objective: This measure will assess how efficiently the Department is managing its federal funds. This objective is being developed.

Results: Unexpended Federal obligations on June 30, 2009 totaled \$2.477 billion. The average age of these obligations is 1.994 years. That is a 92.9% increase in outstanding obligations due to the receipt of ARRA funds. As a result, the average age of unexpended obligations decreased by 32% to 1.994 years.



4c. MANAGEMENT OF ADMINISTRATIVE COSTS

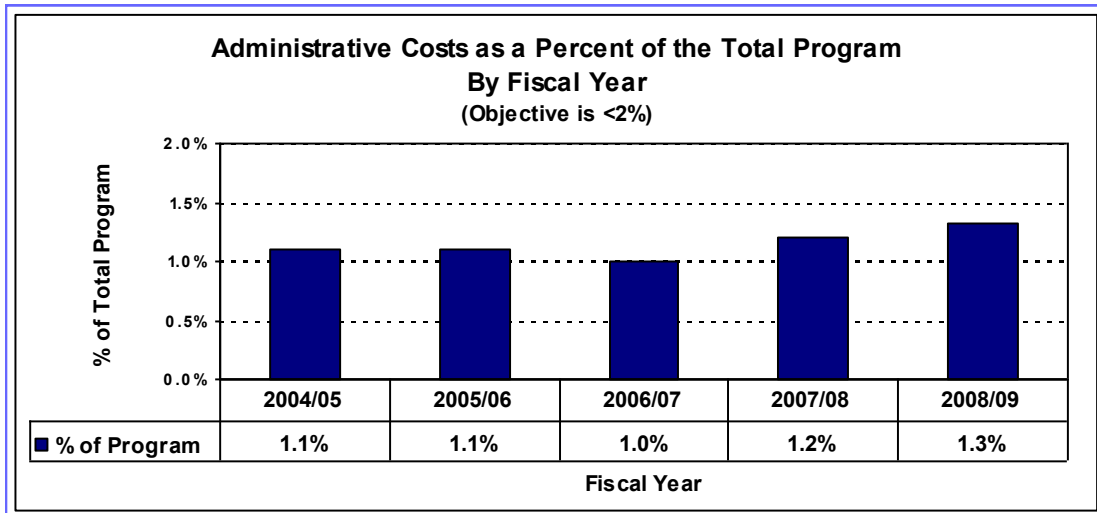
Administrative Costs include direct support to the production functions of the Department—senior management (Central Office and Districts), legal, audit, public information, governmental liaison, comptroller, budget, personnel, purchasing, procurement, minority programs and commission staffs. Excluded costs are: fixed capital outlay, risk management insurance, transfers to Departments of Community Affairs and Revenue, and the Division of Administrative Hearings, refunds, transfers and legislative relief bills.

The Florida taxpayer, who funds construction and maintenance of the state transportation system, has an expectation that the Department will strive to maximize transportation tax dollars by containing administrative costs. 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. Therefore a direct comparison of administrative costs with those of the private sector is not recommended.

Primary Measure: Administrative costs as a percent of total program.

Objective: Below two percent of total program.

Results: Administrative costs were 1.32% of the total program or \$75.6 million of a \$5.75 billion program. Actual costs decreased by 3.6% compared to FY 07/08 while program expenditures decreased by 13.3%, hence the increase in the percent of administrative costs compared to total costs.



	Fiscal Year				
(\$=millions)	2004/05	2005/06	2006/07	2007/08	2008/09
Administrative	\$69.5	\$71.0	\$75.6	\$78.4	\$75.6
Total Program	\$6,192.7	\$6,455.2	\$7,351.0	\$6,627.7	\$5,745.9

4d. CASH MANAGEMENT

Operating on a “cash flow” basis, the Department is not required to have all cash on hand to cover all existing obligations. It may continue to enter into contractual obligations as long as future revenues are forecast to be sufficient to cover anticipated expenditures. This provides for the immediate return of taxpayer dollars in the form of transportation facilities sooner than if all funds were required to be on hand prior to contracting.

Florida law requires the Department to manage cash such that it must maintain a minimum cash balance in the State Transportation Trust Fund of \$50 million, or 5% of outstanding obligations, whichever is less. The Department must also adopt a work program that is financially balanced demonstrating that over a 5-year period, the minimum cash balance is maintained.

Primary Measure: This measure has been revised with the 2009 report. Rather than measuring the output—variance of forecast to actual receipts and disbursements—the intent is to measure the outcome of the management of cash. “Did the Department adopt a financially balanced work program, and did the Department manage its financial planning and budgeting processes so as to maintain a cash balance of at least 5 percent of outstanding obligations or \$50 million, whichever is less, at the end of each quarter?”

Objective: Yes. The outcome is to maintain the statutorily required cash balance.

Results: Yes. The Department managed its cash such that it was able to meet all outstanding obligations, produce its program as planned, and adopted a financially balanced program at July 1, 2009. The variance in receipts is mostly due to lower than forecast fuel tax and motor vehicle license tag receipts. As a result of saving of over \$1 billion in initial 2009 production costs, the Department will be well positioned to re-program the savings and help maintain a positive cash balance during the next fiscal year.

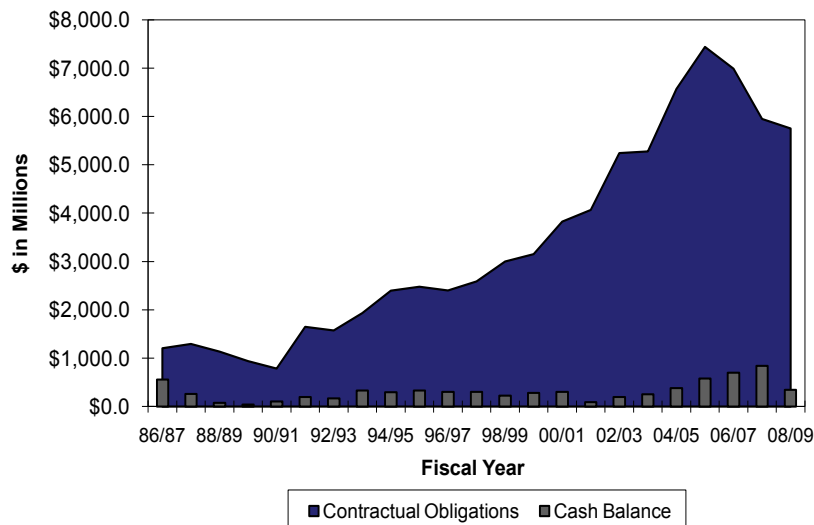
Cash Receipts (\$=millions)		Cash Disbursements (\$=millions)	
Forecast for FY 2008/09	\$5,779.2	Forecast for FY 2008/09	\$5,830.5
2008/09 Actual	\$5,365.6	2008/09 Actual	\$5,797.3
\$ Variance	-\$413.6	\$ Variance	-\$33.2
% Variance	-7.2%	% Variance	-.6%

4d. CASH MANAGEMENT

The lowest month-end cash balance occurred in April 2009 and was \$349.6 million or 6.1% of total outstanding obligations of \$5,750.7 billion.

Cash Management

STTF: Lowest Cash Balance Compared to Total Contractual Obligations by Fiscal Year



Fiscal Year	Lowest Cash Balance (\$ in Millions)	Contractual Obligations (\$ in Millions)	Cash as % of Obligations
1997/98	\$304.0	\$2,588.0	11.7%
1998/99	\$226.0	\$3,000.0	7.5%
1999/00	\$282.4	\$3,152.0	9.0%
2000/01	\$301.2	\$3,824.7	7.9%
2001/02	\$94.0	\$4,066.0	2.3%
2002/03	\$199.0	\$5,241.7	3.8%
2003/04	\$256.9	\$5,276.2	4.9%
2004/05	\$384.9	\$6,567.5	5.9%
2005/06	\$580.3	\$7,438.2	7.8%
2006/07	\$700.6	\$6,986.7	10.0%
2007/08	\$843.5	\$5,947.4	14.2%
2008/09	\$349.6	\$5,750.7	6.1%



5. Minority and Disadvantaged Business Programs

5a. Minority Business Enterprise (MBE) Program

5b. Disadvantaged Business Enterprise (DBE) Program

The Department has been actively encouraging minority business participation since before the passage of the Minority Business Assistance Act of 1985. Under the *One Florida Initiative*, emphasis has shifted from tracking percentage goals by industry type to tracking total expenditures with MBE's. This is accomplished through aggressive outreach and encouragement efforts.

The Department also intends to expend at least eight and one-tenths percent of federal fund receipts with small business concerns owned and controlled by socially and economically disadvantaged individuals (DBE). The plan is to achieve this goal through continuation of the race and gender-neutral program.

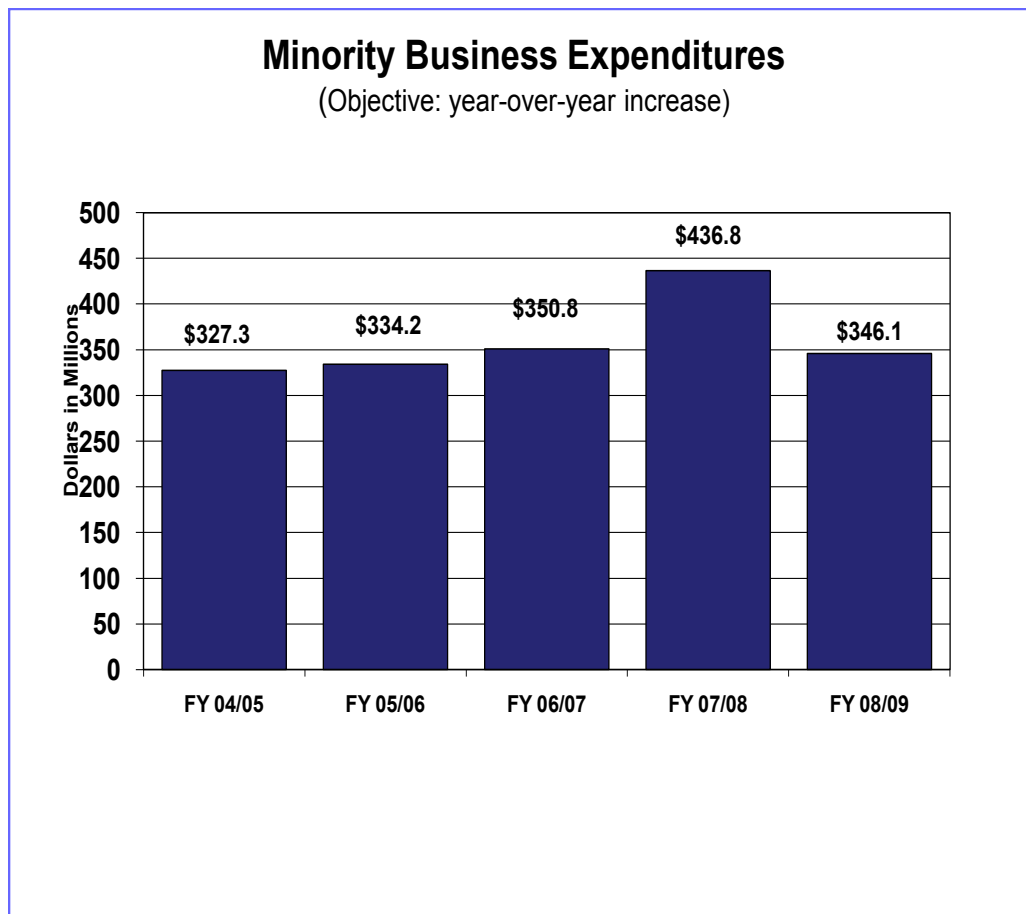
5a. MINORITY BUSINESS ENTERPRISE (MBE) PROGRAM

The Department strives to improve the economic opportunities for the state's women and minority owned businesses by ensuring equity in the execution of contracting provisions. The Governor's *One Florida Initiative* has shifted the emphasis on tracking expenditures by industry group (set-asides under the "Small and Minority Business Assistance Act of 1985") to tracking total expenditures with MBE's and the increase in such expenditures annually. As the program size increases, the MBE expenditures are expected to increase correspondingly.

Primary Measure: Annual dollar amount of MBE utilization.

Objective: A year-over-year increase in expenditures.

Results: MBE expenditure level was \$346.1 million, a decrease of \$90.7 million from FY 2007/08. This 20.8% decrease is due to lower overall expenditures Department-wide (13.3%).



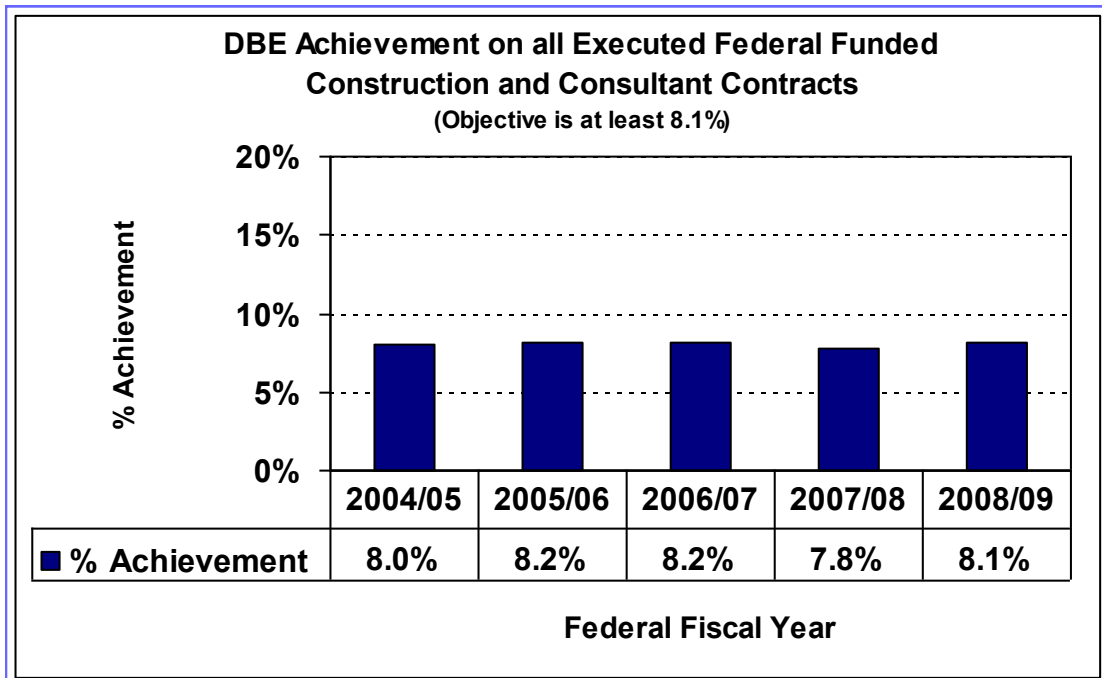
5b. DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM

Under new federal guidance, the Department initiated on January 1, 2000 a race and gender-neutral DBE program for all consultant and construction contracts, which are in part funded with federal funds. This program is based on demonstrable evidence of market conditions and availability conditions. The definition of DBE is different from MBE mainly in firm size and the requirement for being based in Florida. Both Federal and State laws address utilization of socially and economically disadvantaged business enterprises in Department contracts for the construction of transportation facilities. The Department ensures that DBE's have an equal opportunity to receive and participate in these contracts.

Secondary Measure: Dollar volume of DBE participation as a percentage of total federal funded construction and consultant contract amounts.

Objective: A goal of 8.10% (raised from 7.90% in prior year) participation for all consultant and construction contracts partially funded with federal aid. The same standard is applied to 100 % state funded contracts.

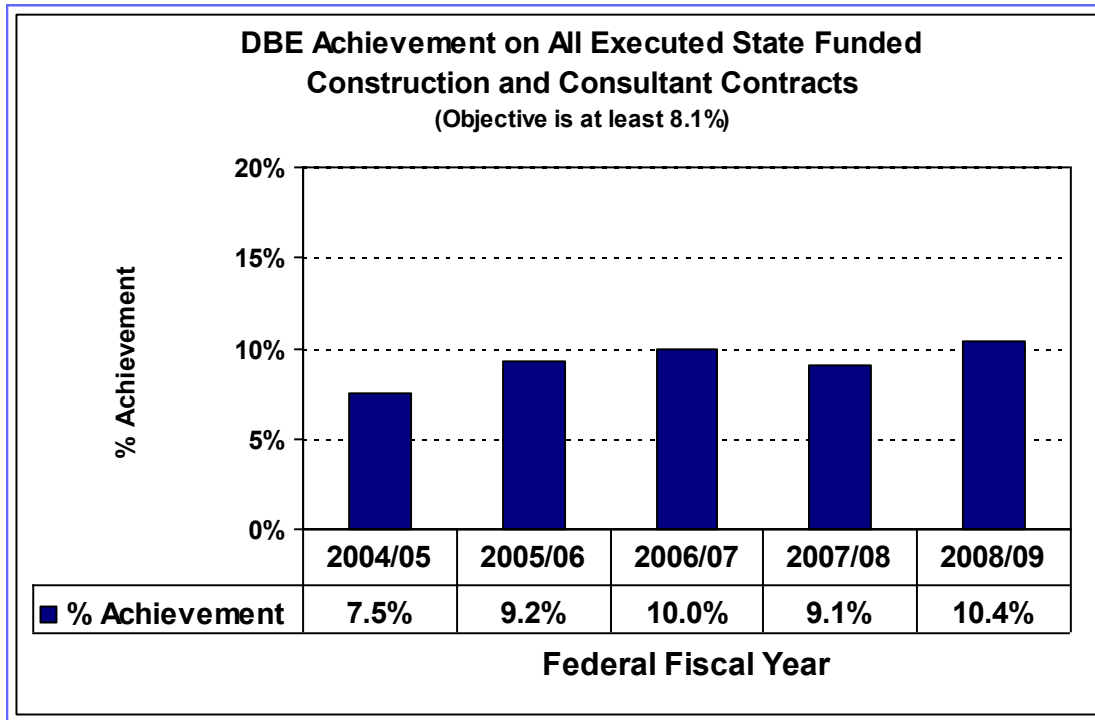
Results: For federal funds, through June 30 of the Federal Fiscal Year (October 1 through September 30) DBE participation is 8.14%. For 100% state funded contracts, the DBE participation is 10.41%.



*The Federal Fiscal Year does not conclude until September 30th. The data in the chart represents performance through August 31.

5b. DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM

Although not a federal requirement, the Department also tracks DBE participation on 100% state funded construction and consultant contracts, using the same 8.1% goal as its objective.



*The Federal Fiscal Year does not conclude until September 30th. The data in the chart represents performance through August 31.





6. Safety Initiatives

Safety has always been, and continues to be, the highest priority of the Florida Department of Transportation. Its programs and activities strive to reduce the unacceptable numbers of traffic crashes and the resulting injuries and fatalities. According to the Florida Transportation Plan, traveling safely is the public's highest expectation from the transportation system. Improved safety requires coordination with many state and local agencies, since the Department has limited control over factors such as driver skill or impairment, presence and use of safety equipment, vehicle condition, local roads and weather conditions.

6.a. SAFETY INITIATIVES

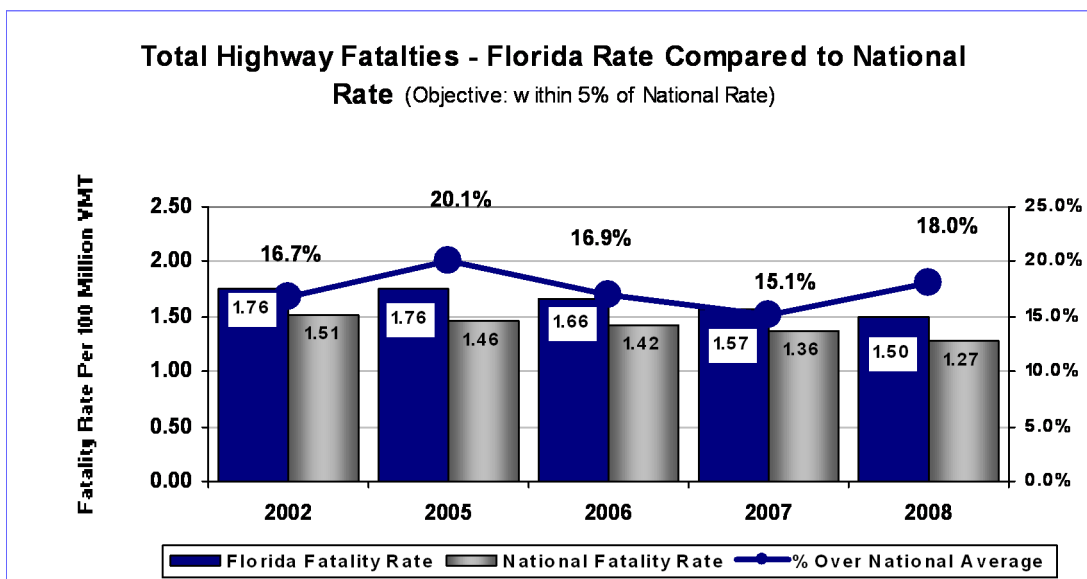
Safe travel in Florida is the Department's number one goal. There is a defined Safety Program within the Department, but this program alone does not reflect the Department's total commitment to improving safety on the State Highway System (SHS). For example, current design standards for new projects also incorporate safety as a feature.

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. The transportation system component over which the Department exercises most control is the SHS. The Department is responsible for designing, constructing and maintaining the 12,084 miles of state roads. However, the Department has adopted a statewide measure in assessing overall safety performance. This would include fatalities recorded on the additional 109,303 miles of roads, of which 17,530 miles are unpaved, that are the responsibility of cities and counties.

Secondary Measure: The rate of fatalities per 100 million vehicle miles traveled (VMT) on all public roads in Florida compared to the national average.

Objective: Reduce the rate of fatalities on Florida's public roads to a level within 5% of the national average.

Results: The fatality rate on all of Florida's public roads was 1.50 per 100 million VMT which is 18.0% greater than the national average of 1.27. The decrease from 2007 is due to a reduction of 238 deaths (-7.4%) and a 69 million mile decrease (-3.3%) in VMT.





7. FLORIDA'S TURNPIKE ENTERPRISE

7a. Management of Toll Facility Operational Costs

7b. Toll Revenue Variance

7c. SunPass Participation

House bill 261, passed during the 2002 Florida Legislative Session, changed Florida's Turnpike District into Florida's Turnpike Enterprise (Enterprise). The change allows the Department of Transportation to leverage the financial capabilities of the state's largest revenue producing asset. It also allows the Enterprise to use private-sector best practices to improve the cost-effectiveness and timeliness of project delivery, increase revenues, improve the quality of services to customers, and expand the capability of the Turnpike's capital program. The Enterprise has the capability to operate more like a business, yet at the same time, by remaining a public sector entity, the Enterprise will continue to operate in the public interest.

7a. MANAGEMENT OF TOLL FACILITY OPERATIONAL COSTS

Tolls are user fees paid by customers who have an expectation that the maximum amount of revenue collected will be used to finance transportation improvements. Therefore, toll collection costs should be contained and carefully managed. The Enterprise is responsible for toll collection on the eight Department-owned and operated toll facilities, of which Florida's Turnpike System is the largest revenue producing asset.

Net toll revenues (i.e. gross tolls less operating and maintenance costs) are used to pay debt service on bonds issued for construction of improvements to the system. When operational costs (e.g. toll collection contracts, credit card fees, SunPass operations) to collect tolls increase, there is less toll revenue available for debt service and capital improvements.

The Performance Measures Working Group (PMWG) adopted several changes to this performance measure in 2009. The toll collection methodology was revised to eliminate the cost of insuring the facility, which is a mandatory provision of the bond indenture to protect the bond holders. Insuring the facility against structural damage and maintaining the flow of revenues to pay debt service on the outstanding bonds, is not a direct cost of collecting a toll. In addition, it was determined that there are manpower, equipment, and maintenance costs associated with transactions upon entering the "Ticket System". These transactions have never been included in the transaction base for calculating the cost of each toll collection transaction. Since there are costs associated with card dispensers, lane staffing, equipment maintenance and SunPass operations directly related to these transactions, the "entering" transactions of the Ticket System are now included in the base of transactions. Lastly, the cost and revenues of SunPass transponders are now amortized over the life of the transponder instead of expensing the full cost in the year purchased. By amortizing the costs and associated sales revenues over the life of the transponder, annual fluctuations in cost or revenue will not distort the annual performance of this measure.

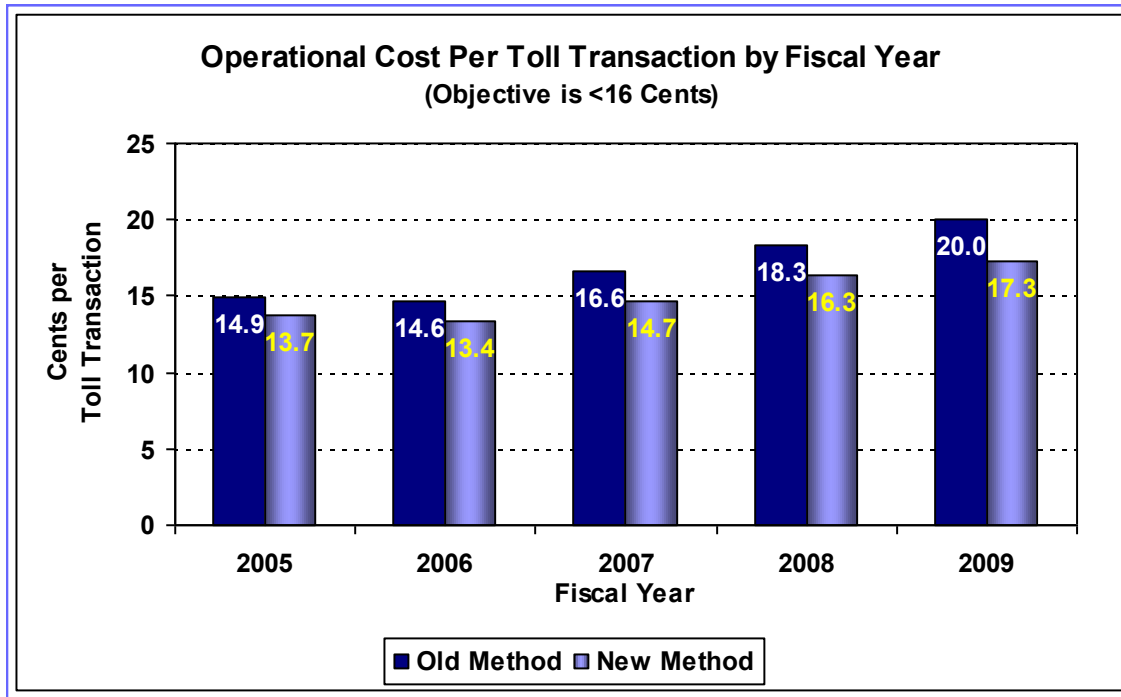
These changes are intended to better reflect the direct cost of collecting toll transactions and to provide for more consistent reporting on an annual basis.

Primary Measure: The average amount of each toll transaction collected from all toll facilities, either owned or operated by the Enterprise, that is dedicated to covering operational costs.

Objective: Keep the cost of each toll transaction to 16 cents or less per transaction.

Results: The average cost to collect a toll transaction for all Enterprise facilities was 17.3 cents per transaction, above the goal of 16 cents or less. Under the old methodology, the cost was 20 cents per transaction. The inclusion of the “entering” transactions on the ticket system reduced the cost per transaction by 1.2 cents and the elimination of the insurance accounted for nearly .75 cents.

For the purpose of transitioning to the new methodology, the previous five years data has been stated in both new and old methods for comparison in the chart and table below.



FY	New Methodology			Old Methodology		
	Cost	Transactions	Per Transaction	Cost	Transactions	Per Transaction
2004	\$98,771,695	722,998,998	0.137	\$101,426,245	680,004,324	0.149
2005	\$103,686,579	756,014,842	0.137	\$105,902,303	711,279,531	0.149
2006	\$107,489,958	804,301,502	0.134	\$111,012,931	758,025,821	0.146
2007	\$122,840,681	836,738,118	0.147	\$130,563,971	788,823,703	0.166
2008	\$131,865,612	810,662,388	0.163	\$139,505,755	762,691,789	0.183
2009	\$133,127,209	771,084,775	0.173	\$145,486,239	725,707,202	0.200

7b. TOLL REVENUE VARIANCE

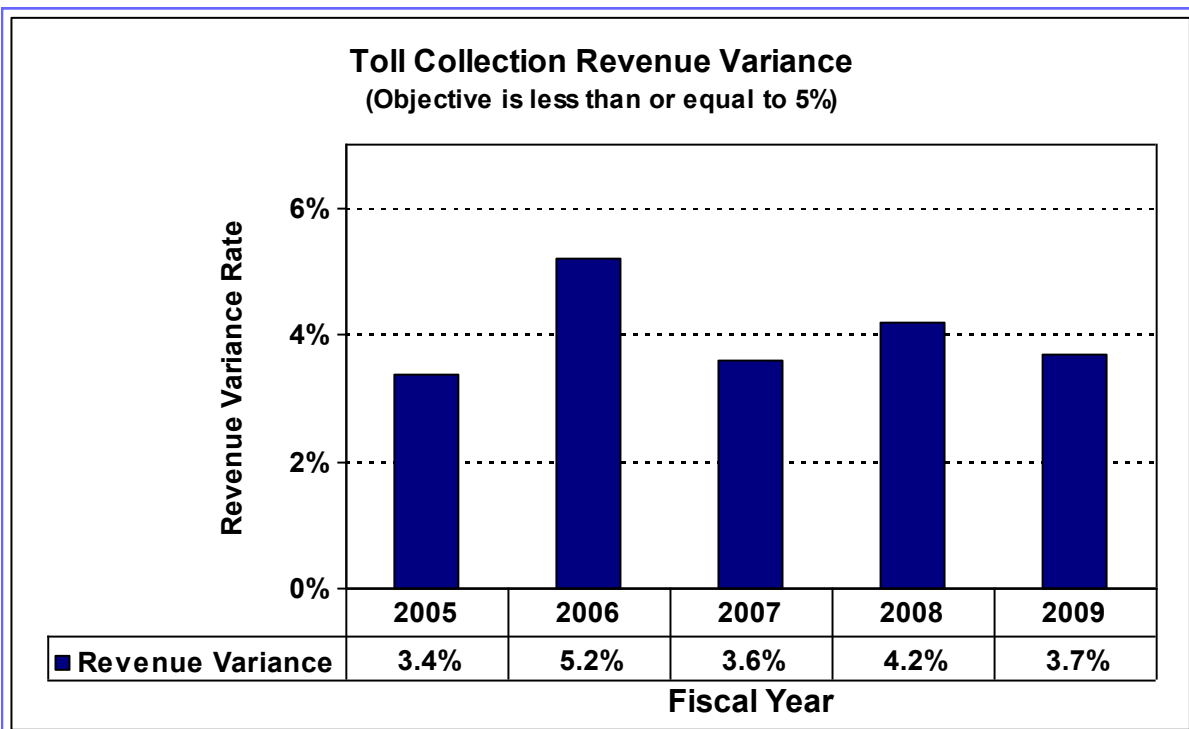
Toll revenue collections are determined by the number of vehicles using a toll road, the rate per axle, axle class of vehicle, and whether the customer pays with cash or Electronic Toll Collection (ETC). The toll collection equipment in each lane determines the toll that should be assessed (Indicated Revenue) and this is compared to the actual toll collected (Actual Revenue). The difference is defined as revenue variance.

Revenue loss is a part of every business. Enterprise management's challenge is to control and mitigate such loss using the most efficient and cost effective methods. The revenue variance measure provides Enterprise management with the opportunity to monitor and reconcile traffic and revenue. Prompt analysis of the revenue variance allows management to identify areas of improvements in toll collection to ensure the integrity of revenues, safeguard bondholders, and provide maximum revenue for transportation improvements.

Primary Measure: Revenue variance as expressed as a percentage of indicated revenue for all Enterprise managed toll facilities.

Objective: Average revenue variance should be the lowest possible to minimize revenue loss, but no greater than 5% of indicated revenue.

Results: Average variance was 3.7%; translating to a 96.3% efficiency rate. That is a significant improvement (11.9%) over the prior year.



7c. SUNPASS PARTICIPATION

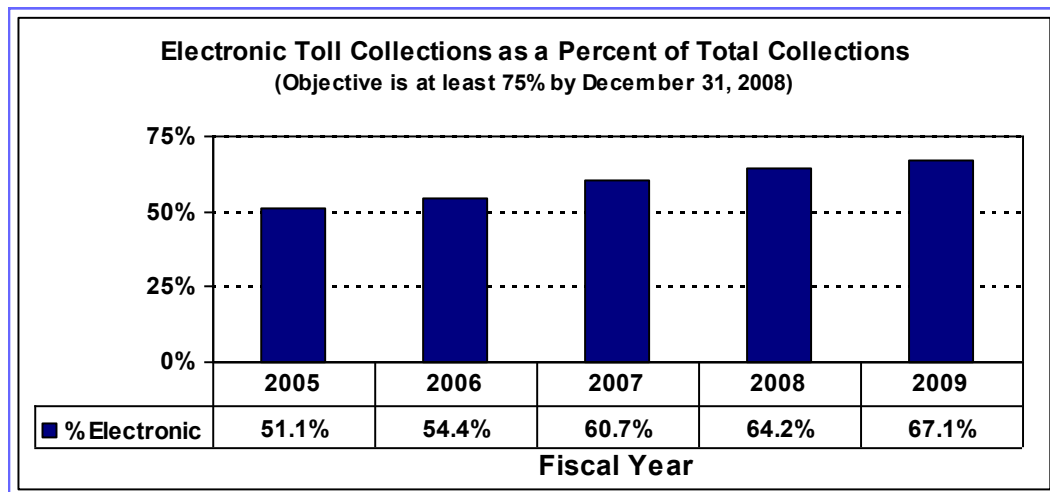
SunPass is the statewide Electronic Toll Collection (ETC) system utilized by Department owned and operated toll facilities and is interoperable with most other toll facilities in the state. ETC systems save commuters time and money and provide for maximum throughput at toll plazas and better utilization of toll road capacity. Dedicated SunPass lanes can process nearly 1,800 transactions per hour, 300 % greater than toll collection with an attendant. A pocket-sized device called a transponder debits a customer's prepaid account as the customer proceeds through a SunPass equipped lane.

The goal of 75% ETC participation has been extended to June 30, 2012. The Enterprise is converting certain segments of its system to all-electronic toll collection (removing the cash option). As this conversion takes place, it is expected that ETC participation will meet or exceed the established goal.

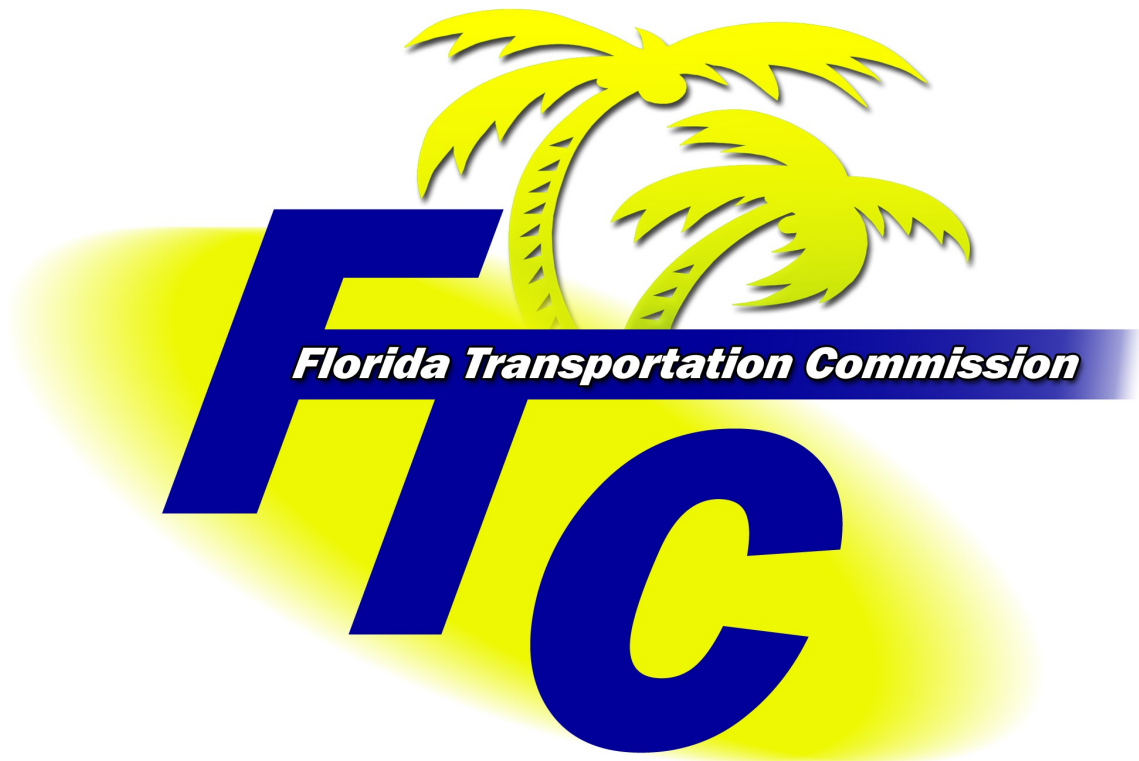
Primary Measure: Number of SunPass transactions as a percentage of total transactions.

Objective: Increase participation to 75% By June 30, 2012.

Results: SunPass participation averaged 67.1% (68.7% for June 2009).



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