PERFORMANCE & PRODUCTION REVIEW

of the

DEPARTMENT OF TRANSPORTATION

Fiscal Year 2001-2002

FLORIDA TRANSPORTATION COMMISSION

Jeb Bush
Governor

October 3, 2002

Dear Governor Bush, Senate President McKay, and House Speaker Feeney,

At its public meeting on September 10, 2002, the Florida Transportation Commission conducted the *Performance and Production Review of the Department of Transportation for Fiscal Year 2001/02*. Secretary Barry, all seven district secretaries and the Turnpike Enterprise Executive Director participated in the review.

Fiscal Year 2001/02 marks the eleventh year the Commission has conducted this evaluation of the Department's performance. Without a doubt, FY 2001/02 was an exceptional year for the Department. Not only did it meet or exceed almost all of the measures, it did so while implementing the largest construction program ever. With the mid-year addition of 63 projects valued over $564 million from the Governor's Economic Stimulus Package, the Department executed a total of 583 construction projects with a value of $2.1 billion. The Department also increased its Minority Business Enterprise expenditures by approximately $70 million, exceeding its objective by 40%. Growth in the utilization of MBEs has increased from approximately $80 million in FY 1997/98 to $243 million this past year.

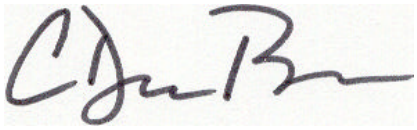
The Commission uses 33 primary and secondary measures to evaluate the Department's performance. However, the focus is on the primary measures, which are measures that assess major Departmental functions, measure an end product or outcome, and are, to the greatest extent possible, within the Department's control. The Department met or exceeded 15 of the 18 primary measures. The three measures that fell below the objective include bridge repair projects, pavement condition, and construction contract cost adjustments. However, the results for these measures did not miss the objective by much. Each of these measures was discussed in detail with Secretary Barry to understand why performance fell below the objective. These three measures along with the Department's explanation for departure from the objective are covered in this final report beginning on page 36.

I'd like to highlight the area of the Review which presents "Challenges and Accomplishments" faced by the Department and each of the districts beginning on page 7. This section was new to the report last year and has proven to be very informative. The Department's Central Office and each of the districts provide these short editorial pieces to the Commission.

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

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

Respectfully,



C. David Brown II, Chairman
Florida Transportation Commission

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U.S. 231 Welcome Station.

Preface

The Florida Transportation Commission was established in 1987 by the Florida Legislature and is responsible 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. In the private sector, the Transportation Commission could be compared to a corporation's board of directors. A list of the current commissioners can be found inside the back cover of this report.

Purpose of this Report

With all of the demands placed on state government and limited resources to address those demands, it is generally understood that we will never be able to adequately address all of the state's transportation needs. In FY 2001/02, the State of Florida spent about $6.2 billion on transportation services and facilities – one of the largest taxpayer expenditures. Therefore, it is imperative that the Florida Department of Transportation uses the funds it has available in the most efficient and effective manner possible. It is the responsibility of the Florida Transportation Commission to ensure this occurs and to protect the state's transportation investment through oversight and performance evaluation.

In 1990, the Florida Legislature created s. 334.045, Florida Statutes, which directs the Transportation Commission to develop transportation performance and productivity measures. At the core of this performance assessment is public accountability, ensuring that taxpayer dollars are directed toward the development of tangible transportation products. Of equal importance is the assurance that the Department keeps its commitment to building the projects found in its Five Year Work Program, adhering to schedule and budget constraints.

The Transportation Commission was further charged with developing measures that are both quantitative and qualitative and, to the maximum extent possible, assessing those factors that are within the Department's control. At a minimum, the measures must assess performance in the areas of production, finance and administration, preservation of the system, safety, capacity improvements and disadvantaged business enterprise and minority business programs. After each annual evaluation, the Commission submits its findings to the Governor and the legislative transportation and appropriations committees. If the Commission finds that the Department failed to perform satisfactorily under the measures, it must recommend actions to be taken to improve performance.

This *Performance and Production Review of the Florida Department of Transportation* is an annual report produced by the Florida Transportation Commission that evaluates how effective the Department has been in addressing the transportation needs of our state through the implementation of its work plan.

The performance measures presented in this report have been derived through years of effort by a cross-functional Working Group composed of representatives from the Transportation Commission, the Department, the transportation industry, and the citizens of Florida. 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.

Port Canaveral.

Introduction

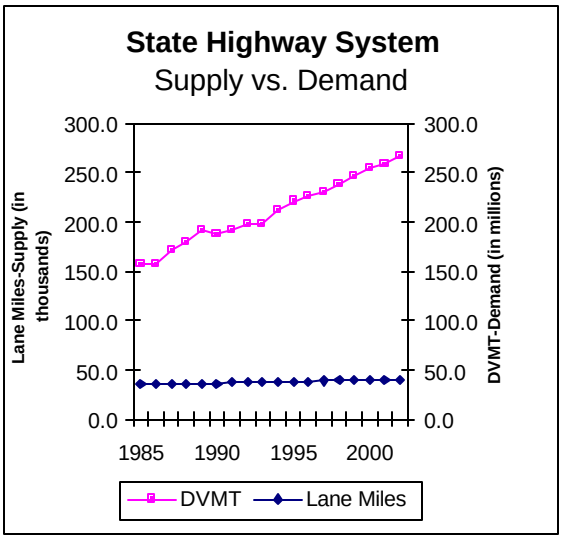
Florida's transportation system is the engine that drives the state's economy. The commercial exchange of goods and services and the movement of people are most efficient with a seamless, multi-modal, and intermodal transportation system. The economy depends on our roads, railways, seaports, and airports, which provide residents and visitors with connections to each other and to the rest of the world.

The quality and accessibility of the state's transportation system impact heavily on Florida's prospects for economic growth. International trade and tourism are two of Florida's top industries in dollar volume, and both are highly dependent upon a sound transportation system. Florida's agriculture and construction industries are also mainstays of the economy, which, along with strong manufacturing, retail, and service sectors, rely on transportation for timely delivery of materials and products and for access to labor, markets, and customers.

Overview of Performance

During these times of limited public resources, practicing good business sense in maximizing the return on investments (getting the most "bang for its buck") is essential. Based on the Department's overall performance this past year, the Transportation Commission is confident the Department is managing its operations in an efficient and effective manner.

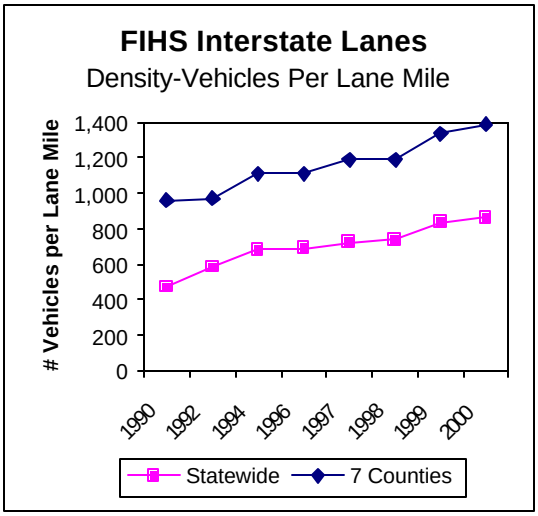
During FY 2001/02, the Florida Department of Transportation was successful in beginning construction on 632 lane miles of additional roadway (an increase of almost 1.6 percent) to the State Highway System (SHS). However, demand on the system, Daily Vehicle Miles Traveled (DVMT), increased by 8.7 million miles (an increase of 3.4 percent). It also let to contract 1,985 lane miles of roadway to be resurfaced.



The Department let to contract 185 bridge repair and 21 bridge replacement projects. Dollar commitments for public transportation improvements, which include airports, seaports, bus transit, intermodal development and commuter assistance, totaled $179.8 million last year. By the end of the fiscal year, the Department closed out 323 construction projects with a dollar value of $1,240.2 million and let $2,096.5 million in new projects, a record breaking year for lettings.

The state's investment in its transportation infrastructure has increased significantly over the years, growing from $657.9 million in FY 1990/91 to $2,096.5 million in FY 2001/02. What's remarkable about this record level of investment was the mid-year addition of 63 projects to the construction-letting plan through the Governor's Economic Stimulus Package. All 63 projects in the Governor's Package were let by June 30th at a value of $564.4 million. However, it is estimated there is still a $28 billion shortfall in meeting the state's transportation needs on just the Florida Intrastate Highway System (FIHS). The Department does not have the resources to diminish this shortfall and can only strive to keep from falling farther behind.

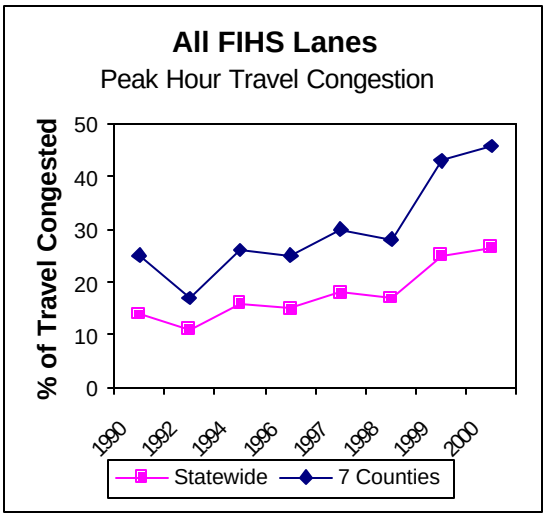
Congestion is an escalating problem, especially in our metropolitan areas, as is evidenced by the following charts on mobility.



Note: Only even year data is available from 1990 to 1996.

The chart above illustrates the growth in the number of vehicles per lane mile during the peak hour of travel (5:00 pm to 6:00 pm) on the interstate portion of the FIHS and also on the Interstates within the seven largest counties in population (Miami-Dade, Broward, Palm Beach, Orange, Pinellas, Hillsborough and Duval). In just ten years, congestion has increased 82.8 percent on the entire interstate system and 44.7 percent on the interstates within the seven largest counties. Not only has the number of vehicles on the roadway increased, but also the percentage of our travel time that is spent in congested conditions is continuing to increase.

In most metropolitan areas in the state, there is no "rush hour" anymore. What used to be known as rush hour has now extended well beyond an hour in duration. The next chart illustrates the increase in congestion during the peak hour of travel. It shows that on the interstates in the seven largest metropolitan areas the percentage of time we spend driving in congested conditions has increased by over 45 percent.



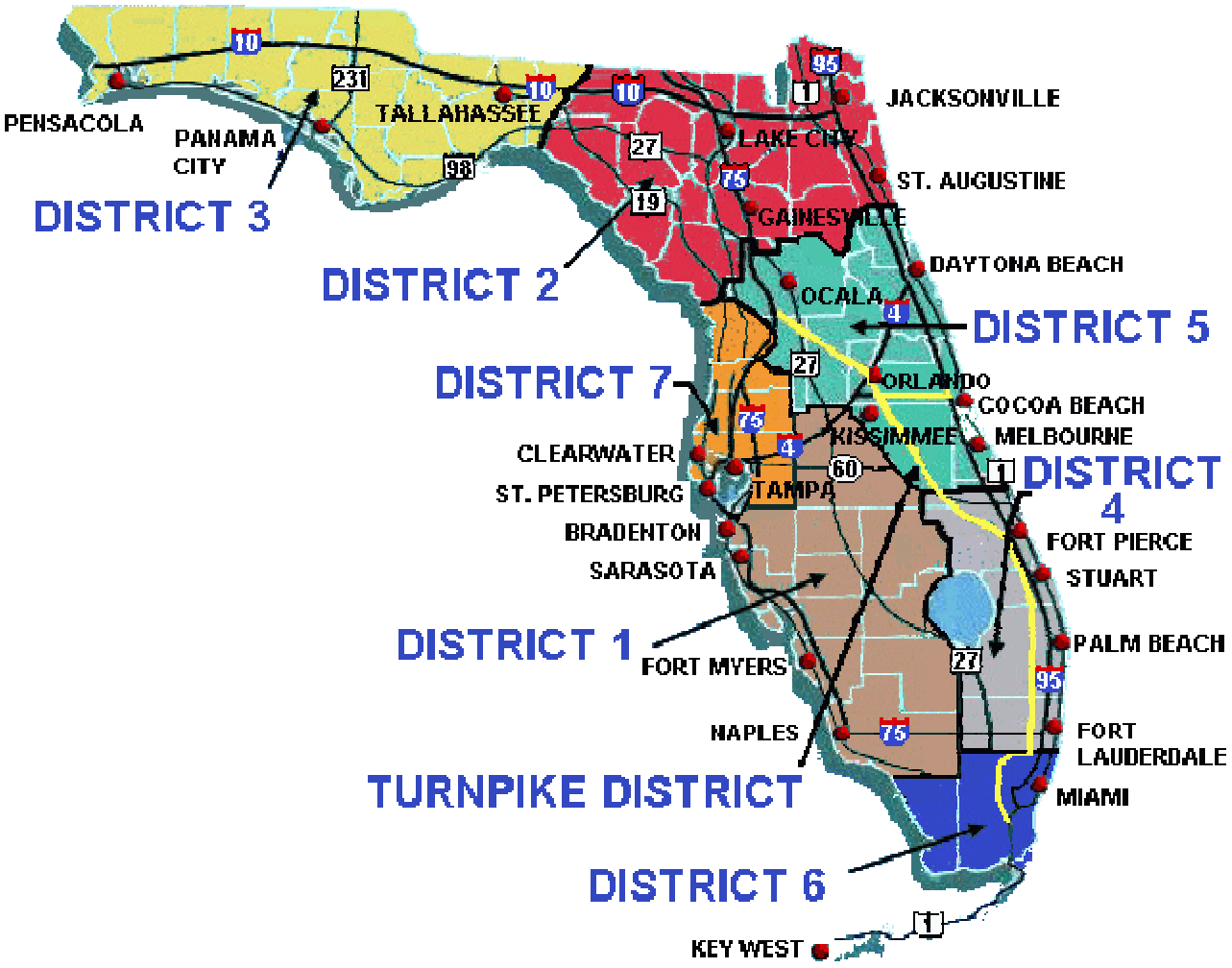
Note: Only even year data is available from 1990 to 1996.

While the after affects on the transportation system of the September 11th attacks are still being felt, especially in the airline industry, Florida's transportation facilities are still being strained. Passenger counts at Florida's commercial airports are approaching levels comparable to counts prior to September 11th and, in some cases, even exceeding them. The SHS` appears to have been the benefactor to those people seeking alternatives to air travel. The Daily Vehicle Miles Traveled on the SHS increased for the year to a record 267.2 million miles.

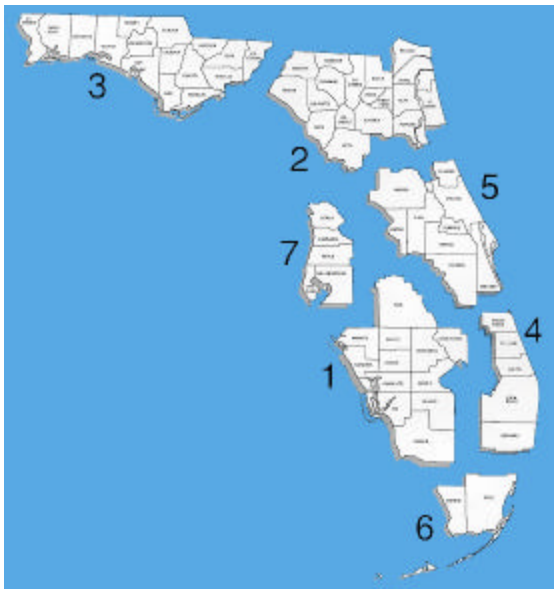
As you can see from the information presented, addressing the state's transportation needs is a formidable task. However, it is a task that must be undertaken with diligence if Florida is to maintain its economic strength. The Florida Transportation Commission, through its oversight responsibility, will ensure that the Department of Transportation continues to address the state's needs both effectively and efficiently.

FDOT Statewide and District Challenges and Accomplishments

Florida Department of Transportation District Map



STATEWIDE
Challenges and Accomplishments



Overview of the State: Florida, with a population of approximately 16 million residents, covers an area of 59,928 square miles, representing 67 counties. The State Highway System (SHS) is composed of 40,451 lane miles with 6,317 bridges. There are 23 public transit systems; 760 aviation facilities, 128 of which are open to the public with 19 offering commercial service; 2,887 railway miles; and 14 deep-water ports.

Challenges

Current trends show that economic activity and transportation demand in Florida will continue to grow even faster than the population over the next 20 years. Today's transportation system serves almost 16 million residents, 59 million visitors, and vast movements of freight within and across the state's border. In the next twenty years, Florida's transportation system will need to serve a projected population of 21 million residents, 87 million visitors annually, and a monumental increase in freight movement. Vehicle miles of travel are expected to increase about 60 percent, transit trips by 40 percent, and air travel will more than double.

Following the terrorist attacks of September 11, 2001, Florida was faced with an economic slowdown in industries vital to our state, the necessity to enhance security at our transportation facilities, and the need to stimulate the economy by creating jobs, accelerating projects, and overcome the loss of tourism dollars.

In the first few weeks after the attack on September 11, airport operational costs jumped dramatically, primarily due to increased security measures, in addition to a decline due to reduced traffic. In the days after airports resumed operation, traffic was 20 percent to 30 percent of normal. In addition, seaport funds that would have been used for infrastructure were diverted to enhance security to protect ports.

Accomplishments

The Department had a record-letting year for 2001/2002, letting to construction 584 new road and bridge related projects with a construction value of $2.1 billion. That exceeded last year's record by more than $500 million.

Thanks to the Governor's Economic Stimulus plan, 63 projects were advanced in January, with a construction value of $564.4 million. Major portions of these were design-build projects: 49 with a value of $509.5 million. Design-build allows the Department to combine design, construction, and sometimes, Construction Engineering Inspection (CEI) into a single contract.

Project letting dates were coordinated with the construction industry to balance lettings and bid dates. The Department also executed nearly $500 million in consultant contracts. That number is more than DOT had in total construction lettings in the late 1980s.

A key component of the Governor's economic stimulus package gave Florida's 19 commercial airports greater flexibility in using their portion of the state aviation fuel tax to meet increased operating and security expenses, so that they could bolster security and passenger confidence. Currently, Florida leads the national recovery of air passenger traffic. Through June 2002, Florida's air passenger traffic was within 10 percent of the same period last year. This is in sharp contrast to national averages which run 15 to 20 percent lower than last year.

State and local seaport funds formerly directed to the development of Florida's seaport infrastructure have been diverted to security, leaving a deficit in Florida's competitive edge in global commerce. With congressional authorization, the U.S. DOT established a Port Securities Grant Program, awarding six of Florida's deepwater ports nearly $20 million in grants, 21.4 percent of the total grants awarded.

The Department also made great strides on a number of other initiatives, including intelligent transportation systems (ITS) programs, Efficient Transportation Decision-Making, Florida's Turnpike Enterprise, minority business enterprises, the Strategic Intermodal System, and others. At the same time, Florida ranked among the best in the country in its transportation facilities. An annual survey by the trucking industry identified Florida as having the best rest areas in the nation.

511. As part of our ITS efforts, access to traveler information using an easy-to-remember 3-digit number – 511 – is now available along I-4 in Central Florida and in Miami-Dade, Broward and Palm Beach counties. Callers will be able to get up-to-the-minute traffic information simply by saying aloud the area of the interstate about which they are seeking information rather than making their selection by punching numbers. The voice-activated system allows drivers to keep their hands on the wheel when calling from their car. The traveling community has overwhelmingly embraced the service: nearly 200,000 calls came into Central Florida's system in July alone.

FDOT Business Model (Sterling). The Department continues to develop its business model, which is based on the Sterling Criteria. While the customer surveys indicate an overall satisfaction rating of 78 percent, we are committed to improving in those areas scoring lowest. Initiatives are underway throughout the districts and central office to improve business access during construction, night visibility of striping and marking, timeliness of construction completion and local input during the design phase. The 2002 Employee Survey scored an all time record high with a significant increase in employee satisfaction over the 2001 results. Dedicated to improvement, the department has developed a 'Toolbox" to assist lower scoring unit managers in implementing practices used by higher scoring units.

Initiatives such as Design/Build and Lump Sum Contracting to assist in controlling cost and time overruns were instrumental in providing the agility necessary to meet the needs of the state through the Economic Stimulus Package. There is a wide variety of similar performance enhancing initiatives underway within the Department.

Exit Renumbering. In January, the Department began changing exit numbers along Florida's Interstates, beginning at Interstate 10. The exit numbers are being changed from consecutive exit numbers to milepost numbers. The new exit numbers will be consistent with the numbers on the mile markers along the highway. Some signs will have both the old and new exit numbers for two years so that everyone can get used to the new numbers. This dual posting period will also allow map publishers, advertisers, and businesses along the interstate ample time to update their publications. The milepost exit

numbers are more convenient and safer. It provides a system where motorists can easily determine their position along the highway. The milepost exit numbers allow for consistent numbering of new interchanges. New exits will be given a number based on their location, instead of fitting a new number into an existing number sequence. The $4.6 million project is funded entirely by the Federal Highway Administration (FHWA). The total includes $750,000 to remove the old signs in two years.

Efficient Transportation Decision-Making. The Department and 22 other agencies representing Florida and the federal government agreed to use a new process to make transportation decisions more efficient while protecting the human and natural environment. The "Efficient Transportation Decision-Making" process (ETDM) will reduce costs, time and duplication while ensuring that transportation projects are environmentally sound; establish interagency teams to coordinate transportation project reviews within their respective agencies, ensuring agency interaction throughout the life of a project; use state-of-the-art technology to allow team members to communicate more effectively throughout the life of a transportation project; involve more agencies and people earlier in the transportation planning and review process; and identify critical issues earlier to reduce conflicts among permitting agencies and result in better transportation decisions.

Florida's Turnpike Enterprise. The 2002 Florida Legislature approved the creation of the Florida's Turnpike Enterprise, which provides the Turnpike with the flexibility to pursue innovations and the best business practices found in the private sector. Florida's Turnpike will now be allowed to investigate and pursue other forms of non-toll revenue. In addition, the Office of Toll Operations (OTO) merged with the Turnpike to form one organization that emphasizes a superior level of customer service. With the merger, the Turnpike will be responsible for the toll collection on Florida's Turnpike, five other Department-owned toll facilities and three additional Department-operated facilities, comprising 591 miles of roadway and bridges and representing more than 80 percent of all toll miles in the state. On the national perspective, Florida's Turnpike alone ranked third in gross toll revenues. However, following the March 1 merger with OTO, the Florida's Turnpike Enterprise has become responsible for collecting a larger amount of tolls than any other toll road agency in the country.

Minority Business Enterprise. The Department continued to excel in its efforts to increase its total spending with minority-owned companies during fiscal year 2001/02. The increase was 140 percent over the prior years' total, with more than $243 million going to both certified and non-certified minority firms. The major portion of this, $165 million, went to minority-owned construction contractors.

Strategic Intermodal System. In January 2002, the Department began development of a new strategic intermodal transportation system for the State of Florida. This new system will help Florida focus its future statewide transportation investments on statewide and regional transportation priorities that are essential to Florida's economy and quality of life.

The system will be composed of all modes: aviation, highway, intermodal, rail, seaport, space and transit, as well as accommodations for bicycles and pedestrians. It will address the mobility of both people and goods, including linkages that provide for smooth and efficient transfers between modes and with major transfer facilities. It is being developed using a consensus-building process involving the Department and 30 other statewide organizations. Extensive public involvement opportunities are being provided.

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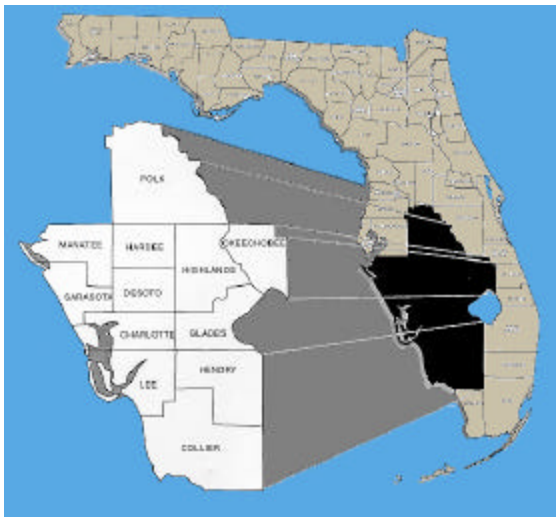
DISTRICT ONE
Challenges and Accomplishments



Overview of District: District One, with a population of approximately 2.2 million residents, covers an area of 11,629 square miles, representing 12 counties in Southwestern Florida. The State Highway System (SHS) in the District is composed of 5,782 lane miles with 907 fixed bridges and 19 movable bridges. There are four major transit authorities, 134 public and private airports, three of which offer commercial service, four major rail lines and one deep-water port.

Challenges

Picture a private company that has recently downsized. Now imagine that company just saw a 70 percent increase in its business for the year. The dilemma, of course, is figuring out how to deliver the same sterling customer service with such an increased workload and fewer workers. District One faced that challenge – and met it – this year.

While still grappling with the effects of the Smaller and Smarter initiatives, the District found itself in a "good news, bad news" situation. The good news was all 17 projects submitted for funding through the Governor's Economic Stimulus Package were funded. The bad news was that meant a lot of extra work at break-neck pace from employees at all levels throughout the District to see that this unprecedented letting schedule was met. The District met its goals and let all the projects to construction on time.

Staff also had to develop a new approach for clearing utilities prior to construction projects. This ultimately resulted in a new system that makes design consultants responsible for coordinating with utility owners to ensure all utilities are certified prior to projects being let.

The District continues to seek ways to refine its production schedule and improve the estimation on contract days for jobs. This ultimately will result in timely completion of projects and satisfied external customers.

As the new fiscal year begins, we face another big challenge: balancing the needs of the state transportation system in the District with the inescapable reduction in funding as a result of the downturn in the economy following Sept. 11. District officials are working with the local communities to minimize as much as possible the effects this funding shortfall will have on the work program for several years to come.

Accomplishments

District One's greatest challenge also proved to be its greatest success. In response to the Governor's Economic Stimulus Package, the District advanced 17 projects into the current fiscal year, successfully letting all the projects by June 30, 2002. District One received nearly 37 percent -- $245.7 million of the $668 million total -- of the statewide Economic Stimulus Program dollars for its projects. This resulted in a 70 percent increase in the District's lettings for the year. Design, permit and right-of-way acquisition efforts were accelerated significantly, an undertaking that took a

tremendous effort by all District personnel. Out of a total state letting of $2.1 billion, District One let approximately $450 million worth of construction projects for the year, a record for the District.

Over the past ten years, the District has had eight construction projects underway to four-lane SR 776, which connects to US 41 in Sarasota County to the north and to US 41 in Charlotte County to the south. The last segment under construction is expected to be completed this fall. This project will significantly enhance the beach communities' emergency evacuation route.

District staff worked with local officials to secure a federally funded State Infrastructure Bank (SIB) loan for $1.5 million to design the four-laning of a segment of SR 78 in northern Lee County. This is an emergency evacuation route and developing economic corridor. Private donations of right-of-way have been pledged, which will save money and advance the construction schedule.

During the past year, two asset management contracts were negotiated. In Sarasota and Manatee counties, I-75 became the latest interstate corridor to become managed by a private firm. The Alligator Alley corridor already was under asset management. Additionally, an asset management agreement was negotiated with Collier County for all maintenance activities on the state highway system within the county.

The District's Aviation Office has soared this year as well. On May 13, 2002, ground was broken on the Midfield Terminal Complex at Southwest Florida Regional Airport in Fort Myers. This $386 million project is a milestone in the southwest Florida aviation transportation network, the largest ever accomplished in District One. The project includes a new three-concourse, 28-gate terminal and parking garage, a new 12,000-foot taxiway, and a major roadway access network. The project is on schedule, with opening scheduled for 2005.

District One's Transit Office helped lead in the development of a new contracting protocol that streamlines the process for providing operating grants to local transit agencies. The new process allows us to write one contract that will be good for the next five years.

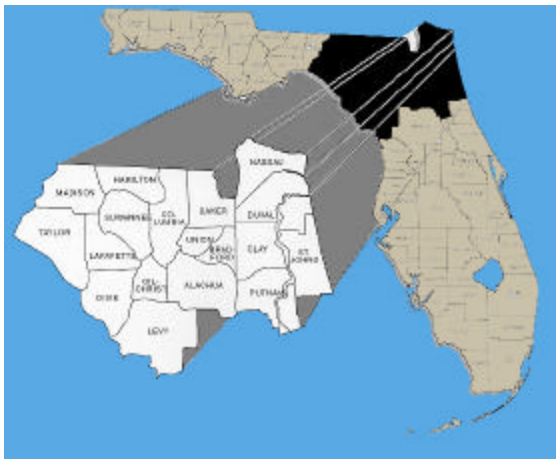
Changes to the Federal Transit Administration Section 5310 program transferred funding to Central Office, expediting the procurement of transit vehicles, and eliminating third-party contracts and invoices.

We were the first District to participate in a new statewide contract for the performance of on-site Bus System Safety reviews and monitoring for compliance with transit drug and alcohol testing programs. We have already completed five reviews under this contract, and have more scheduled throughout the year.

The Anna Maria Island Trolley service came online in March, operated by the Manatee County Area Transit (MCAT) system. The trolleys have exceeded ridership expectations by more than 50%. The rubber tired trolleys operate seven days a week and for longer hours each day than the regular services.

The District's Financial Services department has undergone several personnel changes, yet continues to have a 99.6% average compliance rating with payment processing. The Professional Services department developed and implemented a contract Web page for the District Contracts Office, which allows advertisements and letting results to be posted on the Internet. The department also created a bidders' list for emailing contract advertisements, resulting in the deletion of as many as 2,500 monthly mail-outs, and improving customer service by allowing contractors to immediately receive advertisements.

DISTRICT TWO
Challenges and Accomplishments



Overview of District: District Two, with approximately 1.7 million residents, covers an area of 11,865 square miles, representing 18 counties in Northeastern Florida. The State Highway System (SHS) in the District is composed of 7,827 lane miles with 1,077 fixed bridges and nine movable bridges. There are two major transit authorities, 144 public and private airports, two of which offer commercial service, three major rail lines and two deep-water ports.

Challenges

District Two faces many transportation challenges today and in the coming years. District Two is the largest geographic district with 18 counties and over 2,500 centerline miles of road. Perhaps most notable is the fact that District Two connects the peninsula of Florida with the rest of the continent, and thus sustains a huge volume of through traffic and the associated heavy wear and tear on the road system. The District is primarily rural with two existing urbanized areas, Jacksonville and Gainesville. As a result of the 2000 census, St. Augustine will be a new urban area. A challenge the Department will be undertaking this fiscal year is the coordination with St. Johns County, St. Augustine, St. Augustine Beach and the First Coast MPO in establishing MPO representation for the St. Augustine area. Jacksonville offers the greatest challenges in size and number, but challenges throughout the district are prevalent as communities grow and face issues such as sprawl and increased through traffic with little opportunity to address these demands due to extremely limited resources.

Jacksonville and the entire First Coast Region are experiencing unprecedented growth combined with increased I-95 and I-10 traffic through the region. The immediate challenge is the completion of 6-laning I-95 from the Flagler/St. Johns County line to the Georgia line. Also, there is the need to complete SR 9A, a limited access facility, which loops around the east side of Jacksonville. The twenty-year shortfall in funding for the Jacksonville Urbanized Area exceeds $4.9 billion through 2025 and continues to grow.

Public transportation challenges are vast with growing needs for the transportation disadvantaged throughout the urban and rural parts of the District. Commuter traffic in the Jacksonville Urbanized Area needs alternatives other than the increasingly congested expressway and arterial systems with future rail and bus rapid transit options being studied.

Generally our challenges throughout the District include the increasing gap between needs and funding (federal, state and local) available to address those needs; pressure to increase landscaping, tree mitigation, noise abatement, and overall aesthetics; added dependence on the state highway system for mobility, access and public utilities due to inability to develop a supporting network of collector and urban minor arterial roads; pressure to minimize the duration of construction and the resulting disruption of access and traffic flow; and a general inability of our communities to reach and sustain a consensus on how they need to

grow and what the supporting transportation system should be.

Accomplishments

While we face these many challenges, we are making progress with numerous programs underway and recent successes and milestones regarding long and short range plans.

Progress on I-95 includes near completion of the Fuller Warren Bridge, which is scheduled to open January 2003. The completion of the Fuller Warren Bridge will eliminate the only draw span on the interstate system in Florida. The six-laning of I-95 in southern Duval County has been completed. The six-laning from I-295 North to the George state line, which includes northern Duval and all of Nassau County will be completed this year.

Construction has begun in St. Johns County to six-lane I-95. Construction of the northern most of three projects in St. Johns County has been scheduled for a number of years. The schedule was accelerated for the remaining two St. Johns County projects due to economic stimulus funding. All three St. Johns County projects are design build contracts. Design and right of way acquisition are underway for the remaining sections of I-95 in Duval County that are not six lanes.

Progress continues to be made on SR 9A, the eastern limited access loop around Jacksonville. The south 9A, I-95, I-295 interchange is under construction and the expressway segment from Beach Boulevard to Atlantic Boulevard is beginning construction. The remaining section of the eastern loop from J. Turner Butler Boulevard to Beach is scheduled to begin construction in the fall of 2003.

Branan Field Chaffee Road two-lane construction was completed and is open to traffic, thus providing a long needed alternative route between Clay County and southwest Duval County northward to I-10. There is a rapidly increasing need to construct two additional lanes and to construct a new interchange at I-10 due to growing traffic and economic development pressures.

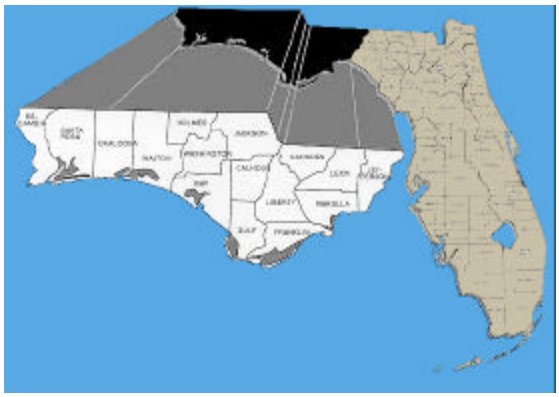
The last contract to complete the four-laning of SR 500 (US 27 and US 27A) in Levy County was let for construction in July. Upon completion, SR 500 will be four laned throughout the District.

The Department continues to design the Jacksonville Transportation Center, which will be a multi-modal terminal linking Amtrak, Greyhound, Jacksonville Transportation Authority (JTA) bus, JTA Skyway, Park and Ride, Taxi and future rail at the Prime Osborne Convention Center. The JTA, with funding and technical support from FDOT, is progressing on the study of the first leg of the future rail system.

The Jacksonville Traffic Management Center became operational, marking a milestone in the deployment of ITS on the interstate system in Jacksonville.

The use of contracted maintenance and innovative contracting and incentives for early completion of work is becoming more widespread as we work to improve efficiency while reducing our workforce. Jacksonville Maintenance is increasing contracted maintenance transitioning toward a total asset management contract by July 2004.

DISTRICT THREE
Challenges and Accomplishments



Overview of District: District Three, with a population of approximately 1.2 million residents, covers an area of 11,378 square miles, representing 16 counties in Florida's Panhandle. The State Highway System (SHS) in the District is composed of 6,436 lane miles with 783 fixed bridges and one movable bridge. There are two major transit authorities, 80 public and private airports, four of which offer commercial service, four major rail lines and three deep-water ports. In addition, two new transportation authorities were formed last fiscal year: the Escambia-Santa Rosa Regional Transportation Authority and the Emerald Coast Bridge Authority.

Challenges

A multitude of challenges face District Three in the coming future. Rapid growth in northwest Florida is requiring the District to reassess the current transportation infrastructure and the increasing needs created by this development. Major landholders are modifying their corporate focus and transitioning into land development, which will have distinct impacts and challenges in order for District Three to provide the framework necessary to sustain this growth.

Presently, the District is providing funds through the Transportation Outreach Program (TOP) to Opportunity Florida to develop a new roadway section on U.S. 98 in Gulf County. This moves the existing road off the coast inland to an area with less risk during a storm. In addition, we are working with other major developers on relocating portions of U.S. 98 inland in Franklin County. All of the construction funds are to be provided by private entities.

Further, the construction of Phase I of Thomas Drive in Bay County has been a challenge. The coordination with the Costal Naval Lab to relocate the main entrance coupled with the acquisition of rights-of-way along this corridor have proven to be challenges as well.

The construction of the I-10/I-110 Interchange and reconstruction as well as other projects in Escambia County will present public involvement/information challenges for the District during the next four years. Due to the nature of the I-10 and I-110 corridors and the volumes of traffic they carry, the District had to examine all other projects in the region and coordinate these activities via one Construction, Engineering and Inspection (CEI) contract. Additionally, we have grouped major projects in this region into this CEI contract in an effort to better serve the public and provide more effective public information service.

The District is actively working to initiate the Efficient Transportation Decision Making (ETDM) Process for all major transportation projects. This will involve far greater involvement by other state and federal agencies who have entered into a Memorandum of Understanding with the Department. The objectives of the new process include effective/timely decision making without compromising environmental quality, integrating the review and permitting processes, and participation by the involved agencies. In addition, mitigation costs for impacts to wetlands continues to increase as the "per

acre" cost rises each year based on the inflation rate.

Successes

District Three achieved many successes this past fiscal year, which included accomplishing 100% of all scheduled lettings. Further, as part of the Governor's Economic Stimulus Package, the District successfully let 15 additional projects with a construction cost of approximately $36 million.

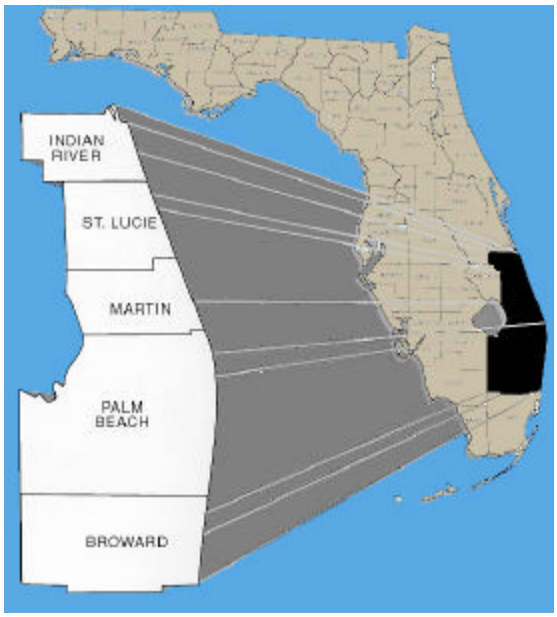
In conjunction with the District's established outreach efforts to the increasing needs of its communities and pursuant to the Governor's Front Porch Florida Initiative, the District is actively meeting with the designated Front Porch Communities within District Three. At the moment, there are three communities in the District that have been designated Front Porch Communities: Pensacola, Frenchtown, and Shalimar.

Presently, preliminary work is underway to relocate the Bay County-Panama City Airport. This relocation is needed for airport expansion and future growth especially along our coastal region. In addition, bids were received on the remaining two segments from U.S. 331 to Bay County this coming year. The improvements on U.S. 98 were advanced due to the Governor's Mobility 2000 initiative. These advancements will serve the District well in its commitment to provide the infrastructure necessary to sustain the demands on its transportation network. The improvement project scheduled for S.R. 87 was let this year and is a major accomplishment for the District. A partnership between the District, the associated permitting agencies, local agencies, and contractors (through the use of a consortium process) proved very useful in getting this project under construction. Further, sections of S.R. 77 and S.R. 79 will be let to contract this year as planned.

The District has begun a project development and environmental (PD&E) study on the Three Mile Bridge over Pensacola Bay. This study will have major public involvement with the locals. Two design-build contracts were let under the Governor's Economic Stimulus package in Okaloosa and Santa Rosa Counties. These projects will rehabilitate two needed rest areas in those counties. The District was able to implement some of the new provisions of the new design-build law to acquire rights-of-way in the design-build process on these projects. This approach is proving very advantageous to the District. It should be noted, District Three is one of the first districts in the state to utilize the provisions of the new design-build law.

Additionally, District Three is exploring the feasibility of moving toward "full service" contracts for resurfacing projects (3R Program). These type contracts require minimal review by the Department. Presently, the District has designed a few projects on a trial basis to determine the quality of plans produced under this concept.

DISTRICT FOUR
Challenges and Accomplishments



Overview of District: District Four, with approximately 3.2 million residents, covers an area of 4,837 square miles, representing five counties in Southeastern Florida. The State Highway System (SHS) in the District is composed of 5,990 lane miles with 685 fixed bridges and 35 movable bridges. There are two major transit authorities, a commuter rail service, 88 public and private airports, two of which offer commercial service, two major rail lines and three deep-water ports. District Four also maintains the only tunnel on the SHS.

Challenges

District Four continues to face the challenge of dealing with growth and meeting the transportation demands of the area. In some areas, the pace of growth far exceeds our ability to address the needs in terms of both process and funding. Our partners at the local level are looking at creative measures to address the funding issue and acquisition of properties and our challenge is to find a way to make the process support their efforts.

Rapid development also brings with it three big challenges: Noise from planes, trains and automobiles. As we expand our roadways, how we address "noise pollution" issues is of interest to all of the surrounding communities. We continue to install sound barriers along some segments of I-95 in Palm Beach County. However, we face new demands from communities requesting a barrier wall or other type of buffer to be installed along our South Florida Rail Corridor, as well as "retrofit" existing interstate routes. Noise issues at area airports have generated numerous complaints to their local governing boards as well as gaining much media coverage. FDOT is providing funding to communities to conduct noise studies at general use airports to identify possible improvements that could be made to the facilities or their operations to reduce noise levels.

Major improvements are needed on I-595, I-75 and I-95 over the next 10 to 20 years to facilitate movement of people and goods throughout the region. However there is not enough funding to meet all of these needs. In the case of I-75 through Broward County, a Planning Coalition comprised of representatives from the cities and neighborhoods along the corridor, has been formed to assist in identifying the features needed and to prioritize them in the Master Plan. An additional challenge with this effort is the balancing of sometimes-conflicting wishes of adjacent communities.

The spiraling cost of Right of Way acquisition is having a major effect on our ability to deliver reconstruction projects in the urban areas. A case in point is SR 7 in Broward County where the cost of right of way is $280 million for 5.8 miles of roadway versus $40 million for construction.

As the Department gets smaller and smarter we face a continuous challenge to

retain our experienced personnel. Consultant salaries and benefits continue to lure away our top talent.

Both District Four and Six face the challenges of working with Miami-Dade, Broward, and Palm Beach Counties to ensure that a regional approach to our transportation needs is adopted.

District Four faces the challenge of providing for a multi-modal transportation network in a high growth, urban sprawl environment. We have faced this challenge through intergovernmental coordination, technical guidance and strategic investment. We work very closely with our local partners to develop multi-modal alternatives to maintain economic vitality and to optimize mobility

Accomplishments

In FY 2001/02, we completed the SE 17th St. Causeway Bridge project in Fort Lauderdale, a project that is aesthetically pleasing and a benefit to the local community. We also began another major bridge replacement, the Royal Park Bridge, between Palm Beach and West Palm Beach. This project is on an accelerated schedule.

Our Right of Way and Eminent Domain departments handled a record number of parcels this fiscal year. A total of 247 additional parcels were acquired.

The economic stimulus legislation of 2001 accelerated several projects. Construction began on the long-awaited SR 60 corridor between Vero Beach and Yeehaw Junction, partially accelerated by this legislation. The first of the SR 80 corridor projects in West Palm Beach was let, as were three additional I-95 improvement projects in Palm Beach County.

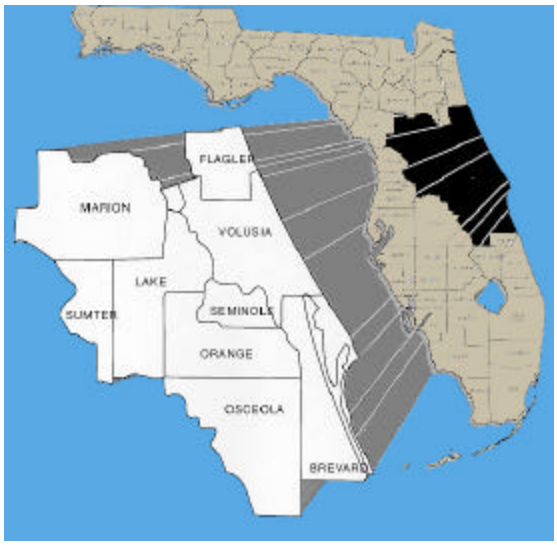
Installation was completed and testing has begun on the changeable message sign system along the I-95 and I-595 corridors in Broward County. These signs are an important component in the advance traveler information system.

The Department identified significant upgrades for the I-595 corridor through a planning study. However, with required studies, design and funding constraints it would take up to 10 years to put one of the major improvements required in place. The District addressed one of these needed improvements, the junction of I-95 with I-595, through a team effort of innovative design, with FHWA concurrence, to design a quick fix approach that will provide the same benefits as the ultimate project. From inception to completion, the project has taken seven months.

Fort Lauderdale's new Waterbus system is a huge success. They are currently carrying an average of 20,000 passengers per month, thereby removing that number of trips on the roads in the downtown Fort Lauderdale and Fort Lauderdale Beach areas.

District Four was involved in the development and implementation of three new regional transit services that not only cross County lines but also cross District boundaries: The District Four and Six offices coordinated with Broward County Transit to extend a suburban fixed route five miles into Miami-Dade County to connect with Miami-Dade Transit express bus service to downtown Miami. We coordinated with Palm Tran, the Palm Beach Workforce Development Board, and our District One counterparts to establish fixed route service connecting the Clewiston area in Hendry County with job and educational opportunities in Palm Beach County. The District was also successful in working with Martin and St. Lucie County transit providers to provide the first fixed route service on SR 5/US 1 connecting the cities of Stuart, Port St. Lucie and Ft. Pierce allowing for expanded economic opportunities.

DISTRICT FIVE
Challenges and Accomplishments



Overview of District: District Five, with a population of approximately 3.0 million residents, covers an area of 8,282 square miles, representing nine counties in Central Florida. The State Highway System (SHS) in the District is composed of 7,349 lane miles with 711 fixed bridges and eight movable bridges. There are eight transit authorities, 160 public and private airports, four of which offer commercial service, five major rail lines and one deep-water port.

Challenges

Central Florida attracts tens of millions of tourists annually, with Walt Disney World, Universal Studios, Sea World, Daytona International Speedway, the Kennedy Space Center, Silver Springs Park, and the beaches of three coastal counties all located in District Five. In the aftermath of the September 11th tragedy, the economic impact on travel and tourism threatens Transportation Trust Fund revenues. This, in turn, exacerbates concerns over a seemingly infinite need for transportation improvements in the face of limited funding.

While nearly $200 million in Interstate 4 construction projects are in progress, only design is funded for a limited portion of the planned ultimate build-out of the Interstate, which is the backbone of the region's transportation system. Funding must be identified to pay for right of way and reconstruction of the Interstate to include special use lanes through much of the Central Florida corridor. Given current funding levels, it would take nearly 30 years to achieve that ultimate build-out from the Osceola/Polk County line to Interstate 95 in Daytona Beach.

Developing alternatives to I-4 remains a challenge. Renewed interest in completion of a Western Beltway around the greater Orlando area is encouraging. But it also challenges the District to develop a plan serving the region's transportation needs that is acceptable to environmental interests with historical opposition to such plans. Commuter rail and light rail components of a regional transportation network continue to be debated by local governments whose participation would be necessary to fund operation of these public transportation alternatives.

Coping with growing congestion in established urban areas, and dealing with burgeoning growth in what had been rural areas brings challenges that are not new, but no less problematic. Issues such as noise buffers, signalization, median openings, and signage are all addressed by long-established uniform standards. Those standards, however, are of little interest to a public that is encountering the issues for the first time or with ever-increasing frequency. The Department's challenge is to implement fair and reasonable standards for a public that would, understandably, prefer exceptions for their particular circumstance.

Accomplishments

District Five launched the state's first 511 Travel Information Service in June. By dialing 511, Central Florida motorists can

get around-the-clock, real-time traffic and road condition updates along the Interstate 4 corridor from Volusia County to the attractions area west of Orlando. The launch of 511 service was extremely successful, with over 100,000 callers checking on I-4 conditions in its first month of operation. The voice-activated service, at the time of launch only the third in the nation, utilizes the resources of the District's Regional Traffic Management Center (RTMC) to provide immediate information on accidents or other incidents affecting traffic along the corridor. RTMC resources now include nearly 60 cameras along 50 miles of I-4, from U.S. 192 in Osceola County east through the I-4/St. Johns River Bridge construction project. That project includes widening I-4 several miles into Volusia County.

Work continues to upgrade and expand the Interstate monitoring system, and link other systems – such as the smaller Daytona Area Smart Highways (DASH) system – to the RTMC. Installation began this past fiscal year on a similar system in the vicinity of Interstate 95 and State Road 528 in Brevard County.

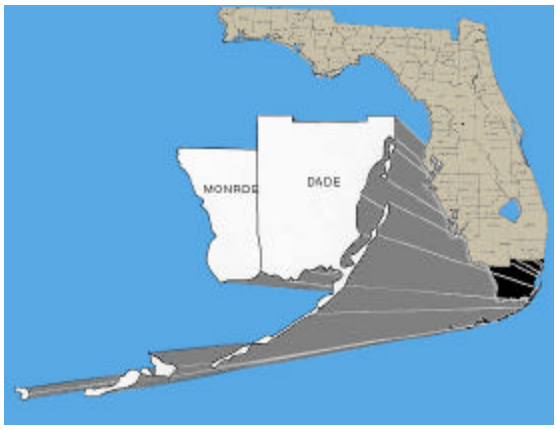
District Five contributed 83 projects totaling nearly $300 million to the Department's record $2.1 billion in contract lettings in fiscal year 2001/2002. Construction began on over $225 million in major capacity-improvement projects during the fiscal year. Over $75 million of that was in projects to add auxiliary lanes along Interstate 4 through the attractions area west of Orlando, and along 13 miles of the Interstate from west of downtown Orlando to Maitland Boulevard north of the city. Other urban area projects included over $30 million for the widening of Nova Road in the Daytona Beach area; Silver Star Road widening west of Orlando; State Road 434 widening from the University of Central Florida north to Oviedo in Seminole County; U.S. 192 widening at the east end of Kissimmee in Osceola County, and State Road 442 widening in Edgewater, Volusia County. Rural road widening projects included the long-awaited start of four-laning of both U.S. 192 in Brevard County (a project that was launched personally by Governor Bush), and State Road 520 in Orange County. Also, widening of a section of State Road 44 in Sumter County began just as the fiscal year wound down.

Projects completed in the past fiscal year included difficult and lengthy urban projects such as the nearly $15 million Conway Road widening in Orange County, and two U.S. 192 projects west of Kissimmee that totaled nearly $50 million. Another two miles of U.S. 17/92 in the DeBary/Orange City area of Volusia County was widened to four lanes, and the $32 million Broadway Bridge replacement was completed in Daytona Beach.

Accomplishments for fiscal year 2001/2002 also include coping with the unexpected. When a sinkhole closed two of three westbound lanes of I-4 in Seminole County, District engineers, construction, and maintenance workers developed and implemented a plan to build temporary lanes, literally overnight, to handle the 50,000 vehicles traveling that section of I-4 daily. Permanent repairs were completed in a week, with minimal negative impact on the crush of commuter traffic.

All of these accomplishments were achieved coincidental with a continuing downsizing of District staff. Over 180 positions have been eliminated over the past two fiscal years, with many functions being turned over to the private sector. All of these government positions have been eliminated through attrition and reassignments, with no employee layoffs.

DISTRICT SIX
Challenges and Accomplishments



Overview of District: District Six, with a population of over 2.4 million residents, covers an area of 2,989 square miles, representing Miami-Dade and Monroe Counties in Southeastern Florida. The State Highway System (SHS) in the District is composed of 2,853 lane miles with 904 fixed bridges and 13 movable bridges. There are two major transit authorities, 85 public and private airports, three of which offer commercial service, two major rail lines and one deep-water port.

Challenges

The challenges the District has met during this period have been on going for a considerable period of time. There is still no decision as to how best eliminate from the Downtown area, the truck traffic flowing to and from the Port of Miami. The preferred alternative of building a tunnel connecting the Port to Watson Island is hampered by the financial magnitude of the undertaking. Two other important projects, the improvements needed for I-395 and the reconstruction of Biscayne Boulevard are not only linked to this decision but have generated their own number of controversial and costly options.

Likewise, there has been significant amount of public attention given to the prospect of widening of S.R. 997, Krome Avenue. A substantial increase in traffic volume and fatal crashes has triggered a re-evaluation of this two-lane corridor that may lead into converting it into a four-lane road. This option requires a Community Development Master Plan change and is currently following the required oversight and approvals before a final decision over the road's future is considered. Similarly, the Department's recent decision to address the current safety issues of the 18-Mile Stretch by rebuilding it as a two-lane road with a shoulder to be converted into an emergency outbound lane does not have the support of the Miami-Dade Metropolitan Planning Organization and has yet to go through the appropriate permitting agencies.

The District has also gone through challenging moments during this year when the Miami Dade County Aviation Department put in question whether or not it could deliver their part of the agreement to build the Miami Intermodal Center (MIC). Skeptical of their financial projections, the construction of the People Mover between the MIC and the Airport, a critical component of the project's federal requirements, was temporarily reprioritized until a re-evaluation by the County Manager confirmed its importance. Other less notable projects being constructed in partnership with local government, have endured equally the uncertainty of local funding or consensus support for their implementation.

There have been external challenges as well impacting the performance of District 6 for this period. The first and most significant one has been the push to create a dedicated source of funding in order for Miami-Dade County to qualify for federal transit matching funds. This is to be accomplished through the establishment of a local ½ or 1-cent sales tax. This concept has been controversial due to the public's expressed concerns over how the funds would be monitored

and how the specific projects would be chosen. The County Mayor and other elected officials are giving much attention and energy to this effort that will go before the voters this fall. There have been three recent unsuccessful attempts at passing a similar tax, the last one taking place in 1999.

The second external challenge facing the District is the debate centered on the benefits and the political impact of creating a Regional Transportation Authority for Miami-Dade, Broward, and Palm Beach Counties. The main controversies here have been how to assess political representation from each of the three participating counties and how to centralize the operations of each transit system into one.

Overall one of the District's main challenges continues to be how to help frame the magnitude of its transportation and transit options/decisions in a comprehensive fashion. The multiplicity of agencies with jurisdiction over this major area of concern and the significant price tag inherent in the nature of these decisions represent for residents and stakeholders at least two of many hurdles standing in the way of clearly understood dialogue and attainment of community consensus.

Accomplishments

The District continues to do well in construction costs and time overruns to date as well as in reaching its production and maintenance objectives. Particularly salient were the completion of the NW 103rd Street segment of the Palmetto Expressway Expansion Project, on schedule and within cost. The District was also able to let this year, two additional segments of this major project, maintaining its effort to keep current the schedule of the Governor's Mobility 2000 Initiative.

Significant accomplishments were made in the area of eminent domain as it pertains to the progress of the Miami Intermodal Center (MIC) project. This involved cases of large scale, total acquisitions and the relocation of an entire airport support enterprise area. The success of this effort entailed a major education of judges in order to sensitize them to the significance, magnitude and complexity of the process. The courts had to be persuaded to grant whole takings in the absence of finalized engineering plans in order to defeat efforts to delay the acquisitions or to reduce them to partial takes. The latter would have exposed the District to large business damage claims. Additionally, there were victorious collaborations between the District and the Miami-Dade Expressway Authority (MDX) in the acquisition of right of way needed for joint purposes of the agencies.

Similarly, the District continues to move forward with its implementation of scheduled elements of its Intelligent Transportation System. Beginning early this summer, the 511 Travel Information Services was made operational to the delight of thousands of motorists in Miami-Dade, Broward, and Palm Beach counties who can now obtain real time travel information on major roads by simply dialing 511. This service is provided in a public-private sector partnership with District 4, the Turnpike District, MDX and SmartRoute Systems.

Finally, the District has received several awards and recognitions including the Major Interchange Award and the Minor Bridge Award from the Florida Transportation Building Association as well as the Engineer Excellence Grant Award from the Florida Institute of Consulting Engineers. However, the most encouraging of all of the accomplishments for District 6 is the overall continuous improvement reported in our employees' surveys.

DISTRICT SEVEN
Challenges and Accomplishments

Overview of District: District Seven, with approximately 2.6 million residents, covers an area of 3,177 square miles, representing five counties in the Tampa Bay area. The State Highway System (SHS) in the District is composed of 4,213 lane miles with 622 fixed bridges and 10 movable bridges. There are three major transit authorities, 42 public and private airports, two of which offer commercial service, one major rail line and two deep-water ports.

Challenges

District Seven faced several challenges last year in construction contract administration. Two projects that were final accepted had to be completed through Sureties because the prime contractors filed for bankruptcy and were unable to complete the contract work. Additionally, a third contractor chose to close its operations in Florida, resulting in a struggle to retain staff and finalize contract work.

The District also faces several challenges in the coming years. We continue to seek improvement in delivering projects from planning through construction. A team of district senior management and six representatives from the consultant community (Design and CEI) has been formed to help develop further improvements.

Utility coordination continues to be an area of focus for the District. Utility-related issues led to some of the additional contract time on several projects. The District also faces the challenge of trying to purchase right of way in a market that experiences rapidly escalating property values. Attempting to purchase the right of way early to save future expenditures while maintaining a solid construction program is challenging. In the area of airports and seaports, the main challenge as a result of the September 11th attacks has been implementing necessary security measures while also maintaining some level of project programming to serve existing and future needs.

Accomplishments

The District had several very significant accomplishments this past year. Construction of three major projects was completed. The remaining segments of I-4 from 50th Street to the Polk County line were completed, providing six general use traffic lanes for approximately 21 miles in east Hillsborough County. SR 600 (Hillsborough Avenue) was completed which now provides six traffic lanes for east/west traffic from Pinellas County to west of I-275 in Hillsborough County. The third significant project completed and opened to traffic is a new interchange at SR 56/I-75 in Pasco County. This interchange has provided immediate benefit by relieving the SR 54/I-75 interchange and traffic on Bruce B. Downs Boulevard in New Tampa in northern Hillsborough County.

Several significant projects were let to construction this past year. The I-4/I-275

Downtown Interchange project will greatly improve the traffic flow and safety within the interchange. The replacement of the SR 60 Clearwater Memorial Bridge was also let to construction. Improvements to US 19 in Pinellas County were begun to modify the medians and right turn lanes to better control access and improve traffic flow on US 19. These projects came as a result of the US 19 Task Force work to identify projects to reduce accidents and improve US 19. The project to construct an interchange at US 19/Drew Street was awarded this Fiscal Year. This continued the efforts of creating a controlled access facility along US 19 in Pinellas County. The District also advanced seven projects as part of the Governor's Economic Stimulus package.

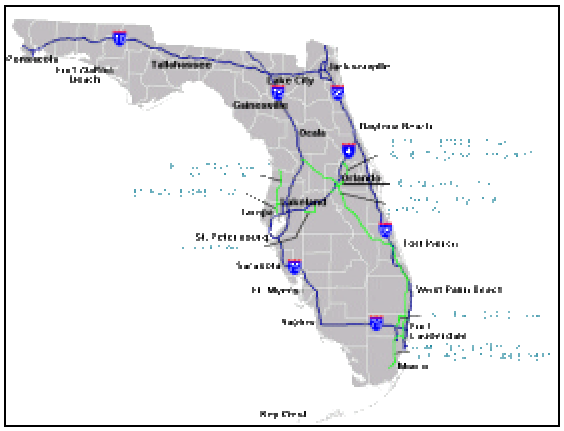
A unique accomplishment for the District was the execution of contracts to move and rehabilitate historic houses within the Ybor City National Historic Landmark District. These houses are being moved to mitigate impacts created by the future widening of I-4. This effort involved extensive coordination and cooperation with the U.S. Department of Interior, State Historic Preservation Office, FHWA, City of Tampa, and the local Ybor City community. It is one of the largest (if not the largest) such mitigation efforts in the nation. Several houses have already been moved to new locations within the Landmark Historic District and rehabilitation has begun.

The District achieved another year of successfully negotiating the acquisition of right-of-way parcels. The negotiated settlement rate for FY 2001/02 was 80.3 percent.

In addition, the District has begun design of a Freeway Management Center (FMC), which will be the operations center for the Tampa Bay Sunguide ITS System. When completed, the Tampa Bay Sunguide System will provide coverage for the interstates in District Seven, allowing for better response time for incident management as well as providing traveler information via dynamic message signs to be located throughout the District.

The construction of the FMC is scheduled to begin in FY 2003/04 and be completed in FY 2005/06.

TURNPIKE DISTRICT
Challenges and Accomplishments



Overview of Turnpike: Florida's Turnpike is a 449-mile system of limited access toll highways that passes through sixteen counties in Florida. The Turnpike System is composed of 1,875 lane miles with 751 fixed bridges and eight service plazas. The Turnpike also collects tolls for eight off-system facilities.

Challenges

Florida's Turnpike lost approximately $500,000 in toll revenues during the nine hours when tolls were lifted following the terrorist attack on September 11, 2001. Turnpike facilities experienced an eight percent decline in revenues system-wide after the tragedy (nearly twice that amount on tourist-oriented facilities such as the Beeline West, which serves the Orlando Airport-to-Disney corridor). Toll revenues gradually returned to normal over the next few weeks and have continued to grow during the fiscal year.

Traffic volume continued to increase at unprecedented levels throughout much of Florida, and Turnpike staff worked hard to meet this challenge. Traffic volume on the Turnpike mainline in Miami-Dade, Broward and Palm Beach Counties increased by nearly eight percent last year, which was much greater than the population increase in this region.

The single-most important challenge facing the Turnpike is implementing the organizational changes that will transform the Turnpike District into the Turnpike Enterprise while maintaining high levels of productivity in traditional business areas.

Turnpike managers conducted a comprehensive assessment of all functional areas that resulted in the business model for the Turnpike Enterprise. Turnpike managers then worked extensively with Central Office, legislative staff, and elected officials to draft legislation and produce supporting materials documenting the need for statutory revisions.

When Governor Bush signed the bill passed by the 2002 Florida Legislature that converted the Turnpike District to an Enterprise, he expressed his expectation that the legislation would enable the Turnpike to "…operate in a more business-like manner and to maximize the financial leveraging capability of the state's largest revenue-producing asset for the benefit of statewide transportation." The legislation directs the Turnpike to pursue innovation and best practices found in the private sector, to improve cost-effectiveness and timeliness in project delivery, to increase revenues and expand our capital program, and to improve our quality of service.

The clear expectation is to create management initiatives aimed at efficiencies that generate additional funds for transportation. As a first step in this direction, Turnpike's managers have identified 16 first-year initiatives that establish an aggressive program for meeting the expectations of the Legislature. These initiatives include the creation of a Corporate Advisory Board, the establishment of an environmental outreach program, and the identification of the Florida Highway Patrol as the

preferred law enforcement agency system wide.

Accomplishments

The first milestone of the Enterprise reorganization was achieved on March 1, 2002 when the Office of Toll Operations (OTO) merged with the Turnpike District. The relocation of OTO staff (by December 2003) to the Orlando headquarters of the Enterprise increases efficiencies by consolidating common functions such as human resources and administration. When complete, the merger will result in enhanced customer service, lower operating costs, and a diverse organization focused on a single mission.

The SunPass Challenge was initiated and established to provide the framework for incorporating operational, marketing and violation enforcement enhancements. The goal of the challenge is to double SunPass participation from 25 percent to 50 percent by December 2004. Over 100 projects have been identified and funded that will double the number of SunPass-only lanes statewide in the same timeframe. Between now and December of 2004, the Turnpike will invest $121 million to upgrade and advance the SunPass Program.

Turnpike managers responded to increased traffic volume by advancing a number of projects in the Tentative Five-Year Work Program and continuing to evaluate funding alternatives to accelerate needed improvements and additional projects. PD&E studies were initiated for capacity improvements on the Bee Line West and Turnpike mainline, a partial interchange at SR 417 in Central Florida, and a new expansion project, Suncoast II, a 25-mile toll road in Citrus County. In South Florida, design was underway for capacity improvements on the Turnpike mainline from Atlantic Ave. to the Lantana Toll Plaza, a new interchange at SR 710 and noise walls in Palm Beach County. In Central Florida, design was underway for a new interchange at CR 470 and modification of the SR 408 interchange. Design and advanced right-of-way acquisition continued for a portion of SR 429, an extension of the Western Beltway. Designs for capacity improvements on a portion of the Sawgrass Expressway and a new access ramp at Commercial Boulevard in Broward County were completed and advanced to the construction phase as part of the state's 2002 stimulus package.

Substantial progress was made on construction of the Thomas B. Manuel replacement bridge in Martin County, a new interchange at SR 80 in Palm Beach County and capacity improvement projects in Palm Beach and Miami-Dade counties. The Western Beltway (SR 429) interchange with the Turnpike was opened to traffic and auxiliary lanes between this interchange and the East-West Expressway (SR 408) were completed in Orange County. In Seminole County, construction was completed on a major portion of the Seminole II Expressway, with the remaining section expected to be open to traffic in September 2002. The completion of this toll facility will close the "missing link" of the Eastern Beltway in Orange County and expand the Turnpike System to 449 miles. The Turnpike, at the request of local government, also initiated a study of a new toll road in Central Florida, which would parallel I-4 from Volusia to Orange County.

The Turnpike remains financially strong with actual revenues exceeding forecasts for FY 2001/2002. Total revenues from tolls and concessions approached $417 million and are expected to continue to increase over the Five-Year Work Program period. Florida's Turnpike continues to enjoy an AA bond rating making it one of the top five rated Turnpikes in the nation. The Turnpike also earned, for the ninth year in a row, the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association.

Emphasis Areas for Fiscal Year 2001/02

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Emphasis Areas

Fiscal Year 2001/02 marks the eleventh year the Florida Transportation Commission has conducted this evaluation of the Department of Transportation's performance.

The Commission uses 33 primary and secondary measures to evaluate the performance of the Department. Primary measures assess major departmental functions, measure an end product or an outcome, and are, to the greatest extent possible, within the Department's control. Secondary measures are those considered sufficiently important to be reported; yet meet the primary criteria to a lesser degree and/or are used for informational purposes. The Department met or exceeded 15 of the 18 primary performance measures used for evaluation by the Commission. Two of the measures where the Department did not meet the stated objectives were just slightly off their mark. Overall, of the 31 primary and secondary performance measures developed by the Commission that include a stated objective (there are 33 measures, but an objective has not yet been established for two of them), the Department met or exceeded 21.

The following pages present "Emphasis Areas of Noted Improvement or Performance" to highlight measures where the Department has made considerable improvement over the previous year's performance and to bring attention to exceptional Department performance. This is followed by "Emphasis Areas for Performance Improvement," which include the four primary measures that were not met during this performance-rating period.

EMPHASIS AREAS OF NOTED IMPROVEMENT OR PERFORMANCE

1. CAPACITY IMPROVEMENTS: Highways
(See page 62 for a full description of the measure.)

Performance measure: The number of centerline miles on the Florida Intrastate Highway System (FIHS) that do not meet the minimum FIHS standard of four lanes compared against the number of miles brought up to standard (let to contract for improvement from two lane to four lane) during the fiscal year.

FY 2001/2002 results: Of 888 FIHS centerline miles not meeting the minimum lane standard on July 1, 1993, 90 miles or 10.1% were let to contract during FY 2001/02 for improvement from two to four lanes. This improves the original 1993 inventory of 888 two-lane roads on the FIHS by a total of 252 miles or 28.3% to the four-lane standard.

FIHS Two-Lane Roads	# of Centerline Miles	% of Total
Let in Prior Years	162	18.2%
Let During FY 2001/02	90	10.1%
Miles of Two-Lane Roads	636	71.6%
Total	888	100.0%

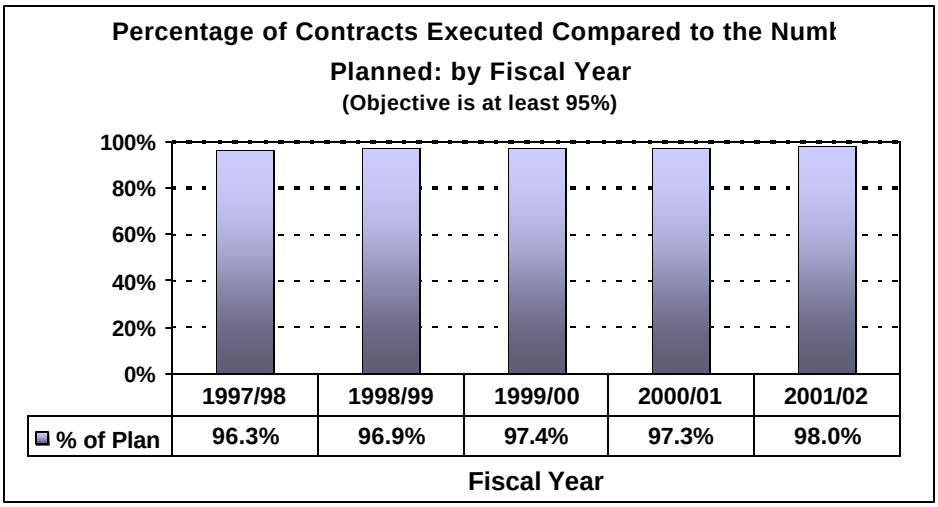
Comments: Even though this is a secondary measure, the Department's performance is worth highlighting. The Transportation Commission has commented in the past on the lack of progress in bringing the inventory of two-lane FIHS roads up to the four-lane standard. The 90 miles of two-lane roads let for improvement to the four-lane standard during FY 2001/02 were the most ever accomplished by the Department in a single year. In one year the Department was able to improve the previous year's backlog of 726 two-lane roads by 90 lane miles, or 12.4%.

2. CONSULTANT ACQUISITION

(See page 67 for a full description of the measure.)

Performance measure: The number of Consultant Contracts actually executed compared against the number of consultant contracts planned to be executed during the year.

FY 2001/2002 results: For FY 2001/02, the Department achieved 98.0% of its plan, having executed 338 of the 345 contracts planned to be executed during the year. The Department also executed an additional 47 consultant contracts that were not included in the original plan.



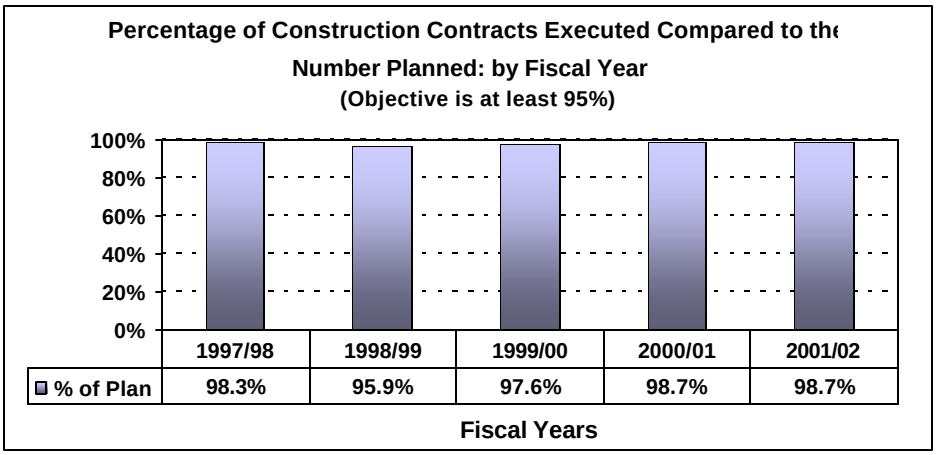
Comments: The Department has met its objective of executing at least 95% of planned consultant contract each year for the past five fiscal years. However, what is remarkable about their achievement this past fiscal year is the Department's ability to continue to meet this goal while adding contracts that were not in the plan. In addition to continually meeting its plan, the Department has averaged executing an additional 38 consultant contracts each year, 47 during the past fiscal year.

3. CONSTRUCTION CONTRACTS

(See page 79 for a full description of the measure.)

Performance measure: The number of construction contracts actually executed compared against the number of construction contracts the Department planned to execute during the fiscal year.

FY 2001/2002 results: For FY 2001/02, the Department achieved 98.7% of its plan, having executed 523 of the 530 projects it planned to execute during the fiscal year. The Department also executed an additional 60 projects that were not included in the current or future plans for a grand total of 583 projects with a value of $2,096.5 million.



Comments: The Department has once again met its objective of executing at least 95% of planned construction projects. The Department continues to meet this goal despite an ever-increasing work program level and a shrinking workforce. The construction contract lettings just ten years ago in FY 1991/92 totaled $848.6 million. This has grown to the record level of $2,096.5 million in FY 2001/02. The Department's greatest challenge this year was the adjustment made to the construction contract letting plan in January to include 63 additional projects from the Governor's Economic Stimulus Package. All 63 of these projects were let by June 30th at a value of $564.4 million. In addition to this adjustment, the Department also let to contract another 60 projects that weren't in the current or any future construction contract letting plans.

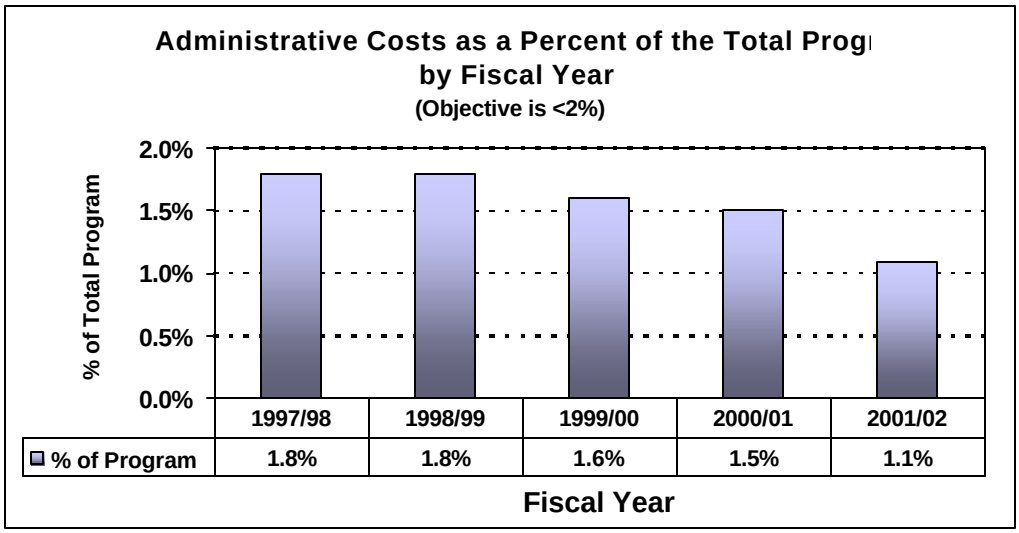
4. MANAGEMENT OF ADMINITRATIVE COSTS

(See page 99 for a full description of the measure.)

Performance measure: The Department's dollar amount of administrative costs measured as a percent of the dollar amount of the total program.

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

FY 2001/2002 results: Administrative costs were 1.1% of the total program for FY 2001/02, or $60.0 million of a total program of $5.6 billion. Based on actual dollar amounts of administrative costs, there was a 10.3% decrease (from $66.9 million to $60.0 million) in administrative costs in FY 2001/02 compared to FY 2000/01.



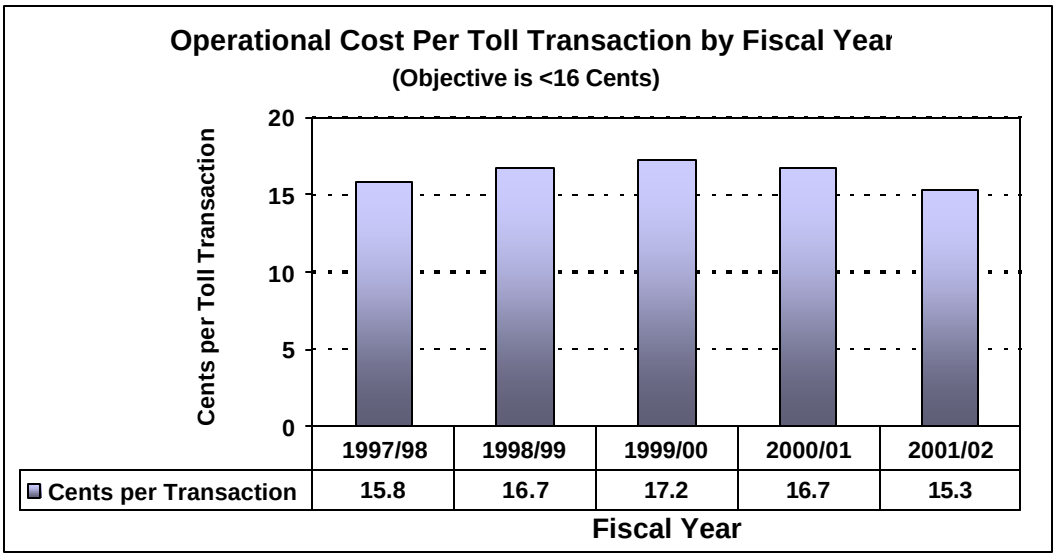
Comments: The drop in the percentage of administrative costs compared to the total program was significant this past fiscal year. The Department achieved a number of program efficiencies last year along with a continued reduction in staff, which seems to have had an impact on total administrative costs. One caveat to this end result, however, is the growth in the total program over last year. The program level grew by over $1 billion from $4,580.6 million in FY 2000/01 to $5,602.1 million in FY 2001/02. It should be noted, though, that based on actual dollar amounts of administrative costs, there was a 10.3% decrease (from $66.9 million to $60.0 million) in costs in FY 2001/02 compared to FY 2000/01.

5. MANAGEMENT OF TOLL FACILITY OPERATIONAL COSTS

(See page 103 for a full description of the measure.)

Performance measure: The amount of each toll transaction that is dedicated to covering operational costs. (Operational costs per toll transaction.)

FY 2001/2002 results: For FY 2001/02, the Department's cost to operate toll facilities was 15.3¢ per toll transaction. The cost to operate toll facilities for FY 2001/02 was 1.4¢ lower (16.7¢ to 15.3¢) per toll transaction than in FY 2000/01.



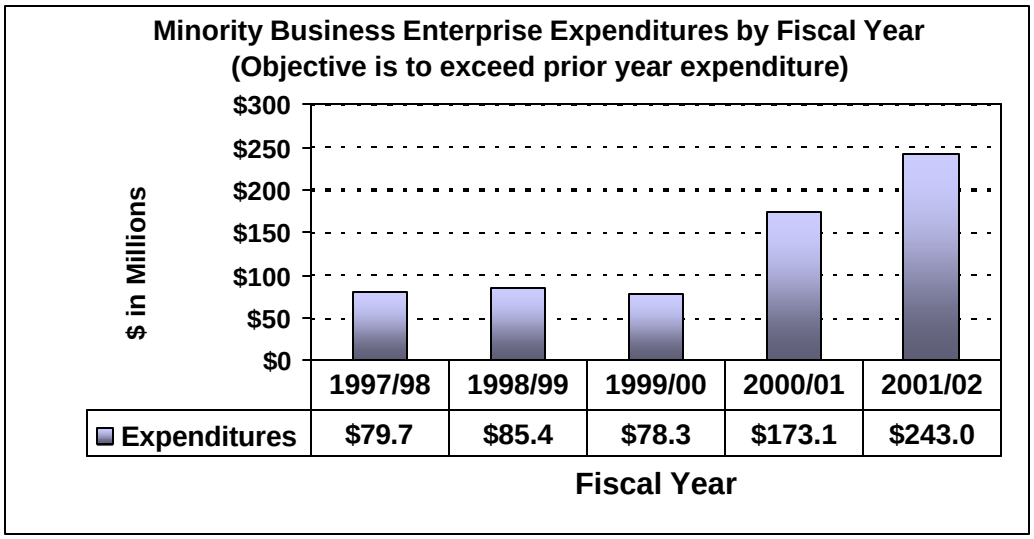
Comments: For the first time since FY 1997/98 the Department exceeded it's objective of toll facility operational costs being less than 16¢ per transaction. This significant drop from last year's performance can be attributable to a couple of things. On March 1, 2002, the Office of Toll Operations (OTO), which is responsible for collecting tolls on the facilities the Department manages, was merged with the Turnpike District to consolidate common functions in an effort to enhance customer service and lower operating costs. It appears this move was successful. However, it should also be noted that the OTO handed over management responsibilities of the toll facilities on the Miami-Dade Expressway to the Miami-Dade Expressway Authority on July 1, 2001. This action reduced the number of toll facilities the Department manages from 76 to 73.

6. MINORITY BUSINESS ENTERPRISE (MBE) PROGRAM

(See page 107 for a full description of the measure.)

Performance measure: The annual dollar amount of MBE expenditures measured against the previous year's annual dollar amount of MBE expenditures.

FY 2001/2002 results: The Department exceeded its objective for utilization of MBEs having exceeded last year's MBE expenditure level of $173.1 million by $69.9 million, or 40.4% above last year's expenditure.



Comments: Under the Governor's One Florida Initiative, emphasis has shifted from tracking percentage goals by industry type to tracking total expenditures with MBEs and the increase in such expenditures annually. In addition, One Florida has de-emphasized the use of set asides or price preferences for MBEs in favor of aggressive outreach and encouragement. It appears the Department's efforts in utilizing MBEs has been successful. Growth in the utilization of MBEs has increased from $79.7 million in FY 1997/98 to $243.0 million this past fiscal year, a 205% increase.

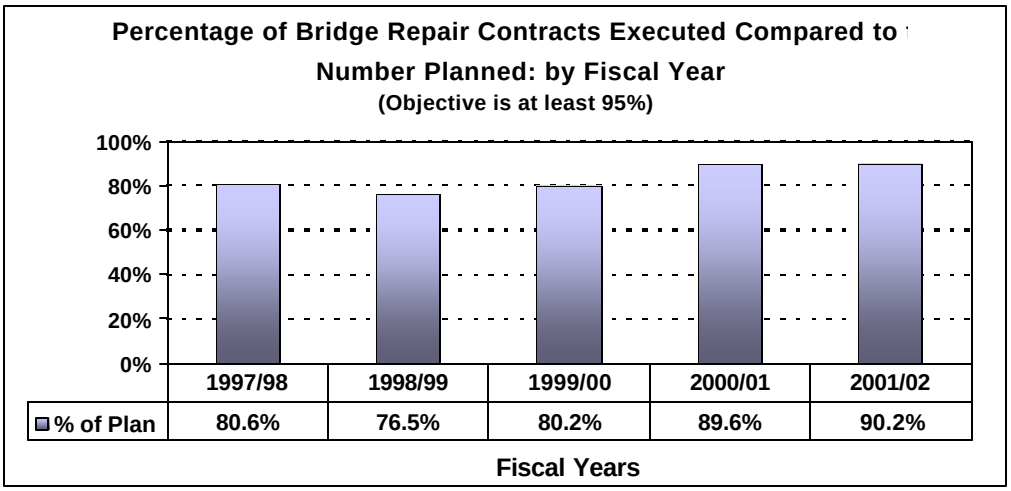
EMPHASIS AREAS FOR PERFORMANCE IMPROVEMENT

1. BRIDGE REPAIR

(See page 49 for a full description of the measure.)

Performance measure: Of the number of bridges planned for repair during the fiscal year, the number of bridges actually repaired (let to contract) during the year.

FY 2001/2002 results: The stated objective is to let to contract at least 95% of the planned projects, or in this case, 136 projects. Of 143 bridge repair projects planned for letting, 129 bridge repair projects, or 90.2%, were let. However, in addition to the plan and much to the Department's credit, 54 bridge repair projects that were not in the plan were let during the year and two projects planned for a future fiscal year were advanced and let for a total of 185 bridge repair projects.



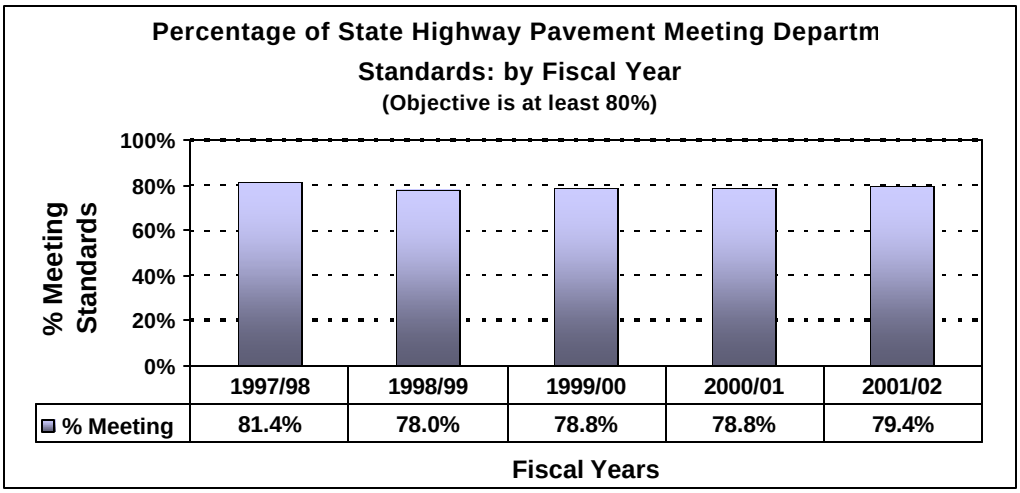
Reason for departure from objective (Department's Response): Since bridge inspections are performed continuously during the year there could be a fluctuation of bridges on and off the deficient bridge list (DBL) within a fiscal year cycle. At times new bridges that are inspected mid cycle of a fiscal year enter the list and are deemed a higher priority than some bridges that are already on the list. The bridges already on the list were previously programmed for repair. This new assessment and subsequent reprioritization of the DBL causes the need to defer some repair projects in light of advancing projects of a more critical nature. The Department deferred eight bridge repairs due to reassessment and five bridge repairs due to scheduling conflicts. One bridge was repaired with an adjacent on-going construction project. Additionally, the Department added 54 bridges because of reassessment. Those bridges that are deferred are still within the period of repair as stated by the Department's Bridge Repair Policy.

Recommendation for improvement: Although the Department fell short of the objective for this measure, the Commission recognizes the effort put forth by the Department in letting to contract an additional 56 bridge projects that were not in the fiscal year plan. The Commission did not see the necessity of making a recommendation for process improvement.

2. RESURFACING: Pavement Condition Standard
(See page 53 for a full description of the measure.)

Performance measure: Of the total lane miles of state roads, the percentage meeting standards.

FY 2001/2002 results: The objective is that at least 80% of the lane miles meet standards (the standard being defined as a rating of 7 or above in the pavement condition survey where one is worst and 10 is best). During the past fiscal year, 79.4% of state road lane miles met DOT standards, falling short of the Department's short-range objective of 80% by six tenths of one percentage point.



Reason for departure from objective (Department's Response): The condition of pavement on the State Highway System is within tolerance of meeting the objective considering the number of parameters that affect this program. Not only do the ratings themselves fluctuate to some extent due to periodic upgrade of measurement equipment, but also due to the complexity of accurately predicting pavement performance.

One specific reason for a reduction of resurfacing production and, therefore reduction to subsequent pavement performance is that the 1999 legislature directed a portion ($25 million per year) of the resurfacing appropriation be used off the State Highway System for support of the Small County Road Assistance Program. Although the Department was able to restore funding to recommended levels after the end of that work program period, 2003-04, there was five years of having resurfacing allocations of $25 million per year less than the levels recommended by the Department for resurfacing of the State Highway System.

Measures being taken by the Department to improve the overall condition and durability of pavements to meet the performance measure requirements include restoration in future years of resurfacing targets, expanded use of SuperPave asphalt (delaying future pavement rutting and cracking), expanded use of pavement warranties, and inclusion of incentive clauses in construction contracts to improve pavement rideability. Some of the improvements will take several years before the

effects show up in the percentage of deficient lane miles on the State Highway System. The currently programmed resurfacing lane miles (9,679) are adequate to resurface all existing deficient lane miles (8,296) within four years. The Department reviews the current pavement condition and resurfacing targets annually and makes adjustments as necessary.

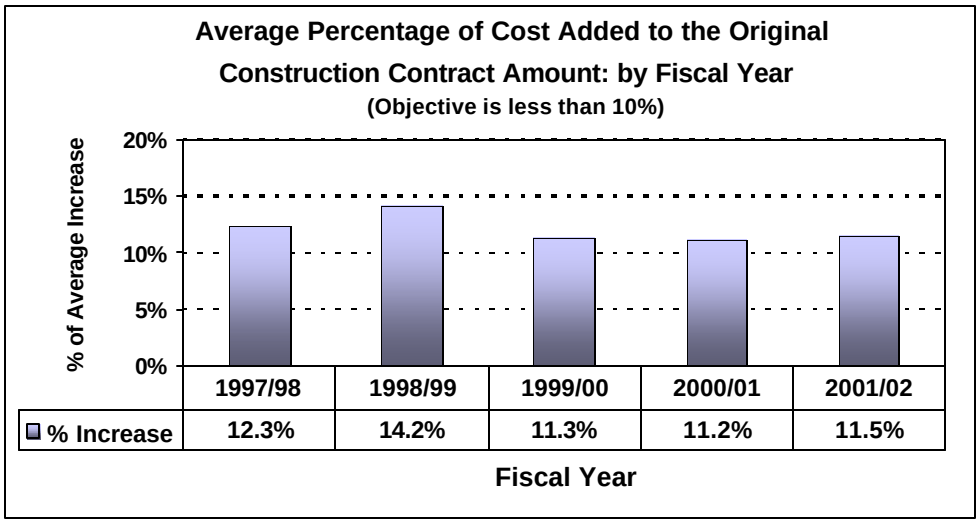
Recommendation for improvement: As stated in last year's Report, the Commission recognizes the dynamics involved in measuring the condition of the pavement on the State Highway System. However, the pavement condition objective of 80% of pavement meeting standards is statutorily established and does not leave room for tolerance. The activities mentioned by the Department to improve pavement condition through efforts other than increased funding may result in better performance. In fact, the Department's efforts may already be producing results since performance in this measure increased slightly from 78.8% to 79.4%. Since pavement condition is a statutory objective, it also falls under the purview of the Commission during its annual review of the Tentative Work Program. This provides the Commission with another avenue for focusing attention on performance in this area.

The Commission will continue to monitor the results of the pavement condition survey through this Report and the Work Program Review to ensure there is no decline in the results and will take action accordingly if there is.

3. CONSTRUCTION CONTRACT ADJUSTMENTS: Cost Adjustments
(See page 88 for a full description of the measure.)

Performance measure: The original contract amount compared against the final amount paid on all construction contracts completed during the fiscal year.

FY 2001/2002 results: The stated objective is for the final contract amount not to exceed 10% of the original contract amount. For the 323 contracts completed during the year, the total original contract amount of $1,112.6 million increased 11.5% due to supplemental agreements and minor cost overruns, for a total final contract amount of $1,240.2 million. The percentage increase in contract cost on completed construction contracts was three-tenths of one percentage point higher (11.2% to 11.5%) in FY 2001/02 than in FY 2000/01. (Note: As a reminder, the methodology used for calculating the result for this measure was revised last year. Prior to FY 2000/01, this measure only included cost overruns as the result of supplemental agreements. Now, with better tracking methods, the measure also includes cost adjustments due to minor cost overruns.)



Reason for departure from objective (Department Response): The 10% objective was established 12 years ago and has never been met. Construction cost adjustments along with time overruns are strategic objectives the Department has been trying to control. Judging by the trend the past few years, it appears performance for this measure has reached equilibrium. Secretary Barry requested that the Performance Measures Working Group consider changing the focus of the construction cost measure away from tracking the percentage of cost adjustments to the amount of dollars classified as "avoidable-no value added" (see p. 92). He feels this is the money that could be considered "wasted" and the Department should focus its efforts on for process improvement.

Recommendation for improvement: The Commission agreed with the Department's assessment and requested the Performance Measures Working Group take the issue up for consideration to change the focus of the objective.

Hathaway Bridge, Panama City.

DETAILED ANALYSIS OF PERFORMANCE AND PRODUCTION MEASURES

County Road 296 at Interstate 275.

The following table presents an overview of the results of the Commission's evaluation of the Department's performance during fiscal year 2001/2002. The first column identifies the performance measure as being either a primary or secondary measure. Primary measures are ones that assess major departmental functions, measure an end product or an outcome, and are, to the greatest extent possible, within the Department's control. Secondary measures are those considered sufficiently important to be reported, but meet the primary criteria to a lesser degree. The second column is a statement of the measures, followed by the established objective in the third column. The last two columns present the results for the past fiscal year and whether or not the stated objective was met. Following the table is the detailed analysis of all the performance measures.

Performance Measures Summary Table

Priority	Measure	Objective	FY 01/02 Results	Meets Objective
Bridge Repair and Replacement				
1st	Of the number of bridges planned for repair during the fiscal year, the number of bridges actually repaired (let to contract) during the year. (See page 50)	=95%	90.2%	No
1st	Of the number of bridges planned for replacement during the year, the number of bridges actually replaced (let to contract) during the year. (See page 51)	=95%	100.0%	Yes
2nd	Of the total number of state-maintained bridges, the percentage meeting DOT standards, i.e., not in need of repair or replacement. Short Range Objective is 90% of bridges in good condition. (See page 52)	=90%	93.0%	Yes
Resurfacing				
1st	Of the number of lane miles of state roadway planned for resurfacing during the year, the number actually resurfaced (let to contract) during the year. (See page 54)	=95%	99.0%	Yes
1st	Of the total lane miles of state roads, the percentage meeting standards. (See page 55)	=80%	79.4%	No
Routine Maintenance				
1st	Achieve a Maintenance Rating of 80 on the State Highway System. (See page 57)	=100%	106.3%	Yes
Capacity Improvements: Highways				
1st	Lane miles of capacity improvement projects let vs. lane miles of capacity improvement projects planned. (See page 61)	=90%	93.2%	Yes
2nd	Percentage of centerline miles of 2-lane roadways on the Florida Intrastate Highway	Being Developed	10.1%	NA

Priority	Measure	Objective	FY 01/02 Results	Meets Objective
	System (FIHS) brought up to standard (let to contract for improvement from two to four lanes) during the fiscal year. (See page 62)			
Capacity Improvements: Public Transportation Modes				
1st	Dollar amount committed to public transportation capacity improvement projects vs. dollar amount planned. (See page 63)	=90%	94.7%	Yes
Consultant Acquisition				
1st	Number of consultant contracts executed vs. total contracts planned. (See page 67)	=95%	98.0%	Yes
2nd	Dollar value of consultant contracts executed compared to the original estimated value. (See page 68)	100% (+ or – 5%)	104.3%	Yes
Right of Way Acquisition				
1st	Number of projects certified vs. number of projects scheduled for certification. (See page 71)	=90%	96.5%	Yes
2nd	Number of parcels acquired by negotiation vs. condemnation. (See page 73)	=60%	64.6%	Yes
2nd	For negotiated parcels, the percentage of the total purchase price amount that purchased land within 20% of the Department's appraised value. (See page 74)	Being Developed	30.0%	NA
2nd	For negotiated parcels, purchase agreement amount vs. DOT last appraisal vs. property owners counter-offer amount. (See page 75)	=50% of spread	47.5%	Yes
2nd	For litigated parcels, final judgment amount vs. total DOT estimated compensation vs. total property owner's claim for cases resolved through settlement, mediation and verdict respectively. (See page 75)	=50% =50% =50% of spread	43% 38% 65%	No
2nd	Of total right of way expenditures, the percent of the dollar value used to purchase land vs. percent of the dollar value expended for associated land acquisition costs and fees. (See page 76)	=75%	78.9%	Yes
Construction Contracts				
1st	Number of projects let vs. planned for letting. (See page 79)	=95%	98.7%	Yes
2nd	Dollar value of construction contracts executed compared to the original estimated value. (See page 80)	100% (+ or – 5%)	93.2%	No

Priority	Measure	Objective	FY 01/02 Results	Meets Objective
Construction Contract Adjustments				
1st	For all construction contracts completed during the fiscal year, the original contract time vs. final contract time (excluding weather days). (See page 84)	<20%	17.0%	Yes
2nd	Contracts completed broken down by percentage over original time: less than 20% over original time; 20% to less than 40% over original time; and 40% or more over original time. (See page 86)	=80% below 20%	64.7% below 20%	No
1st	Original contract amount vs. final amount paid on all construction contracts completed during the fiscal year. (See page 88)	<10%	11.5%	No
2nd	Contracts completed broken down by percentage over original cost: less than 10% over original cost; 10% to 20% over original cost; 20% or more over original cost. (See page 90)	=80% below 10%	79.9% below 10%	No
2nd	Of the final amount paid on completed construction contracts, the portion that was avoidable (should have been foreseen) supplemental agreements. (See page 92)	<5%	3.3%	Yes
Commitment of Federal Funds				
1st	Of federal funds subject to forfeiture at the end of the federal fiscal year, the percent that was committed. (See page 97)	=100%	100%	Yes
Management of Administrative Costs				
1st	Administrative costs as a percent of total program. Dollar amount of administrative costs vs. dollar amount of total program. (See page 99)	<2.0%	1.1%	Yes
Cash Management				
1st	Actual cash receipts vs. forecasted cash receipts and actual cash disbursements vs. forecasted cash disbursements respectively. (See page 101)	Within + or – 5%	3.3% and 2.5%	Yes
1st	Lowest annual cash balance vs. total contractual obligations. (See page 101)	=5%	2.3%	Yes
Management of Toll Facility Operational Costs				
1st	Operational costs per toll transaction. (See page 103)	<16.0 cents	15.3 cents	Yes
Minority and Disadvantaged Business Programs				
1st	The annual dollar amount of MBE expenditures measured against the previous year expenditure. (See page 107)	>$173.1 million	$243.0 million	Yes

Priority	Measure	Objective	FY 01/02 Results	Meets Objective
2nd	Dollar volume of disadvantaged business enterprise utilization as a percentage of total federal funded contracts. (See page 109)	=8.0%	6.4%	No
Safety Initiatives				
2nd	Florida's fatal crash rate per 100 million vehicle miles traveled (VMT) and fatal crash rate per 100 million VMT for State Highway System only vs. national average rate. (See page 113)	1.36	Florida - 1.59 State System only- 1.65	No
2nd	Percent of crashes on the State Highway System where road conditions were a contributing cause. (See page 114)	<1.0%	3.54	No

Ringling Bridge, Sarasota.

1. Preservation of Current State Highway System

1a. Bridge Repair and Replacement
1b. Resurfacing
1c. Routine Maintenance

Billions of taxpayer dollars have been invested over many years in constructing Florida's roads, bridges and other transportation facilities. Our transportation infrastructure is an asset serving every Floridian on any given day, either directly or indirectly.

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

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1a. BRIDGE REPAIR AND REPLACEMENT

BACKGROUND: There are 11,273 bridges in Florida, and 6,317 of these are the responsibility of the Florida Department of Transportation. All bridges maintained by the Department are inspected for structural deterioration at least once every two years (bridges with certain identified deficiencies are inspected more frequently). The Department's Bridge Repair and Replacement Program monitors the need for repair, rehabilitation and replacement of FDOT maintained bridges. No bridge is allowed to become unsafe.

PURPOSE: Florida law requires the Department to meet the annual needs for repair and replacement of bridges on the system. The Department's strategy is to preserve the life of Florida's bridges by making cost effective repairs or through preventive maintenance. When repair is not justified by life-cycle cost considerations, bridges are replaced.

Replacement of the Venetian Causeway Bridge in Miami.

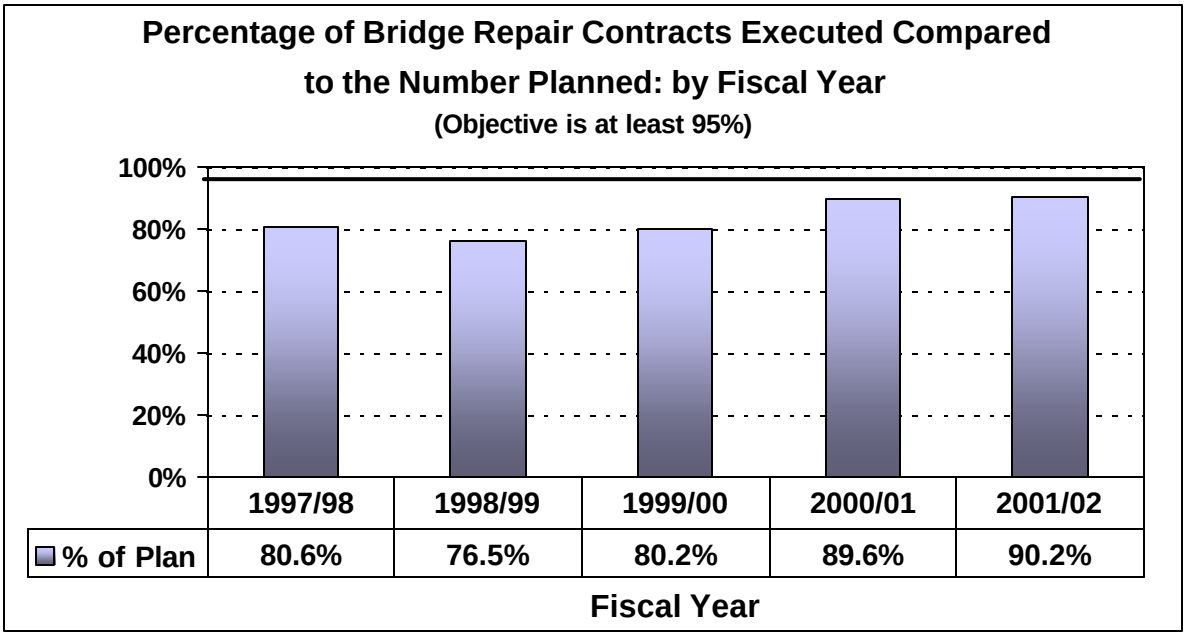
Bridge Repair

PRIMARY MEASURE: Of the number of bridges that were planned to be repaired during the year, the number of bridges actually repaired (let to contract) during the year.

OBJECTIVE: The Department's objective is to let to contract no less than 95% of those bridge repair contracts that were planned to be let during the year.

METHODOLOGY: This Measure assesses how well the Department performed in executing construction contracts on the bridge repair projects it committed to execute during the year. Data is collected from the Department's Production Management Office that identifies those contracts that were actually executed including the contract award amount. This data is then compared against the bridge construction contract plan established prior to the beginning of the fiscal year.

RESULTS: For bridge repair, the Department achieved 90.2% of plan; having repaired 129 bridges of 143 planned falling short of the 95% objective. However, during the year the Department repaired an additional 54 bridges that were not in the current or future plans and advanced and let two projects planned for repair in a future fiscal year.



Five-Year Statewide Bridge Repair Data

	Fiscal Year				
	1997/98	1998/99	1999/00	2000/01	2001/02
Plan	237	132	162	134	143
Actual	191	101	130	120	129
% of Plan	80.6%	76.5%	80.2%	89.6%	90.2%
Advanced FY	43	9	3	3	2
Additions	45	25	48	8	54
Total	279	135	181	131	185

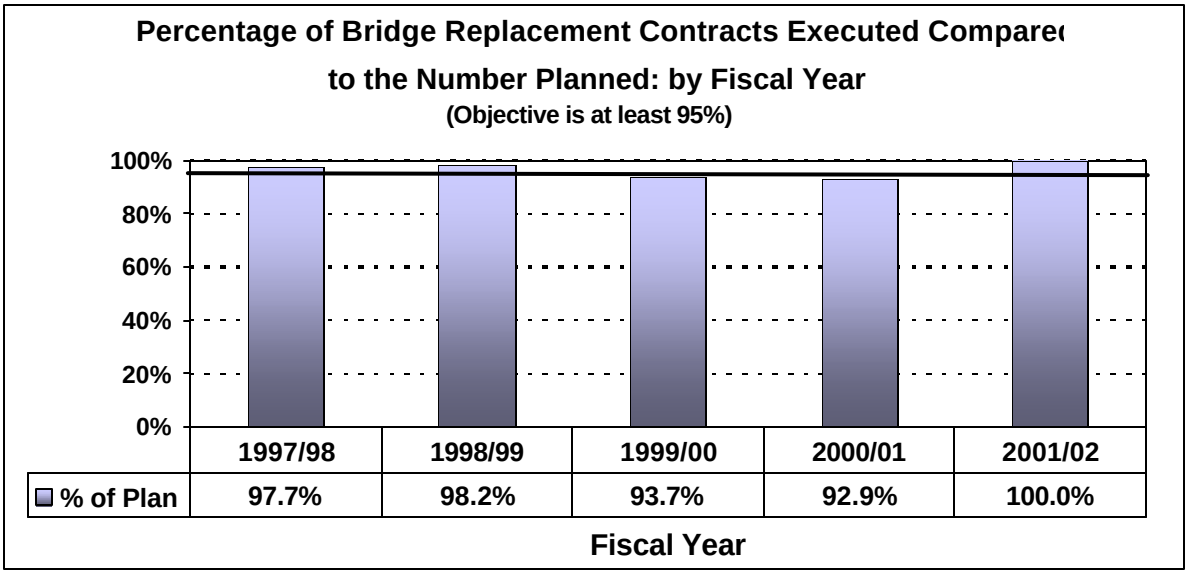
Bridge Replacement

PRIMARY MEASURE: Of the number of bridges that were planned for replacement during the year, the number of bridges actually replaced (let to contract) during the year.

OBJECTIVE: The Department's objective is to let to contract no less than 95% of those bridge replacement contracts planned to be let during the year.

METHODOLGY: This measure assesses how well the Department performed in executing construction contracts on the bridge replacement projects it committed to execute during the year. Data is collected from the Department's Production Management Office that identifies those contracts that were actually executed including the contract award amount. This data is then compared against the bridge construction contract plan established prior to the beginning of the fiscal year.

RESULTS: For bridge replacement, the Department achieved 100% of its plan, having let to contract 14 bridge replacement jobs out of 14 planned. In addition, during the year the Department let to contract four bridges planned for replacement in future fiscal years, and three bridges not in the current or future plans.



Five-Year Statewide Bridge Replacement Data

	Fiscal Year				
	1997/98	1998/99	1999/00	2000/01	2001/02
Plan	43	56	63	42	14
Actual	42	55	59	39	14
% of Plan	97.7%	98.2%	93.7%	92.9%	100.0%
Advanced FY	0	0	0	0	4
Additions	0	0	0	2	3
Total	42	55	59	41	21

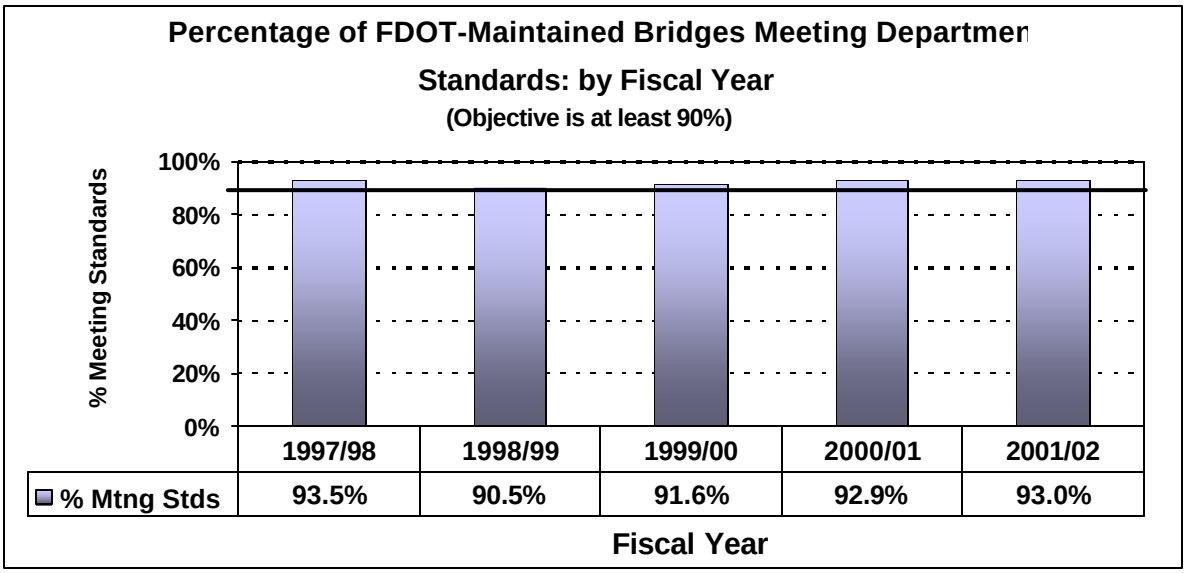
Bridge Condition

SECONDARY MEASURE: Of the total number of FDOT maintained bridges, the percentage meeting Department standards. "Meeting Standards" is defined as: not showing evidence of structural deterioration; not being limited by weight restrictions; and/or not needing preventive maintenance.

OBJECTIVE: The Department's objective, as presented in the Short-Range Component of the Florida Transportation Plan and statutorily mandated, is to ensure that 90% of the state maintained bridges meet department standards. It is emphasized that the remaining 10%, while in need of repair or replacement, are safe for use by the public.

METHODOLOGY: The Department's Program Development and State Maintenance Offices keep a database of all the bridges in the state. The database includes information on the condition of each bridge, based on the results of the latest inspection.

RESULTS: For FY 2001/02, the percentage of state-maintained bridges meeting standards was 93.0%, exceeding the Department's short-range objective of 90% by three percentage points.



Five-Year Statewide Bridge Maintenance Data

	Fiscal Year				
	1997/98	1998/99	1999/00	2000/01	2001/02
Total # of Bridges	6,200	6,213	6,253	6,320	6,260
# Meeting Standards	5,794	5,623	5,726	5,869	5,823
% Meeting Standards	93.5%	90.5%	91.6%	92.9%	93.0%

1b. RESURFACING

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

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

PURPOSE: Florida law requires the Department to meet the annual needs for resurfacing of the State Highway System through regular maintenance, which avoids high repair bills and prolongs the useful life of transportation facilities.

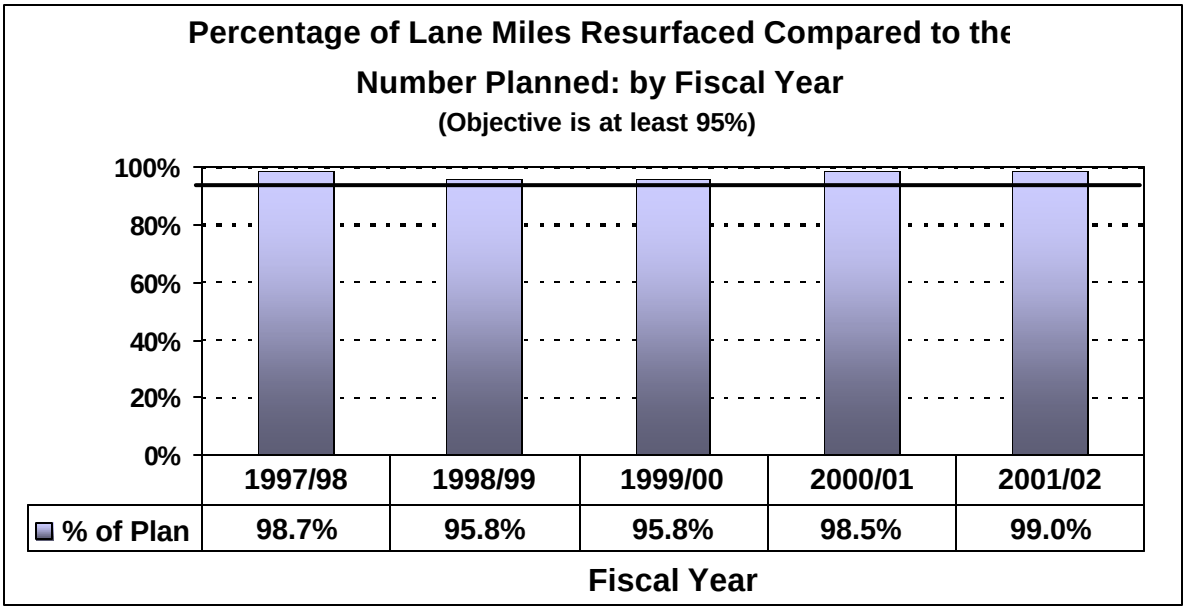
Lane Miles Resurfaced

PRIMARY MEASURE: Of the number of lane miles of state roadway planned for resurfacing during the year, the number actually resurfaced (let to contract) during the year.

OBJECTIVE: The Department's objective is to resurface no less than 95% of the lane miles planned for resurfacing during the year.

METHODOLOGY: State roads that need resurfacing are identified through the Department's annual pavement condition survey. This survey evaluates pavement conditions using three factors: ride quality, crack severity, and average depth of wheel path ruts. The State Materials Office conducts the pavement condition survey. To maintain the current level of pavement condition, approximately six percent of the lane miles on the State Highway System need to be resurfaced annually.

RESULTS: The Department achieved 99.0% of plan, having resurfaced 1,725 of 1,743 lane miles planned. In addition, the Department advanced and resurfaced 134 lane miles that had been planned for future fiscal years and 126 lane miles that were not in the current or future plans. Note: The number of lane miles planned for resurfacing and actually resurfaced does not include off system lane miles, local roads not on the State Highway System. The Department resurfaced 599 lane miles of roads off-the State Highway System for a grand total of 2,584 lane miles resurfaced in FY 2001/02



Five-Year Statewide Resurfacing Data

	Fiscal Year				
	1997/98	1998/99	1999/00	2000/01	2001/02
Plan	1,805	2,279	1,711	2,195	1,743
Actual	1,782	2,184	1,639	2,163	1,725
% of Plan	98.7%	95.8%	95.8%	98.5%	99.0%
Advanced FY	116	33	5	24	134
Additions	10	1	58	0	126
Total	1,908	2,218	1,702	2,187	1,985

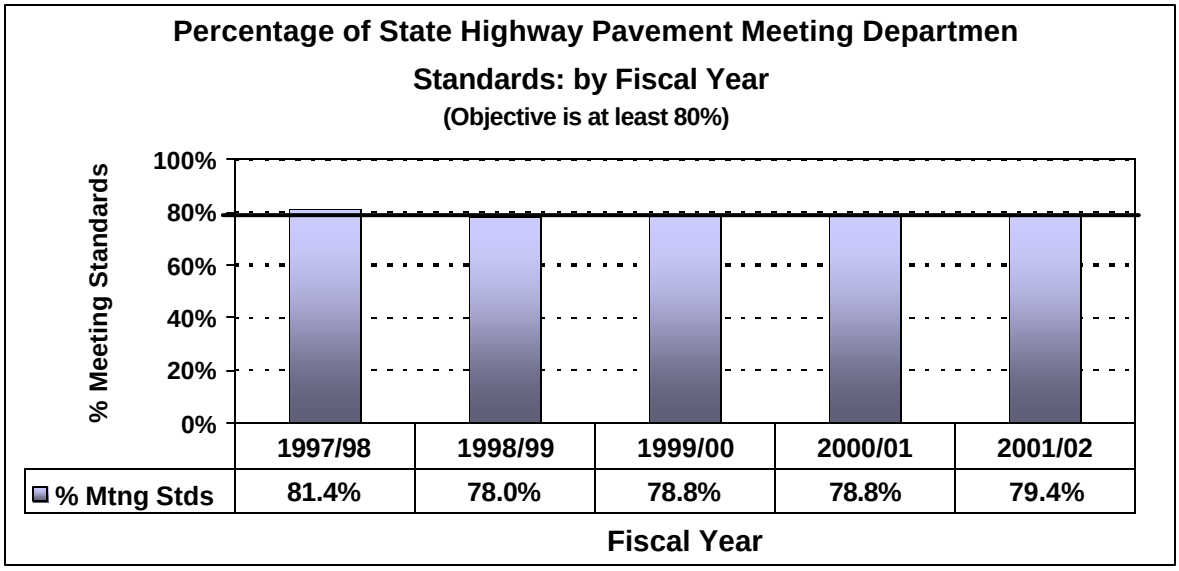
Pavement Condition

PRIMARY MEASURE: Of the total lane miles on the State Highway System, the percentage meeting department standards.

OBJECTIVE: The Department's objective, as presented in the Short-range Component of the Florida Transportation Plan and statutorily mandated, is for 80% of lane miles to meet department standards (rated seven or above in overall pavement condition survey where one is worst and ten is best).

METHODLOGY: Pavement meeting Department standards is defined as pavement for which each of the three rating factors (ride quality, crack severity and rutting) was scored higher than six on a ten-point scale. The State Materials Office conducts the Pavement Condition Survey (PCS) on an annual basis. The PCS Unit conducts a 100% inventory of the State Highway System as part of the Department's Pavement Management Program. The data collected is used to assess the condition of the system as well as to predict future rehabilitation needs. These predictions are used in the preparation of the legislative resurfacing budget request, and subsequent distribution of funds to Districts.

RESULTS: For FY 2001/02, the percentage of state road lane miles meeting standards was 79.4%, falling just short of the Department objective of 80% by six-tenths of one percent.



Five-Year Statewide Pavement Condition Survey Data

	Fiscal Year				
	1997/98	1998/99	1999/00	2000/01	2001/02
Total Lane Miles	39,066	39,416	39,529	39,840	40,204
# Meeting Standards	31,814	30,761	31,149	31,407	31,908
% Meeting Standards	81.4%	78.0%	78.8%	78.8%	79.4%

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1c. ROUTINE MAINTENANCE

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

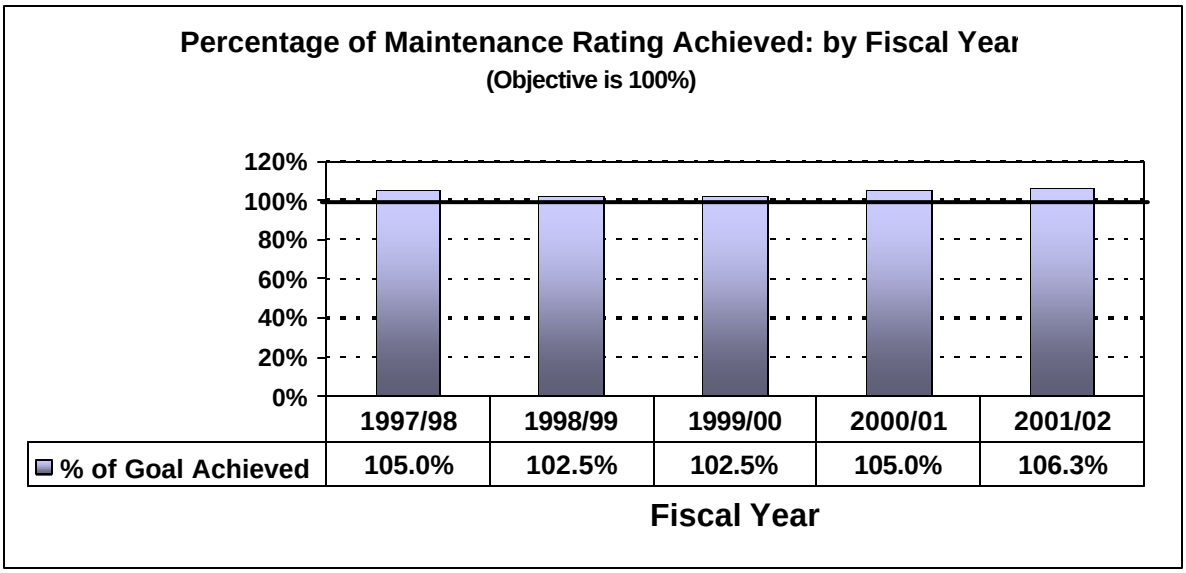
PURPOSE: Florida law requires the Department to provide routine and uniform maintenance of the State Highway System. The measure below is the Department's current operating policy implementing the statutory provision.

PRIMARY MEASURE: Achieve a Maintenance Rating of 80 on the State Highway System.

OBJECTIVE: The Department's objective, as mandated by Law, is to achieve 100 percent of the acceptable maintenance standard on the State Highway System. "Acceptable maintenance standard" is based on the Department's evaluation of its performance using the Maintenance Rating Program. This system grades five maintenance elements and arrives at a composite state score, based on a scale of 1 to 100, with a score of 80 being the acceptable standard.

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

RESULTS: For FY 2001/02, the Department achieved 106.3% of the objective of a system-wide maintenance rating of 80.



Five-Year Statewide Maintenance Rating Data

	Fiscal Year				
	1997/98	1998/99	1999/00	2000/01	2001/02
Rating Goal	80	80	80	80	80
Actual Rating	84	82	82	84	85
% of Goal Achieved	105.0%	102.5%	102.5%	105.0%	106.3%

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2. Capacity Improvements: Highway and All Public Transportation Modes

2a. Capacity Improvements: Highways
2b. Capacity Improvements: Public Transportation

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

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2a. CAPACITY IMPROVEMENTS: HIGHWAYS

BACKGROUND: There are approximately 117,301 centerline miles of public roads within the state. The State Highway System (SHS) comprises about 10 percent, or 12,053, of the total centerline miles. This equates to 40,451 lane miles of roadway. Notwithstanding funding constraints, the 2020 Florida Transportation Plan places priority on completing improvements to the Florida Intrastate Highway System (FIHS). The FIHS is a network (currently 3,834 centerline miles of the State Highway System) comprised of Florida's key interstate, intercity and interregional highways for high-volume, high-speed movement of goods and people.

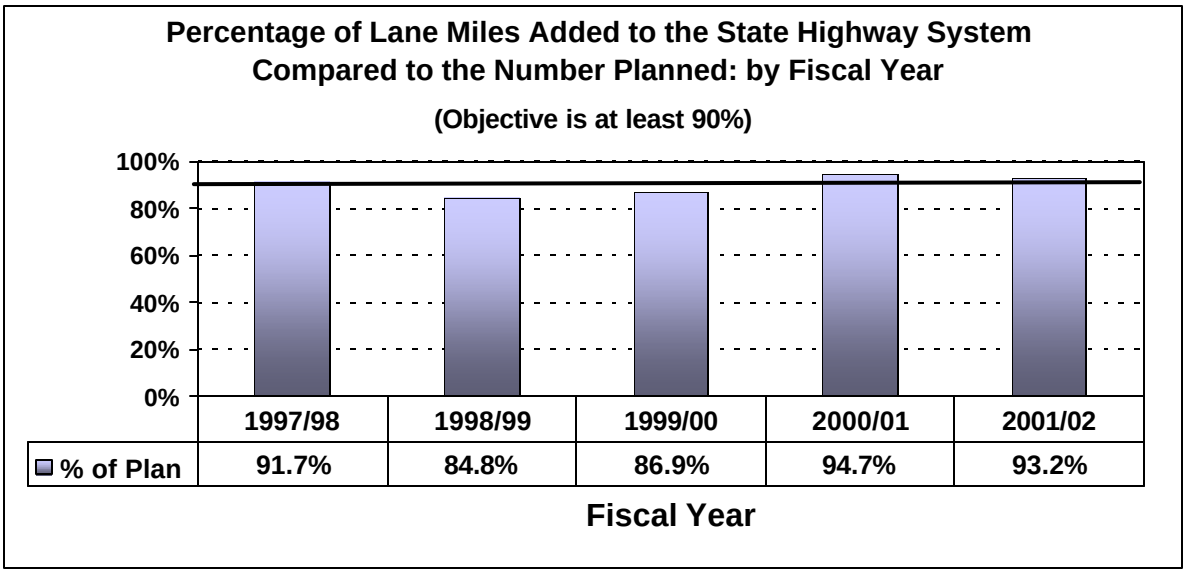
PURPOSE: The handling capacity and efficiency of the SHS, and the FIHS specifically, is a critical factor in Florida's economic future, as the state competes to capture new and expanding international markets and maintain its tourism industry. Standards for the FIHS have been established both for improved capacity and control of access. To the extent that these standards are implemented, the FIHS will contribute to Florida's enhanced economic competitiveness through the 21st Century.

PRIMARY MEASURE: The number of lane miles of capacity improvement projects let compared against the number of lane miles of capacity improvement projects planned during the fiscal year.

OBJECTIVE: The Department's objective for this measure is to let to contract no less than 90% of the lane miles of highway capacity improvement projects planned for letting during the fiscal year.

METHODLOGY: This measure assesses the Department's progress toward fulfilling the legislative mandate to develop and implement the Florida Intrastate Highway System to provide high volume, high-speed statewide and interregional movement of people and goods. Data identifying the number of highway capacity miles added to the system is collected from the Department's Program Development Office and analyzed.

RESULTS: Of 407 lane miles of capacity improvement projects planned, 380 lane miles or 93.2% were let. The Department also advanced and let 182 lane miles that had been planned for future fiscal years and added and let 70 lane miles of capacity not included in the original plan for the year, thus increasing system capacity by 632 lane miles. Note: The Department also let to construction an additional 82 lane miles of capacity improvement projects on roads off the State Highway System.



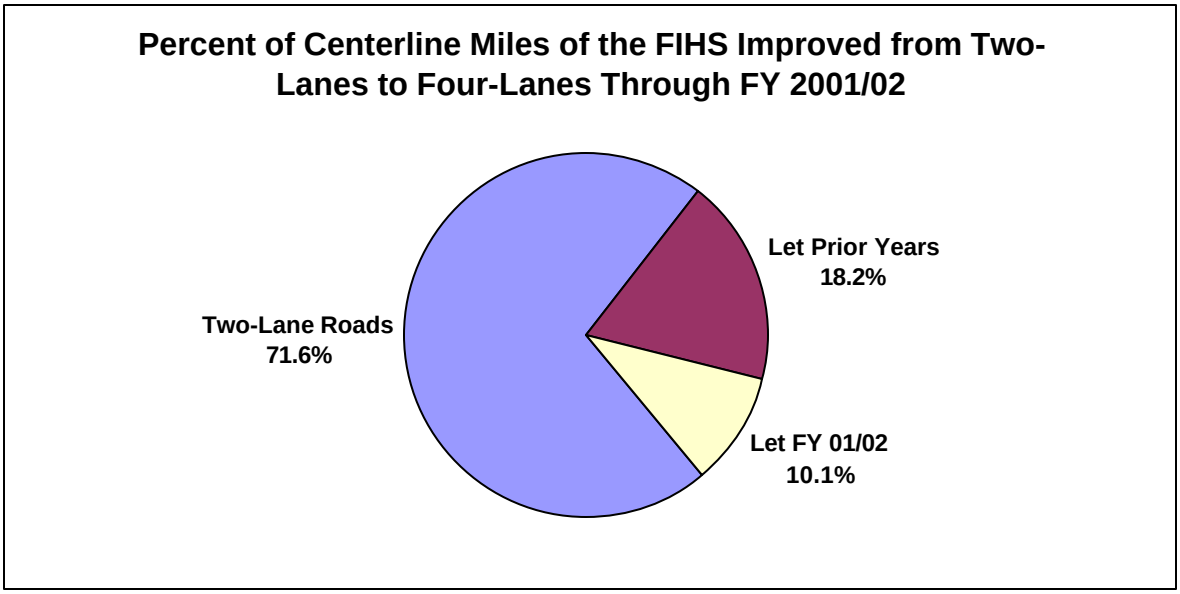
Five-Year Statewide Highway Capacity Lane Miles Data

	Fiscal Year				
	1997/98	1998/99	1999/00	2000/01	2001/02
Plan	422	250	320	266	407
Actual	387	212	278	252	380
% of Plan	91.7%	84.8%	86.9%	94.7%	93.2%
Advanced FY	0	2	20	0	182
Additions	0	58	0	61	70
Total	387	272	298	313	632

SECONDARY MEASURE: The number of centerline miles on the Florida Intrastate Highway System (FIHS) that do not meet the minimum FIHS standard of four lanes compared against the number of miles brought up to standard (let to contract for improvement from two lane to four lane) during the fiscal year.

PURPOSE: The purpose of this measure is to track progress towards bringing the entire FIHS up to a minimum of the four lanes standard in order to assess the Department's efforts toward fulfilling the legislative mandate to implement the FIHS.

RESULTS: Of 888 FIHS centerline miles not meeting the minimum lane standard on July 1, 1993, 90 miles or 10.1% were let to contract during FY 2001/02 for improvement from two to four lanes. This improves the original 1993 inventory of 888 two-lane roads on the FIHS by a total of 252 miles or 28.3% to the four-lane standard.



FIHS Two-Lane Roads	# of Centerline Miles	% of Total
Let in Prior Years	162	18.2%
Let During FY 2001/02	90	10.1%
Miles of Two-Lane Roads	636	71.6%
Total	888	100.0%

2b. CAPACITY IMPROVEMENTS: PUBLIC TRANSPORTATION MODES

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

PURPOSE: 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.

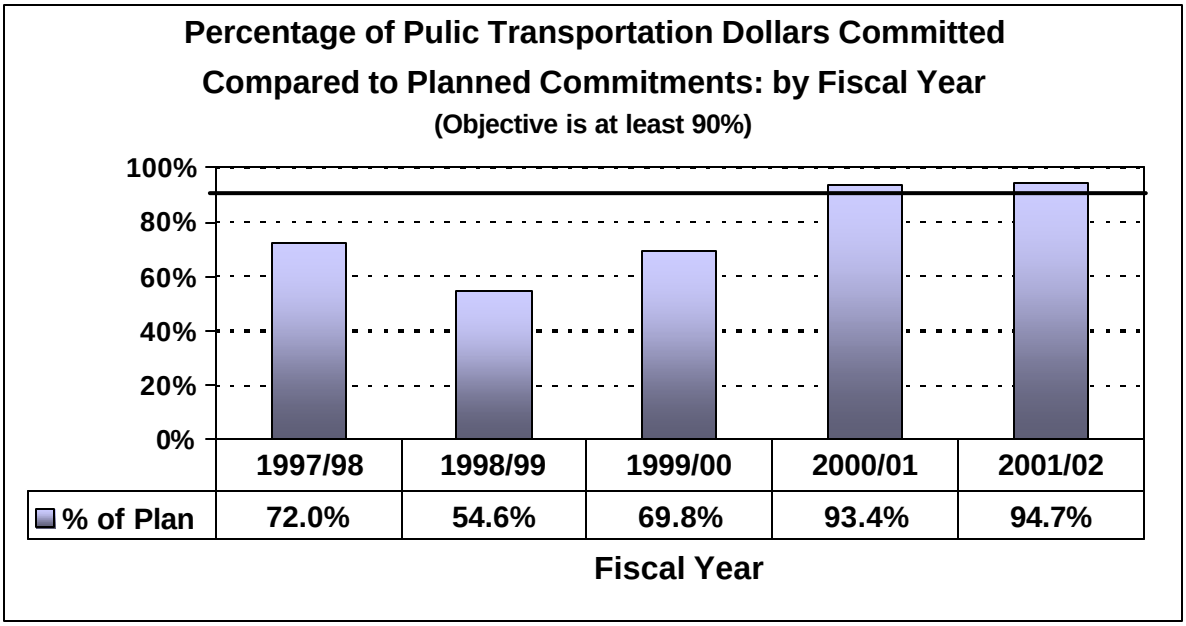
PRIMARY MEASURE: The dollar amount committed to public transportation capacity improvement projects compared against the dollar amount planned to be committed during the fiscal year.

OBJECTIVE: The Department's objective is to commit to public transportation capacity improvement projects no less than 90% of the dollar amount planned for commitment during the fiscal year.

METHODOLOGY: The Department's Public Transportation Office, comprised of the Aviation, Rail, Seaports and Transit Offices, is responsible for developing and monitoring the public transportation plan. Actual commitment data is requested from the Public Transportation Office and compared against planned commitments.

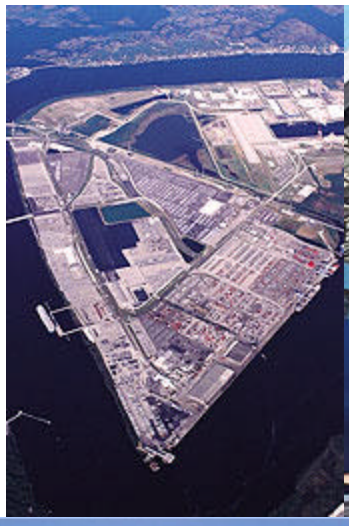
RESULTS: For FY 2001/02, the Department achieved 94.7% of plan, committing $179.8 million of a planned $189.9 million in public transportation capacity improvement projects.

Additional Comments: The plan for FY 2001/02 was 43.2% smaller than the plan for FY 2000/01. Department achievement of plan was 1.3 percentage points higher (93.4% to 94.7%) in FY 2001/02 than in FY 2000/01.



Five Year Statewide Public Transportation Capacity Improvement Data

	Fiscal Year				
	1997/98	1998/99	1999/00	2000/01	2001/02
Plan	$203.8	$263.0	$337.9	$334.5	$189.9
Actual	$146.7	$143.5	$235.9	$312.5	$179.8
% of Plan	72.0%	54.6%	69.8%	93.4%	94.7%
Advanced FY	$0.0	$0.0	$0.0	$0.0	$0.0
Additions	$0.0	$0.0	$0.0	$0.0	$0.0
Total	$146.7	$143.5	$235.9	$312.5	$179.8





3. Cost-Efficient and Effective Business Practices: Production

3a. Consultant Acquisition
3b. Right of Way Acquisition
3c. Construction Contracts
3d. 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 and ensuing four years. The Department schedules each project by phase (e.g., design, right-of-way, construction) and estimates the cost of each phase. The construction phase cannot begin until the Department lets the project (carries out the bidding process) and awards a construction contract to a responsible bidder, the construction firm that will actually build the facility, whether it is a road, bridge or other structure.

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3a. CONSULTANT ACQUISITION

BACKGROUND: The production cycle of a road or bridge begins with the preliminary engineering and design phases followed by right of way acquisition activities. Although the Department employs engineers and other staff who perform these functions, it presently contracts with private-sector engineering and right of way consultants to produce approximately 72% of design plans and 76% of right of way activities. Unlike the construction contracting process in which the firm submitting the lowest responsible bid receives the contract, the consultant acquisition process is carried out pursuant to state law requiring competitive negotiations. Selection of consultants is based on quality of the technical proposal submitted. Once a consultant has been selected, price is then negotiated.

PURPOSE: In order for a project to progress on schedule to construction, the design and right of way consultant contracts must be negotiated and executed in a timely manner. Further, delays in construction usually result in increased project costs.

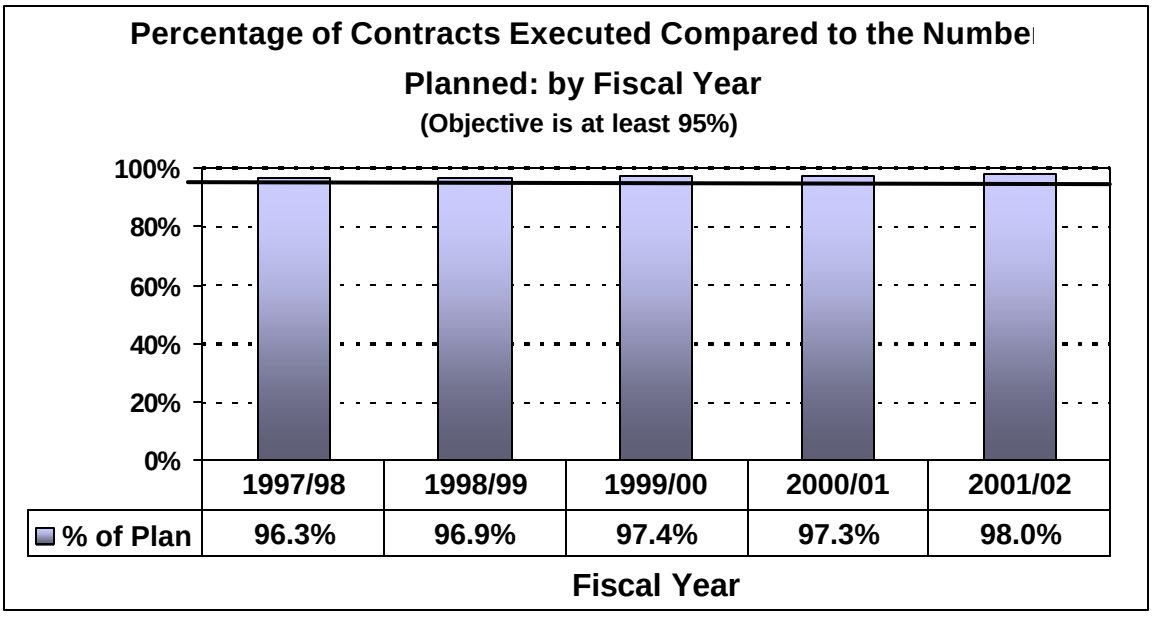
PRIMARY MEASURE: The number of Consultant Contracts actually executed compared against the number of consultant contracts planned to be executed during the year.

OBJECTIVE: Although there are valid reasons for not executing some consultant contracts, the Department's objective is to let no less than 95% of those consultant contracts planned to be let during the year.

METHODOLOGY: This measure assesses the Department's performance in initiating project engineering, design and right of way acquisition in accordance with the schedule committed to in the work program. Data is collected from the Production Management Office that identifies those contracts that were actually executed, along with the negotiated amount of the contract. This data is then compared with the consultant acquisition plan.

RESULTS: For FY 2001/02, the Department achieved 98.0% of its plan, having executed 338 of the 345 contracts planned to be executed during the year. The Department also executed an additional 47 consultant contracts that were not included in the original plan.

Additional Comments: The Department's consultant acquisition plan for FY 2001/02 was 17% larger than its plan for FY 2000/01. Department achievement of plan was seven tenths of a percentage point higher in FY 2001/02 than it was in FY 2000/01.

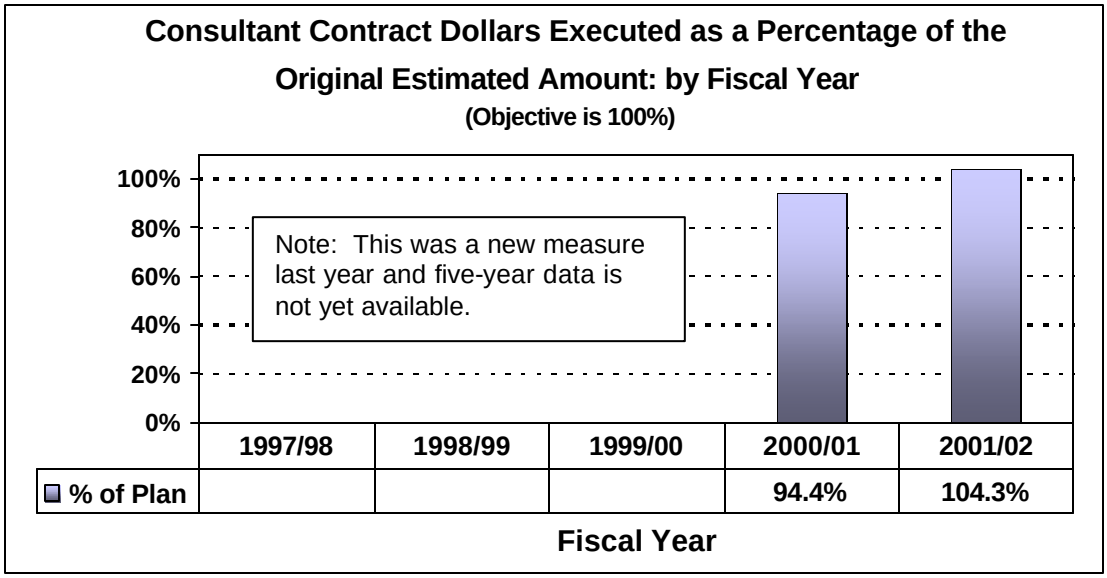


Five-Year Statewide Consultant Contract Data

	Fiscal Year				
	1997/98	1998/99	1999/00	2000/01	2001/02
Plan	326	291	350	296	345
Actual	314	282	341	288	338
% of Plan	96.3%	96.9%	97.4%	97.3%	98.0%
Additions	22	38	12	72	47
Total	336	320	353	360	385

SECONDARY MEASURE: The following chart and table compare the dollar value of the consultant contracts executed during the year with their original estimated value. This information is an indicator of how well the Department develops its financial plan and negotiates the contract amount. For instance, if the percentage of the dollar value of contracts executed is tracking below 100%, then contracts were negotiated at a price less than what the Department had planned. If the percentage tracks too far below 100%, then the Department is not effectively developing its financial plan. (Note: This was a new measure last year and five-year data is not available.)

RESULTS: The dollar value of the consultant contracts executed during FY 2001/02 was $274.6 million. This figure is $11.4 million more than the Department's estimate of $263.2 million. Therefore, actual contract dollar amounts are 104.3% of the Department's estimated contract value.

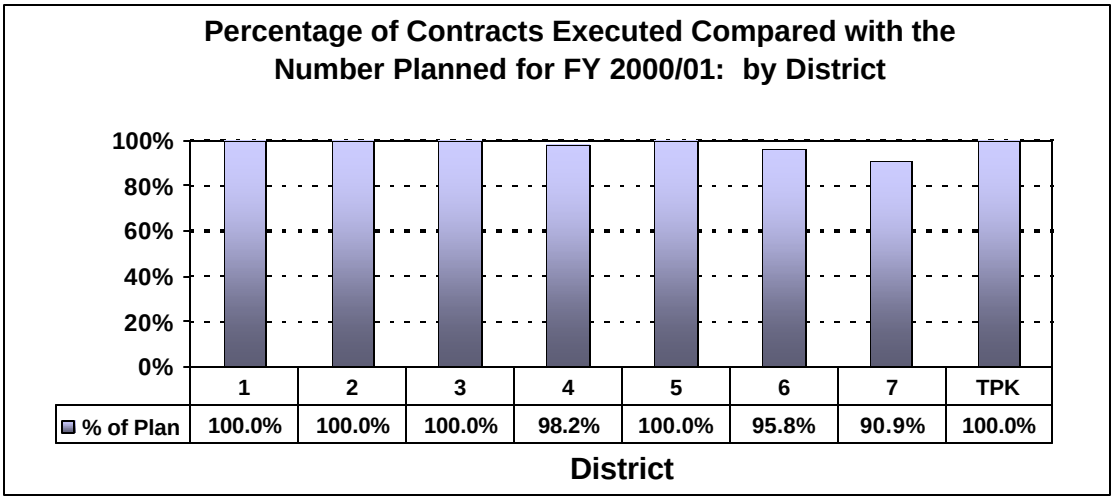


The following table shows the original estimated dollar value of executed consultant contracts and the negotiated dollar value of those contracts for each of the last five fiscal years. These numbers make up the chart presented above. (Note: As stated above, this is a new measure and historical data is not yet available.)

Statewide Consultant Contract Dollars – Estimate vs. Actual

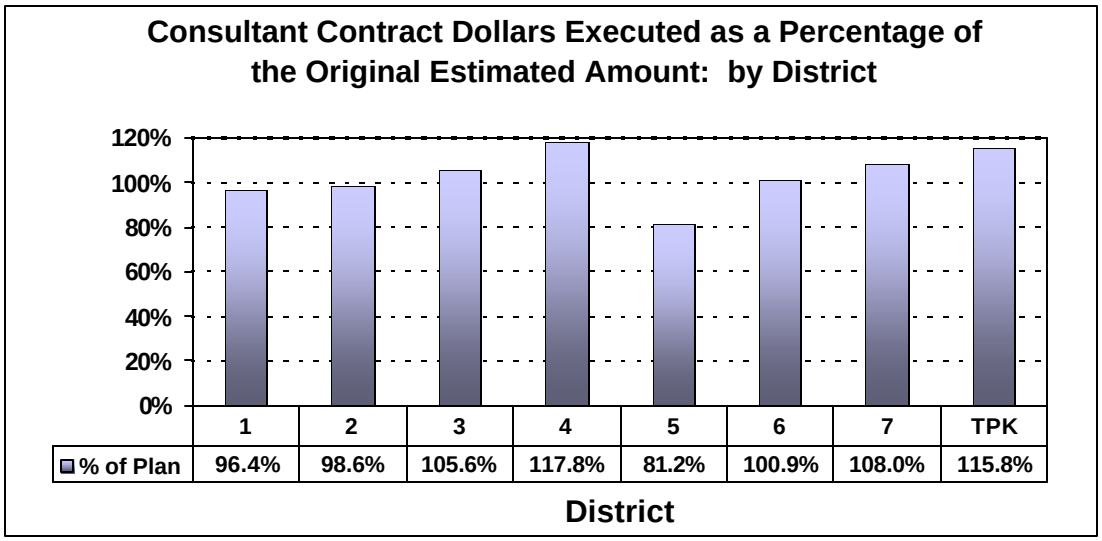
	Fiscal Year				
	1997/98	1989/99	1999/00	2000/01	2001/02
Estimate				$245.5	$263.2
Actual				$231.8	$274.6
% of Plan				94.4%	104.3%

District detail information regarding consultant contracts is presented below.



District Consultant Contract Data for FY 2001/02

	District							
	1	2	3	4	5	6	7	TPK
Plan	41	46	67	55	19	48	44	25
Actual	41	46	67	54	19	46	40	25
% of Plan	100.0%	100.0%	100.0%	98.2%	100.0%	95.8%	90.9%	100.0%
Additions	0	14	0	0	2	11	13	7
Total	41	60	67	54	21	57	53	32



District Consultant Contract Dollars – Estimate vs. Actual

	District							
	1	2	3	4	5	6	7	TPK
Estimate	$30.4	$21.4	$28.8	$29.7	$30.9	$23.1	$52.8	$46.1
Actual	$29.3	$21.1	$30.4	$35.0	$25.1	$23.3	$57.0	$53.4
% of Plan	96.4%	98.6%	105.6%	117.8%	81.2%	100.9%	108.0%	115.8%

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3b. RIGHT OF WAY ACQUISITION

BACKGROUND: An efficient right of way program is an essential component of achieving high levels of productivity. No construction contract is let until all right of way parcels needed for the project are acquired and certified as "clear" (ready for construction to proceed). Although the Department successfully negotiates the purchase of many right of way parcels, costly and lengthy condemnation proceedings must be pursued on the remaining needed parcels (title to a parcel is acquired by the State a few months after filing suit allowing construction to commence, however, court proceedings to determine the amount of compensation to be paid to the property owner may occur two or three years later). Federal and state constitutional provisions, as well as state statutes, provide safeguards for the property owner whose land is being taken, including payment of attorney fees and costs, and the right to a 12-member jury trial to determine just compensation. The timing of required court proceedings and the amount ultimately paid for the property is subject to many factors beyond the Department's control.

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

PURPOSE: 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.

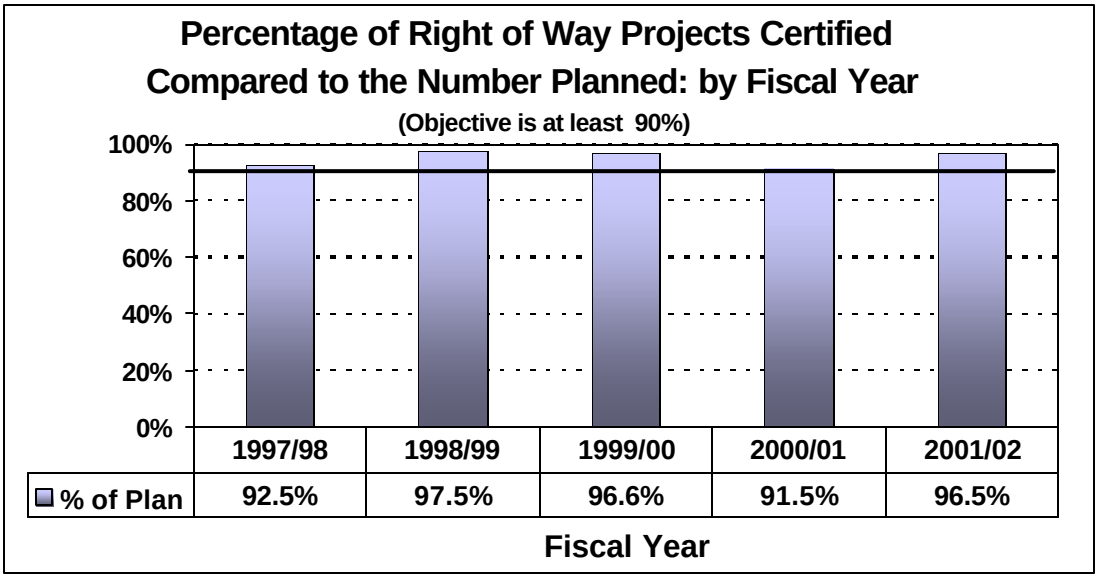
PRIMARY MEASURE: The number of projects certified compared to the number of projects scheduled for certification expressed as a percentage.

OBJECTIVE: The Department's objective is to certify no less than 90% of those projects planned for certification during the year.

METHODOLOGY: This Measure assesses how well the Department performs in acquiring all parcels needed before a project can be let for construction. Right of way production data is received from the Central Office of Right of Way and compared with the Parcel Production Plan submitted to the Commission at the beginning of the Fiscal Year.

RESULTS: The Department achieved 96.5% of its plan, having certified right of way on 82 of 85 projects planned for the year. Eight projects planned for certification in future years were advanced to certification in FY 2001/02. A total of 12 projects were added and certified during the year.

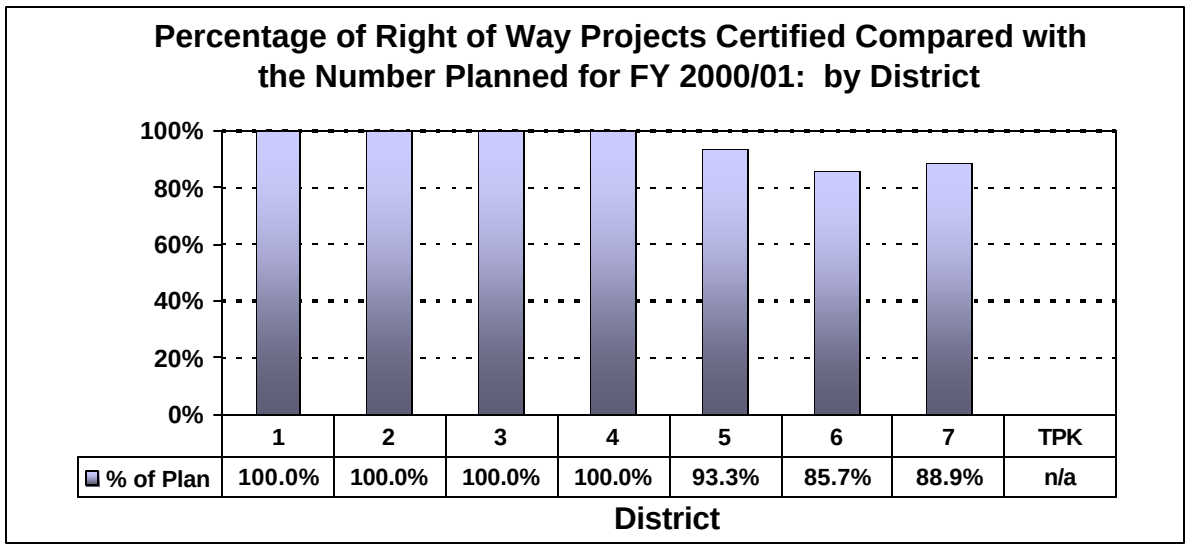
Additional Comments: The plan for FY 2001/02 (85 projects) was about 20% larger than the plan for FY 2000/01 (71 projects). Department achievement of plan was 5.0 percentage points higher (from 91.5% to 96.5%) in FY 2001/02 than in FY 2000/01.



Five-Year Statewide Right of Way Certification Data

	Fiscal Year				
	1997/98	1998/99	1999/00	2000/01	2001/02
Plan	80	80	59	71	85
Actual	74	78	57	65	82
% of Plan	92.5%	97.5%	96.6%	91.5%	96.5%
Advanced	14	8	5	3	8
Additions	13	22	16	17	12
Total	101	108	78	85	102

District Right of Way Certification Information:



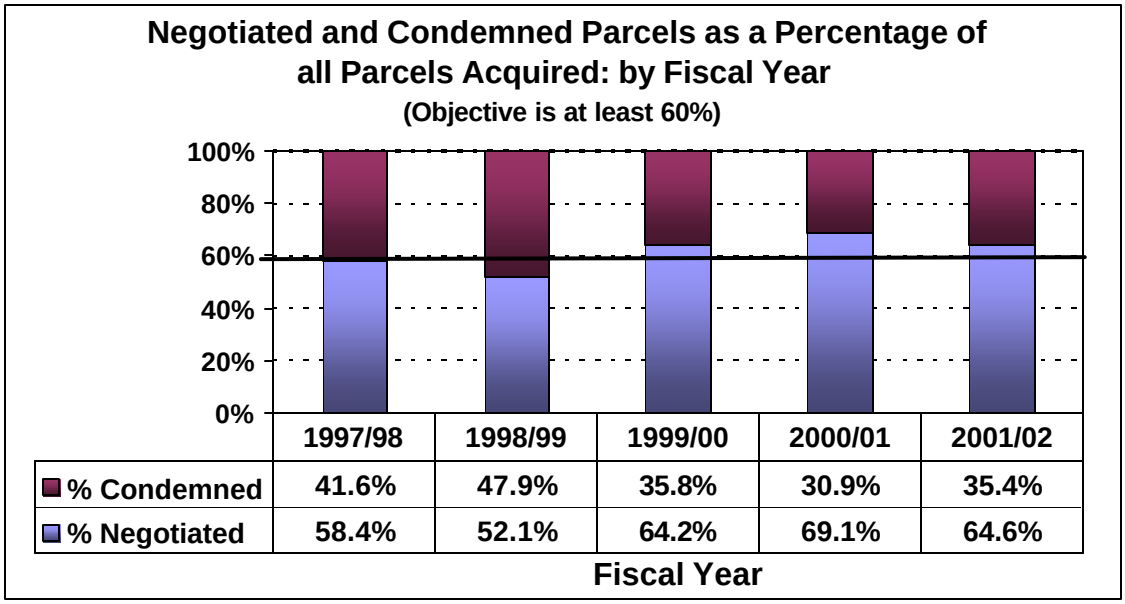
District Right of Way Certification Data for FY 2001/02

	District							
	1	2	3	4	5	6	7	TPK
Plan	7	19	17	11	15	7	9	0
Actual	7	19	17	11	14	6	8	0
% of Plan	100.0%	100.0%	100.0%	100.0%	93.3%	85.7%	88.9%	n/a
Advanced	2	2	3	0	0	1	0	0
Additions	1	3	3	1	0	2	1	1
Total	10	24	23	12	14	9	9	1

The following charts and graphs present additional information and secondary measures used to assess the efficiency and effectiveness of how well the Department acquires right of way parcels and certifies projects for construction.

SECONDARY MEASURE: The number of parcels acquired through negotiation compared with the number acquired through condemnation. It is the Department's intent to negotiate the sale of all parcels.

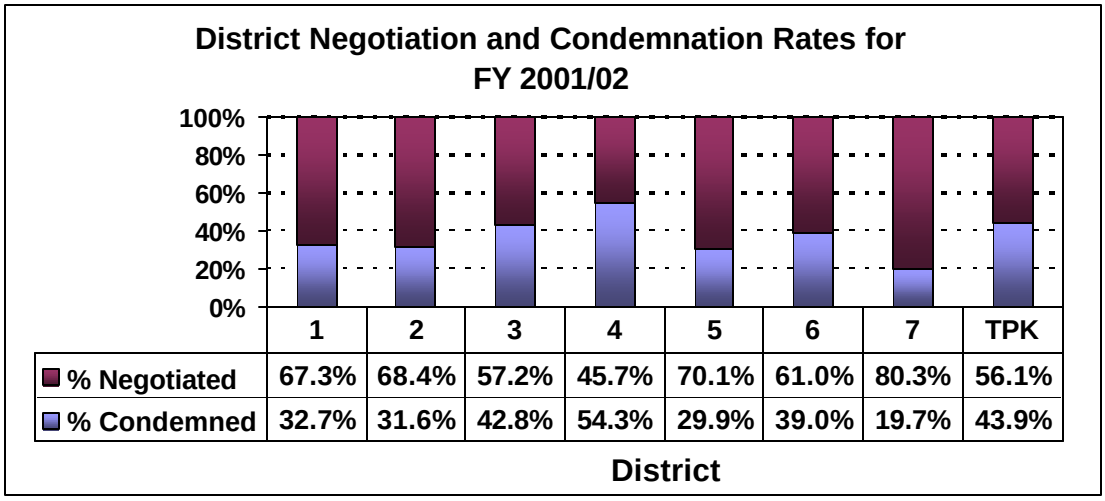
RESULTS: The Department was successful in negotiating the sale of 64.6% of the parcels it acquired during the year. This is almost five percentage points higher than the Department's objective of at least 60%, but 4.5 percentage points lower than in FY 2000/01.



Five-Year Statewide ROW Negotiation and Condemnation Trend Data

	Fiscal Year				
	1997/98	1998/99	1999/00	2000/01	2001/02
# Negotiated	1,261	912	1,029	1,363	1,558
# Condemned	899	839	574	610	854
Total Parcels	2,160	1,751	1,603	1,973	2,412
% Negotiated	58.4%	52.1%	64.2%	69.1%	64.6%
% Condemned	41.6%	47.9%	35.8%	30.9%	35.4%

District ROW Negotiation and Condemnation Data:

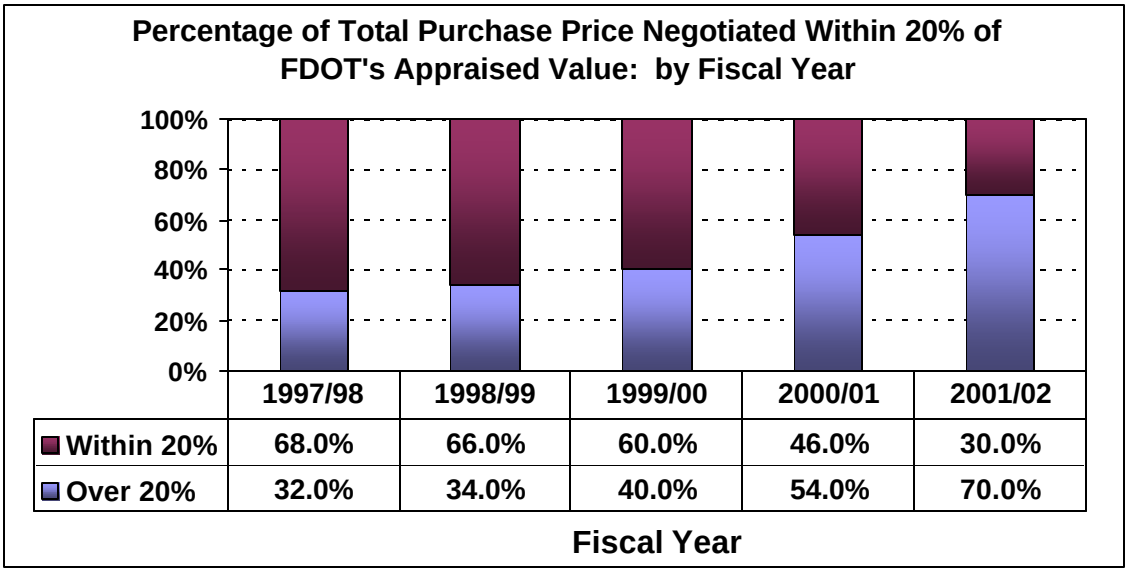


District ROW Negotiation and Condemnation Data for FY 2001/02

	District							
	1	2	3	4	5	6	7	TPK
# Negotiated	144	396	199	166	347	50	233	23
# Condemned	70	183	149	197	148	32	57	18
Total Parcels	214	579	348	363	495	82	290	41
% Negotiated	67.3%	68.4%	57.2%	45.7%	70.1%	61.0%	80.3%	56.1%
% Condemned	32.7%	31.6%	42.8%	54.3%	29.9%	39.0%	19.7%	43.9%

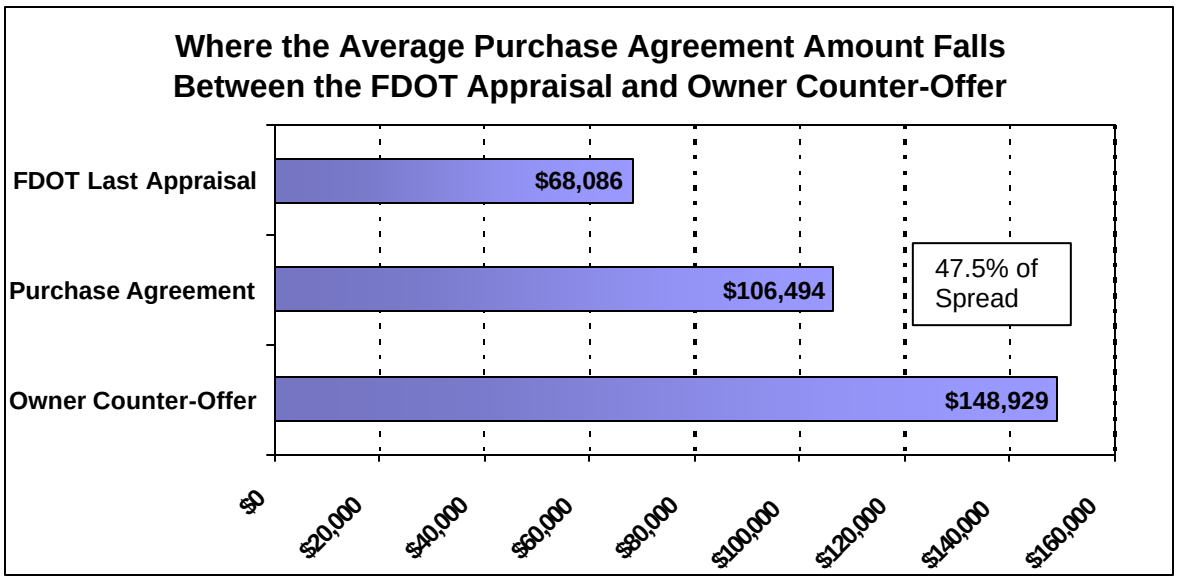
SECONDARY MEASURE: Of the total dollar amount expended for parcels acquired through negotiation, the percentage of that total amount used to purchase parcels within 20 percent of the appraised value.

RESULTS: For 1,361 parcels acquired by negotiation during FY 2001/02, 30% of the dollar amount expended acquired parcels at a price within 20% of the department's appraised value. The FY 2001/02 percentage is 16 points lower (46% to 30%) than in FY 2000/01.



SECONDARY MEASURE: For negotiated parcels, the following charts show where the average purchase agreement amount falls between the average of FDOT's last appraisal and the average property owner's counter-offer amount.

RESULTS: The average purchase agreement amount for 1,361 negotiated parcels was 47.5% of the spread between FDOT's last appraisal and the property owner's counter-offer.



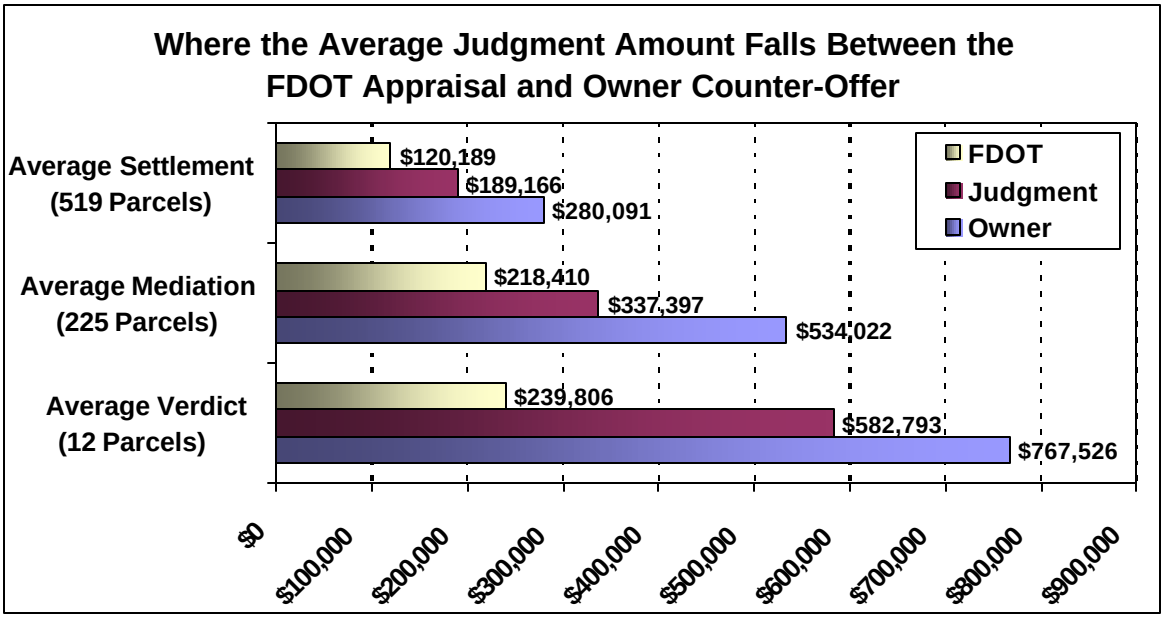
SECONDARY MEASURE: For litigated (condemned) parcels, the following chart shows where the average judgment amount falls between the average of FDOT's last appraisal and the average property owner's counter-offer amount for those cases resolved through a settlement, mediation, or a court verdict.

RESULTS: From the standpoint of where final judgment amounts fell in the spread between the Department's appraised value and the landowner's appraisal or counter-offer, the following occurred during FY 2001/02:

- For the average settlement, the final judgment was 43% of the spread;
- For the average mediation, the final judgment was 38% of the spread;
- For the average verdict, the final judgment was 65% of the spread.

Comparing with last year's results:

- For the average settlement, final judgments in FY 2001/02 were one percentage point closer to the landowners' counter offer than in FY 2000/01 when the average was 42% of the spread.
- For the average mediation, final judgments in FY 2001/02 were one percentage point closer to the landowners' counter offer than in FY 2000/01 when the average was 37% of the spread.
- For the average verdict, final judgments in FY 2001/02 were five percentage points closer to the landowners' counter offer than in FY 2000/01 when the average was 60% of the spread.



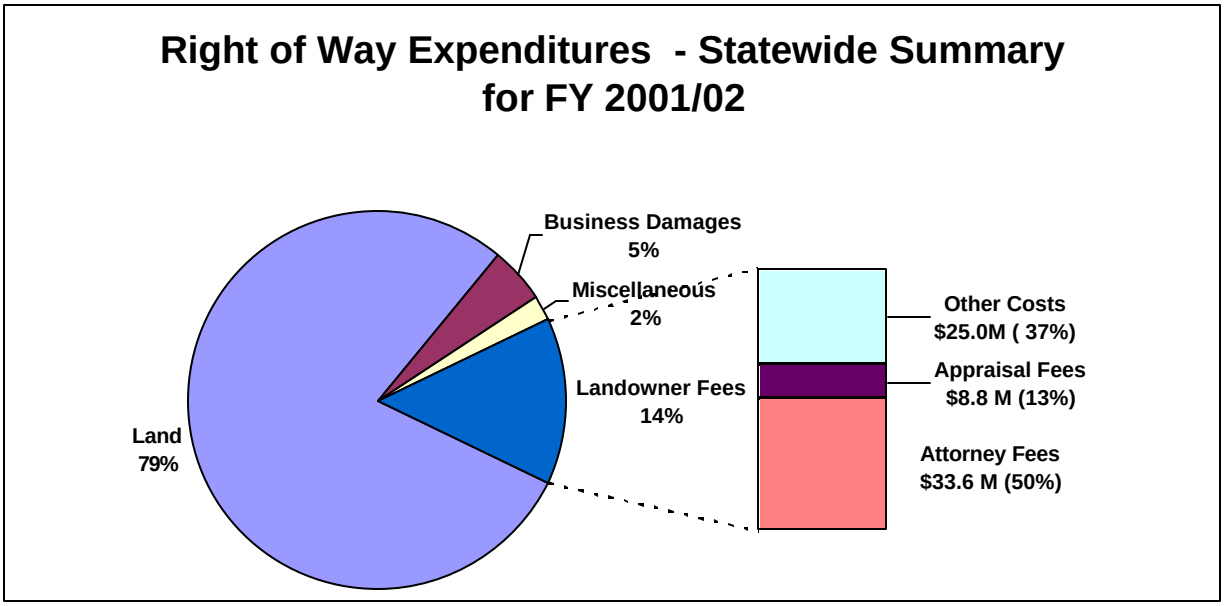
"Settlement" is a final judgment wherein all interests in a parcel are resolved prior to trial and outside mediation.
"Mediation" is a settlement achieved during a formal session mediated by an approved third party mediator.
"Verdict" is a final judgment following a trial.

SECONDARY MEASURE: The following table and chart break down ROW expenditures in an effort to identify how much money was actually used to purchase land and how much was used for ancillary ROW expenditures. A successful ROW Program is one that balances cost avoidance strategies with the need to acquire parcels in a timely, but yet, cost-effective manner.

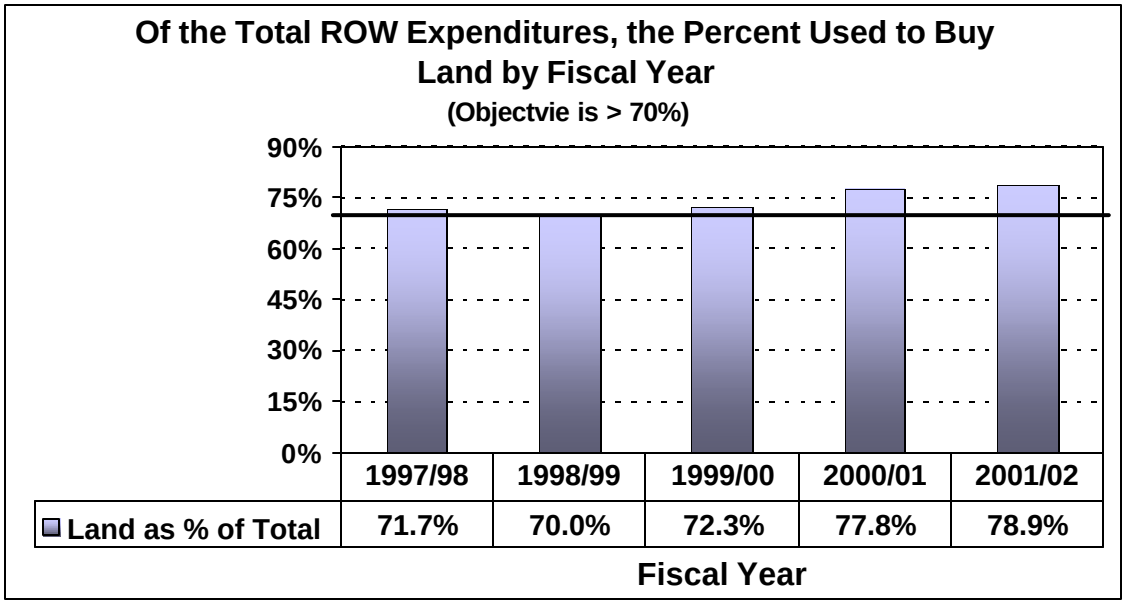
RESULTS: Right of way expenditures totaled $472.2 million during FY 2001/02. Of that total, 78.9% (or $372.8 million) purchased land compared to 77.8% in FY 2000/01. About 14% (or $67.4 million) paid landowners' fees and costs, 50% (or $33.6 million) of that being paid to landowners' attorneys.

Right of Way Expenditure Data Compared to Expenditure Data from FY 2000/01

ROW Expenditures Statewide	FY 2000/01		FY 2001/02		Change	
	$	%	$	%	$	%
Land	$299.4	77.8%	$372.8	78.9%	$73.4	1.2%
Business Damages	$16.4	4.3%	$22.4	4.7%	$6.0	0.5%
Landowner Fees	$62.4	16.2%	$67.4	14.3%	$5.0	-1.9%
Miscellaneous	$6.7	1.7%	$9.6	2.0%	$2.9	0.3%
Total	$384.9	100.0%	$472.2	100.0%	$87.3	22.7%



The chart below illustrates the five-year trend of ROW expenditures used to purchase land.



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3c. CONSTRUCTION CONTRACTS

BACKGROUND: The construction phase cannot begin until the Department lets the project (carries out the bidding process) and awards a construction contract to the construction firm that will actually build the facility. The Florida Department of Transportation, Contracts Administration Office advertises and awards road and bridge construction contracts. Most state funded construction contracts less than $1 million and maintenance contracts are handled by the District Contracts Offices. Contractors must be prequalified to bid on road and bridge construction contracts over $250,000.

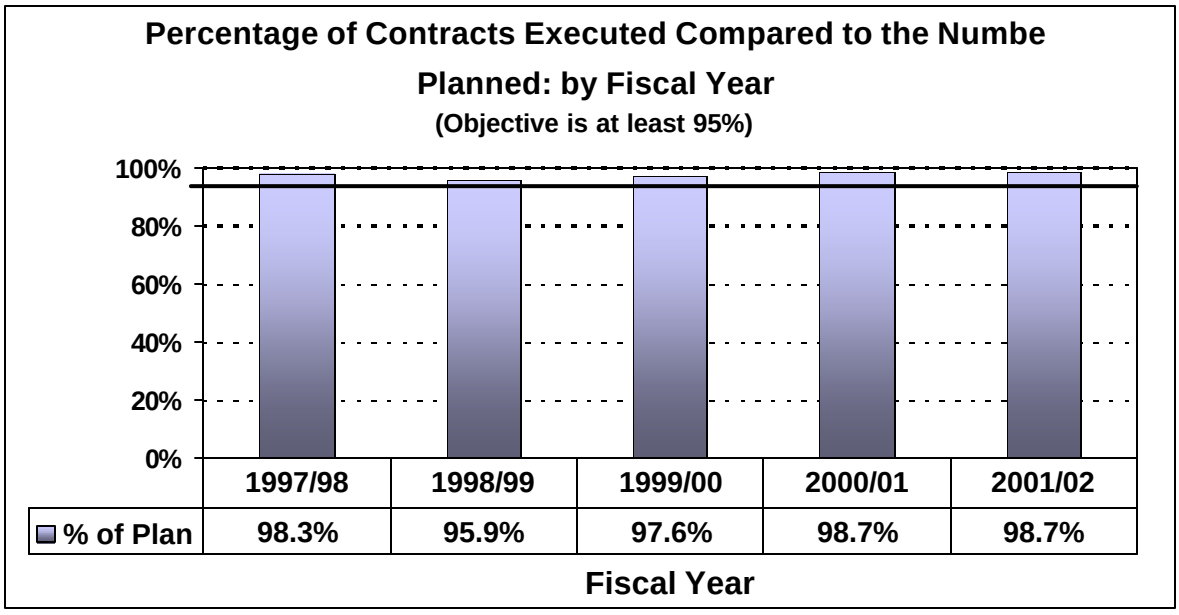
PURPOSE: The construction phase results in the final, tangible product of the Department. The construction program comprises about 43% of total dollars in the work program. The public's foremost concern is "Did the Department build the projects it committed to build, and did it do so when it promised to?" The following measure and data, used collectively, assess the Department's performance in keeping its commitments to initiate the construction of planned roads, bridges and other transportation facilities.

PRIMARY MEASURE: The number of Construction Contracts actually executed compared against the number of construction contracts the Department planned to execute during the year.

OBJECTIVE: Although there are valid reasons for not executing some construction contracts, some of which are out of the Department's control, the Department's objective is to execute no less than 95% of those contracts planned to be let during the year.

METHODOLOGY: This measure assesses how well the Department performed in executing construction contracts on the projects it committed to execute during the year. Data is collected from the Department's Production Management Office that identifies those contracts that were actually executed including the contract award amount. This data is then compared against the construction contract plan established prior to the beginning of the fiscal year.

RESULTS: For FY 2001/02, the Department achieved 98.7% of its plan, having executed 523 of the 530 projects it planned to execute during the year. The Department also executed an additional 60 projects that were not included in the current or future plans.



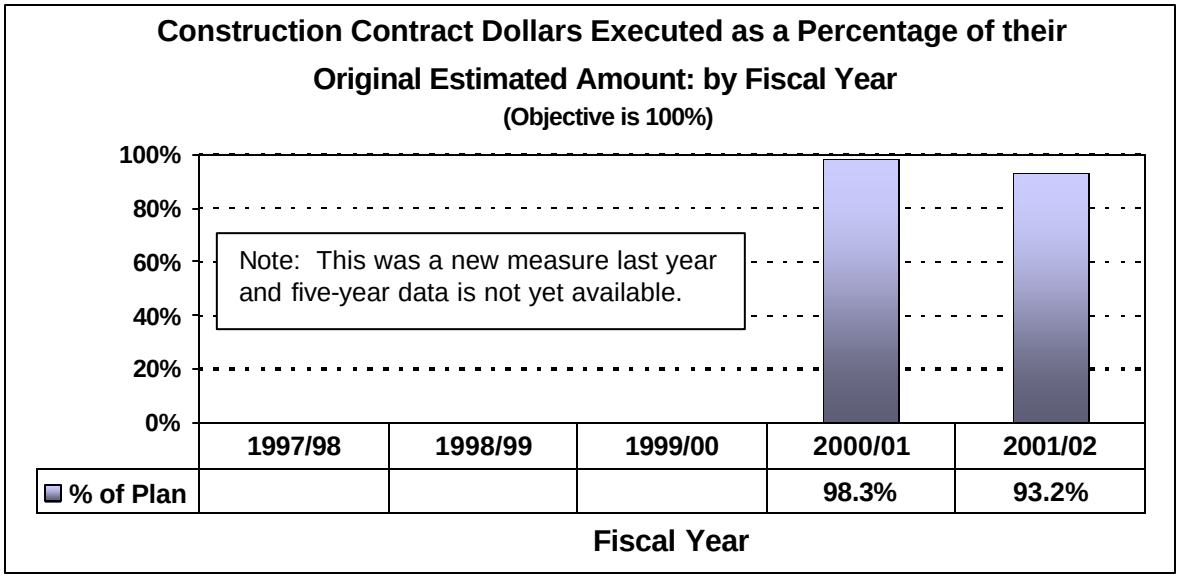
Five-Year Statewide Construction Contract Data

	Fiscal Year				
	1997/98	1998/99	1999/00	2000/01	2001/02
Plan	484	538	499	475	530
Actual	476	516	487	469	523
% of Plan	98.3%	95.9%	97.6%	98.7%	98.7%
Advanced FY	35	11	6	2	0
Additions	30	59	48	66	60
Total	541	586	541	537	583

Additional Comments: The plan for FY 2001/02 was 11.6% larger than the plan for FY 2000/01. Department achievement of plan was the same (98.7%) in FY 2001/02 as it was in FY 2000/01. The increase in the construction plan is attributed to 63 projects that were amended into to the plan due to the Governor's Economic Stimulus program in response to a sluggish economy and the events of September 11th.

SECONDARY MEASURE: The following chart and table compare the dollar value of the construction contracts executed during the year with their original estimated value. This information is an indicator of how well the Department develops its financial plan and estimates the contract amount. For instance, if the percentage of the dollar value of contracts executed is tracking below 100%, then contracts were executed at a price less than what the Department had planned for. If the percentage tracks too far below 100%, then the Department is overestimating project amounts which ties up dollars in its financial plan that can be allocated towards other projects or for other purposes. (Note: This was a new measure last year and five-year data is not yet available.)

RESULTS: The 523 projects let during the year were estimated to cost a total of $2,184.1million, and were let at an actual cost of $2,035.8 million, or 93.2% of their estimated cost. From a dollar standpoint, the plan for FY 2001/02 was 51.3% larger than the plan for FY 2000/01. The total dollar volume let during FY 2001/02 ($2,096.5 million, including additions), was $524.3 million more than the amount let in FY 2000/01 ($1,571.2 million).



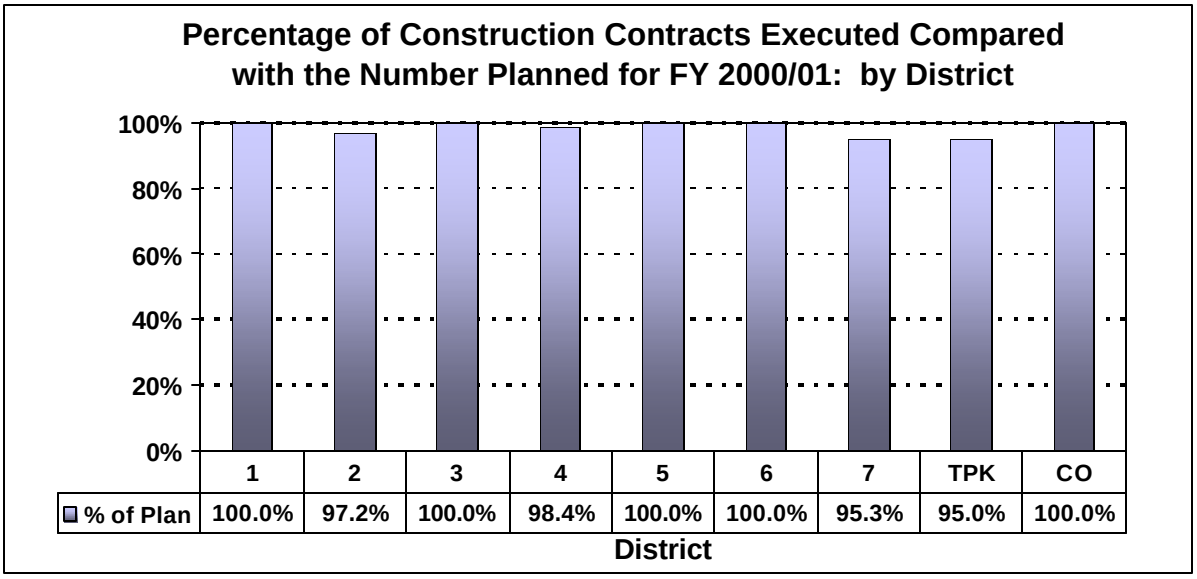
The following table shows the original estimated dollar value of executed construction contracts and the executed dollar value of those contracts for each of the last five fiscal years. These numbers

make up the chart presented above. (Note: As stated above, this is a new measure and historical data is not yet available.)

Statewide Construction Contract Dollars – Estimate vs. Actual

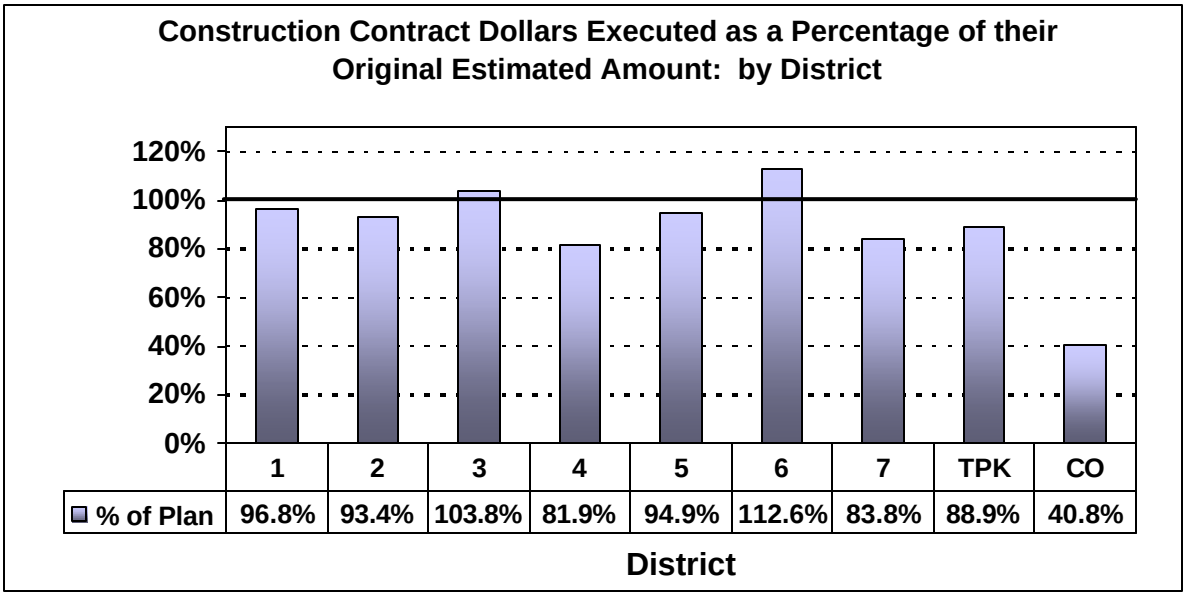
	Fiscal Year				
	1997/98	1998/99	1999/00	2000/01	2001/02
Estimate				$1,443.7	$2,184.1
Actual				$1,419.0	$2,035.8
% of Plan				98.3%	93.2%

District information regarding construction contracts is presented in the following charts and tables.



District Construction Contract Data for FY 2001/02

	District								
	1	2	3	4	5	6	7	TPK	CO
Plan	83	71	85	61	77	65	64	20	4
Actual	83	69	85	60	77	65	61	19	4
% of Plan	100.0%	97.2%	100.0%	98.4%	100.0%	100.0%	95.3%	95.0%	100.0%
Advanced FY	0	0	0	0	0	0	0	0	0
Additions	8	12	10	7	6	8	5	4	0
Total	91	81	95	67	83	73	66	23	4



District Construction Contract Dollars: - Estimate vs. Actual for FY 2001/02

	District								
	1	2	3	4	5	6	7	TPK	CO
Estimate	$451.1	$416.8	$216.8	$343.3	$293.7	$130.8	$267.9	$56.6	$7.1
Actual	$436.6	$389.4	$225.1	$281.2	$278.6	$147.3	$224.4	$50.3	$2.9
% of Plan	96.8%	93.4%	103.8%	81.9%	94.9%	112.6%	83.8%	88.9%	40.8%

3d. CONSTRUCTION CONTRACT ADJUSTMENTS

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

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

The following pages cover Contract Time Adjustments and Contract Cost Adjustments in detail.

17th Street Bridge Construction – Ft. Lauderdale

CONSTRUCTION CONTRACT TIME ADJUSTMENTS

The original contract time will predictably increase due to time extensions granted for inclement weather conditions. These increases are excluded from the performance measure since they are unavoidable. Beyond "weather days," additional time is granted for a variety of other reasons, including extra work, special events (parades, etc.), plan or design changes, material testing delays, and utility relocation delays. Additional days are granted by the Department through time extensions, which grant additional time only, and through supplemental agreements, which authorize additional work and often necessitate additional time. However, when a contractor fails to complete the project within the original contract time plus any authorized time extensions, he is declared delinquent by the Department and must pay liquidated damages for each day he is delinquent.

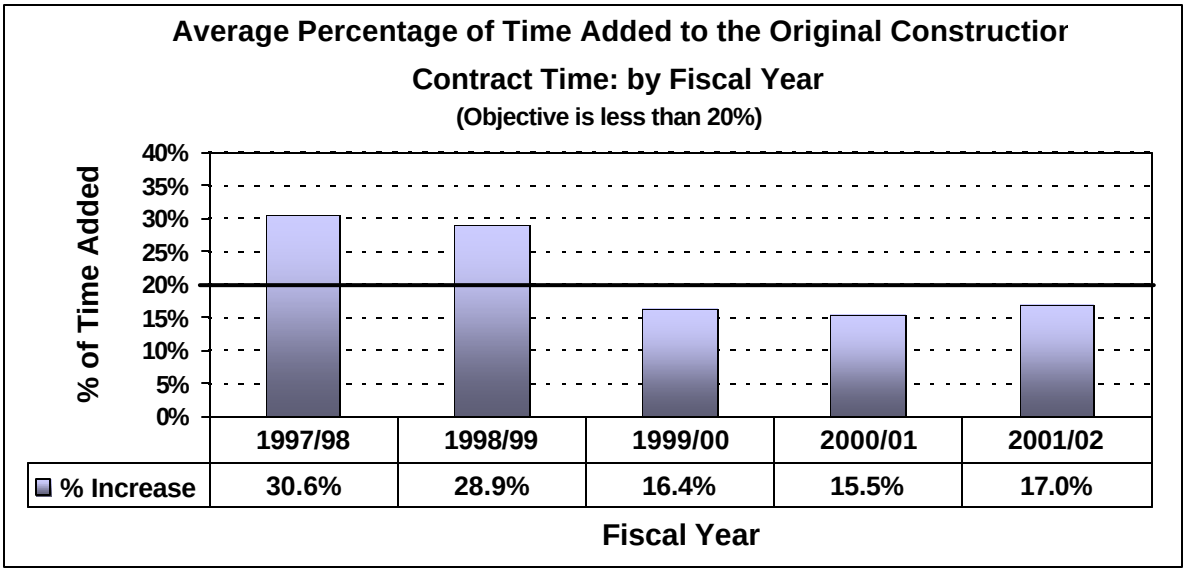
PRIMARY MEASURE: For all construction contracts completed during the Fiscal Year, the original contract time compared against the final contract time. This analysis excludes days that have been added to a contract due to inclement weather, since weather days are out of the control of the Department. (Note: This measure had been revised for FY 2000/01. Prior to that, the Commission tracked the number of additional days authorized by the Department on a contract, whether the contractor actually used all the additional authorized days or not. This does not reflect the actual impact construction has on the traveling public. Therefore, the Commission is now tracking the actual additional days used by the contractor, not the days authorized on a project.)

OBJECTIVE: Although there are justifiable reasons for extending the contract time on a project, the Department's objective is to keep time adjustments to a minimum and complete the project as soon as possible to reduce construction impacts to the traveling public. Therefore, the Department strives to keep the final contract time under 20% of the original contract time.

METHODOLOGY: This measure assesses the Department's performance in containing contract time increases and indicates, for those factors within the Department's control, where performance can be improved. The Department has a contract management system that tracks time extensions to construction contracts. This data is pulled together by the Central Construction Office for all projects completed during the fiscal year. ("Completed" being defined as contracts, where the final estimate was completed, all known claims were settled, and documentation was "passed" to the Comptroller's Office for final payment to the contractor. In most cases, the physical project has been completed for some time and the public has been enjoying its benefits.) The result is a compilation of the original contract time compared to the number of additional days used by the contractor to complete the project. Commission staff analyzes the data and calculates the percentage of days added.

RESULTS: For the 323 construction contracts completed during FY 2001/02, the original contract time increased an average of 17.0% as a result of days added to the contract and used by the contractor (excluding weather days).

Additional Comments: The percentage increase in contract time (excluding weather days) on completed contracts was one and one half a percentage point higher (17.0% from 15.5%) in FY 2001/02 than in FY 2000/01.

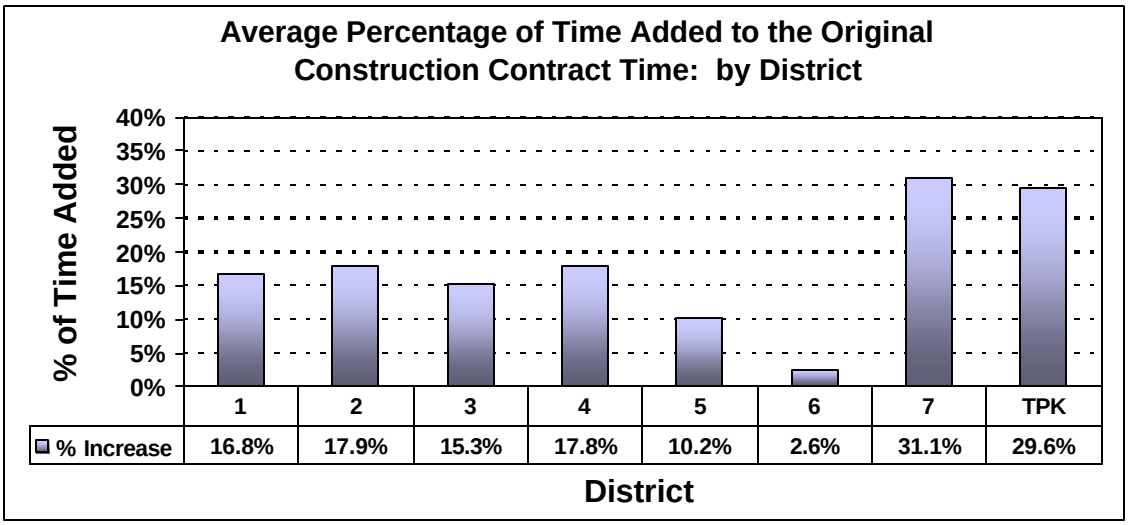


The following table shows the aggregate of original construction contract time, as established by the Department in the contract document, for all projects completed during the fiscal year compared against the final aggregate contract time (original number of contract days plus any additional days the contractor used to complete the project). These numbers make up the chart presented above.

Five Year Construction Contract Time Data

	Fiscal Year				
	1997/98	1998/99	1999/00	2000/01	2001/02
Original Days	88,146	81,985	72,583	84,261	80,525
Additional Days	26,965	23,685	11,897	13,040	13,726
Total Days	115,111	105,670	84,480	97,301	94,251
% Increase in Time	30.6%	28.9%	16.4%	15.5%	17.0%
# of Contracts	377	357	346	362	323

The following chart and table present the construction contract time data for the current fiscal year by individual District.

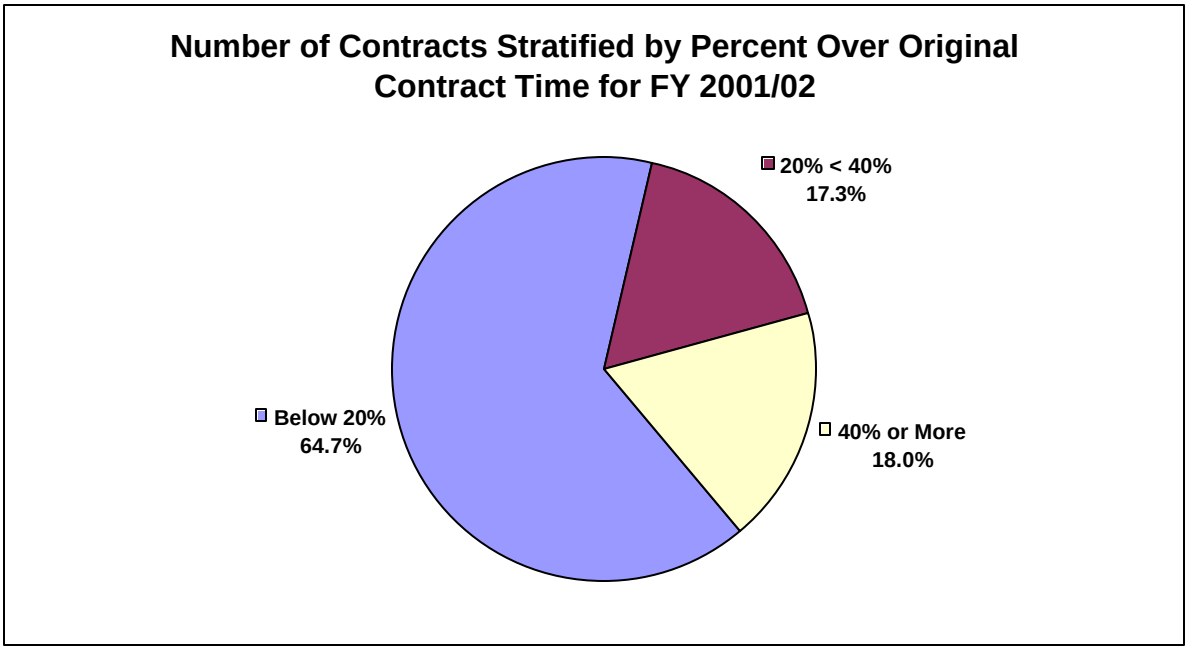


District Construction Contract Time Data for FY 2001/02

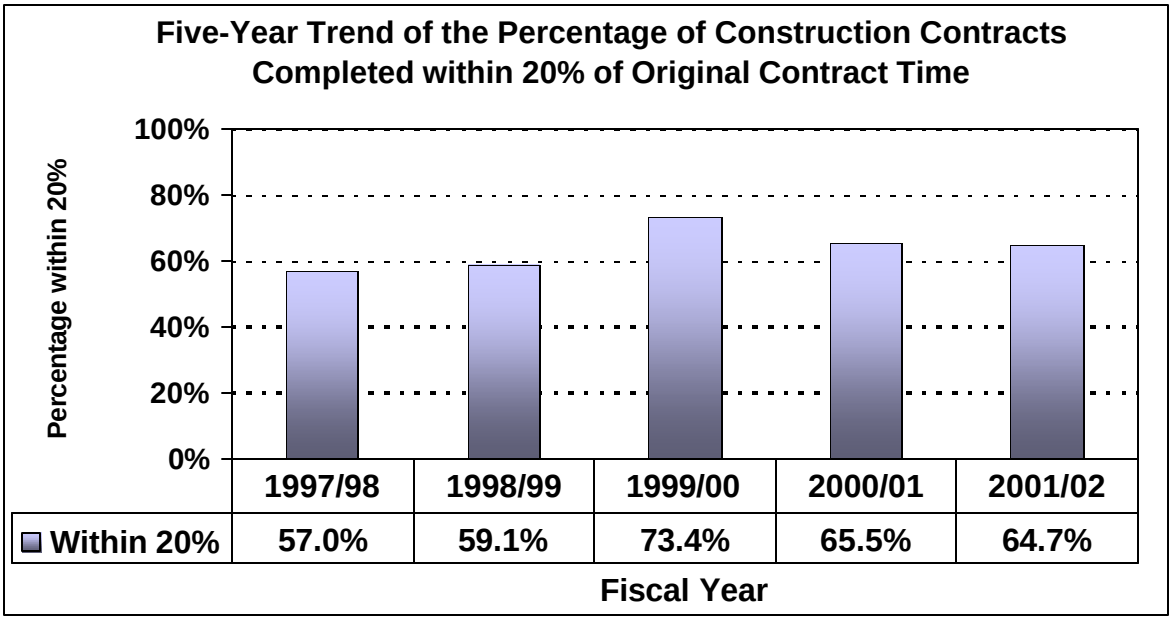
	District							
	1	2	3	4	5	6	7	TPK
Original Days	10,850	14,404	13,069	10,655	10,233	7,549	8,094	5,671
Additional Days	1,819	2,574	1,999	1,893	1,047	199	2,515	1,680
Total Days	12,669	16,978	15,068	12,548	11,280	7,748	10,609	7,351
% Increase in Time	16.8%	17.9%	15.3%	17.8%	10.2%	2.6%	31.1%	29.6%
# of Contracts	52	66	54	39	50	24	28	10

SECONDARY MEASURE: The following chart and table illustrate the number and percentage of all construction contracts completed during the fiscal year stratified by percentage increase over original time: less than 20% over original time; 20% to less than 40% over original time; and 40% or more over original time.

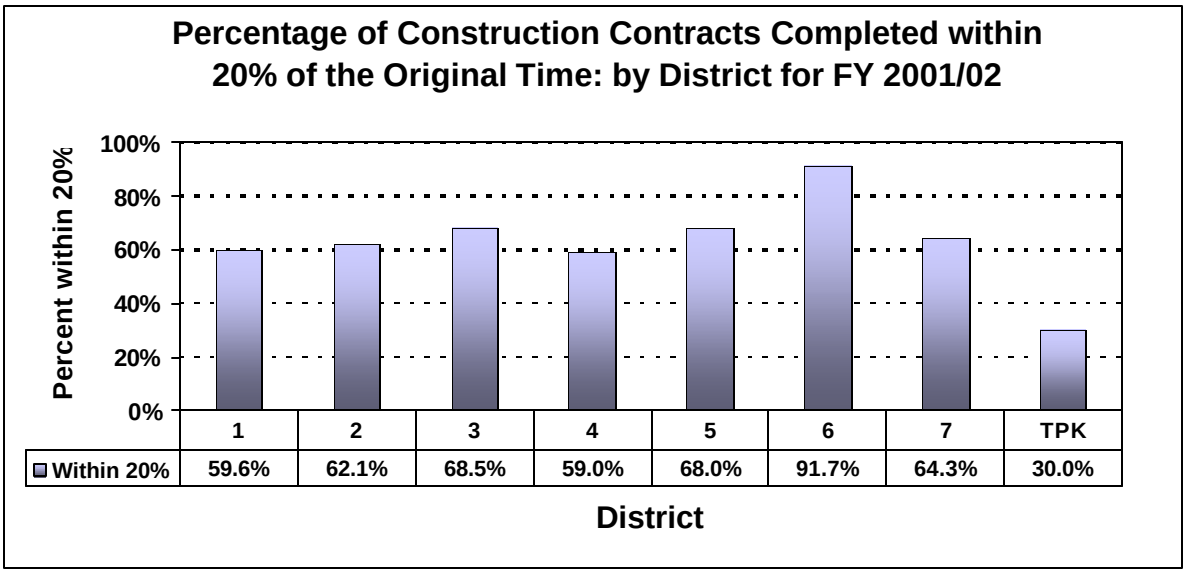
RESULTS: Of the 323 construction contracts completed during FY 2001/02, 209 of them, or 64.7% of the contracts, overran their original contract time by less than 20% as a result of additional days granted and used (excluding weather days); on 17.3%, the original contract time increased by at least 20% but less than 40%; and on 18.0% of all contracts completed, the original contract time increased by 40% or more.



% Over Original Time	# of Contracts	% of Total
Below 20%	209	64.7%
20% < 40%	56	17.3%
40% or More	58	18.0%
Total	323	100.0%



The chart and table below show the percentage of construction contracts that were completed within 20% of the original contract time for each district.



Contracts Completed Within 20% of Original Time
District Detail for FY 2001/02

	District							
	1	2	3	4	5	6	7	TPK
# of Contracts	52	66	54	39	50	24	28	10
# Under 20%	31	41	37	23	34	22	18	3
Percent under 20%	59.6%	62.1%	68.5%	59.0%	68.0%	91.7%	64.3%	30.0%

CONSTRUCTION CONTRACT COST ADJUSTMENTS

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

It is generally accepted in the construction industry that the contract amount will increase by a small percentage of the original bid amount due to a variety of unanticipated conditions and unexpected events. Such cost increases are authorized by "supplemental agreement" (a contract amendment authorizing the contractor to perform additional work and to receive additional payment). In the event that the Department disagrees with a request for additional payment by the contractor, the contractor files a claim, which when resolved (through administrative or legal channels), may be paid in part or in full and may also add to project cost. Also, individual work items on a contract may be increased up to five percent as a minor cost overrun. Minor cost overruns are expected due to the difficulty of estimating the exact quantities of individual work items required on a project. Anything over a five percent increase must be authorized through a supplemental agreement.

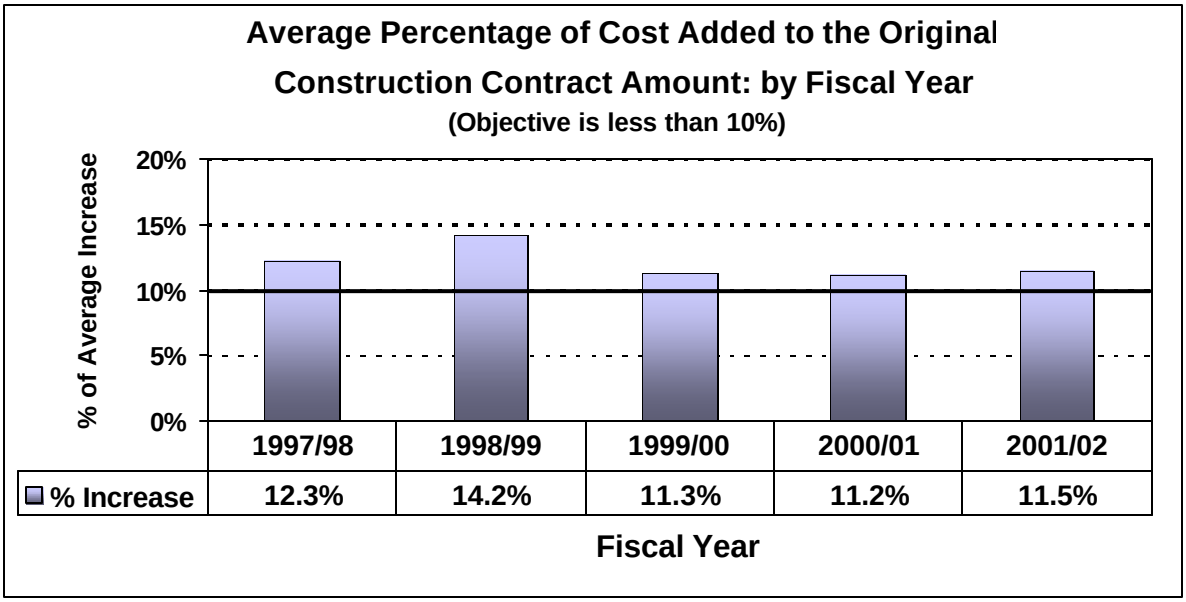
PRIMARY MEASURE: The original contract amount compared against the final amount paid on all construction contracts completed during the Fiscal Year. (Note: This measure had been revised for FY 2000/01. In the past, not all cost adjustments made through minor overruns/underruns were included in this analysis due to contract management processes. These costs are now being captured and are reflected in the data.)

OBJECTIVE: The Department's objective is to keep cost adjustments to a minimum and complete the project within the proposed budget. Therefore, the Department strives to keep the final contract cost within 10% of the original contract amount.

METHODOLOGY: This Measure compares the original contract amount with the final contract amount following acceptance of the work by the Department and final payment to the contractor. This data is compiled by the Central Construction Office for all projects completed during the fiscal year. ("Completed" being defined as contracts, where the final estimate was completed, all known claims were settled, and documentation was "passed" to the Comptroller's Office for final payment to the contractor.) The result is a compilation of the original contract amount compared to the final contract amount paid to the contractor to complete the project. Commission staff analyzes the data and calculates the percentage of the increase in cost due to supplemental agreements and minor cost overruns/underruns.

RESULTS: For the 323 contracts completed during FY 2001/02, the total original contract amount of $1,112.6 million increased by 11.5% due to cost adjustments, for a total final contract amount of $1,240.2 million.

Additional Comments: The percentage increase in contract cost on completed contracts was three-tenths of a percentage point higher (11.5% from 11.2%) in FY 2001/02 than in FY 2000/01.

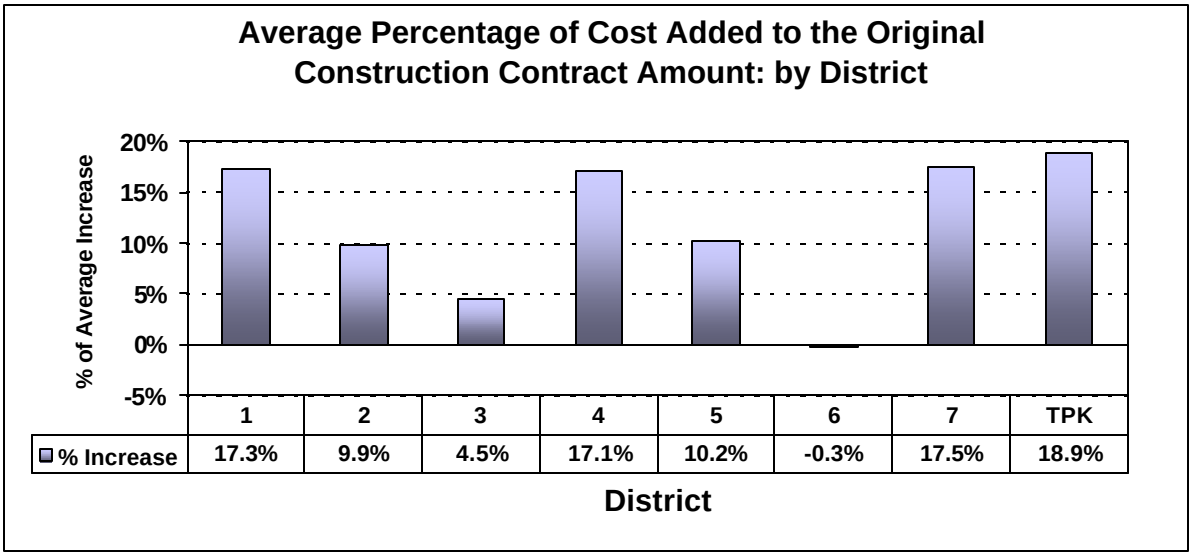


The following table shows the aggregate data of the original construction contract amounts, as established by the contract bid, for all projects completed during the fiscal year compared against the final aggregate contract amount (original contract amount plus any additional money added to the contract through either a supplemental agreement or minor cost overrun). These numbers make up the chart presented above.

Five Year Construction Contract Amount Data

($ in millions)	Fiscal Year				
	1997/98	1998/99	1999/00	2000/01	2001/02
Original Amount	$1,165.1	$1,193.1	$794.7	$1,112.1	$1,112.6
Additional Amount	$143.8	$169.7	$90.1	$124.8	$127.7
Total Amount	$1,308.9	$1,362.8	$884.8	$1,236.9	$1,240.3
% Increase in Cost	12.3%	14.2%	11.3%	11.2%	11.5%
# of Contracts	377	357	346	362	323

The chart and table on the following page present the construction contract cost adjustment data for the current fiscal year by individual district.

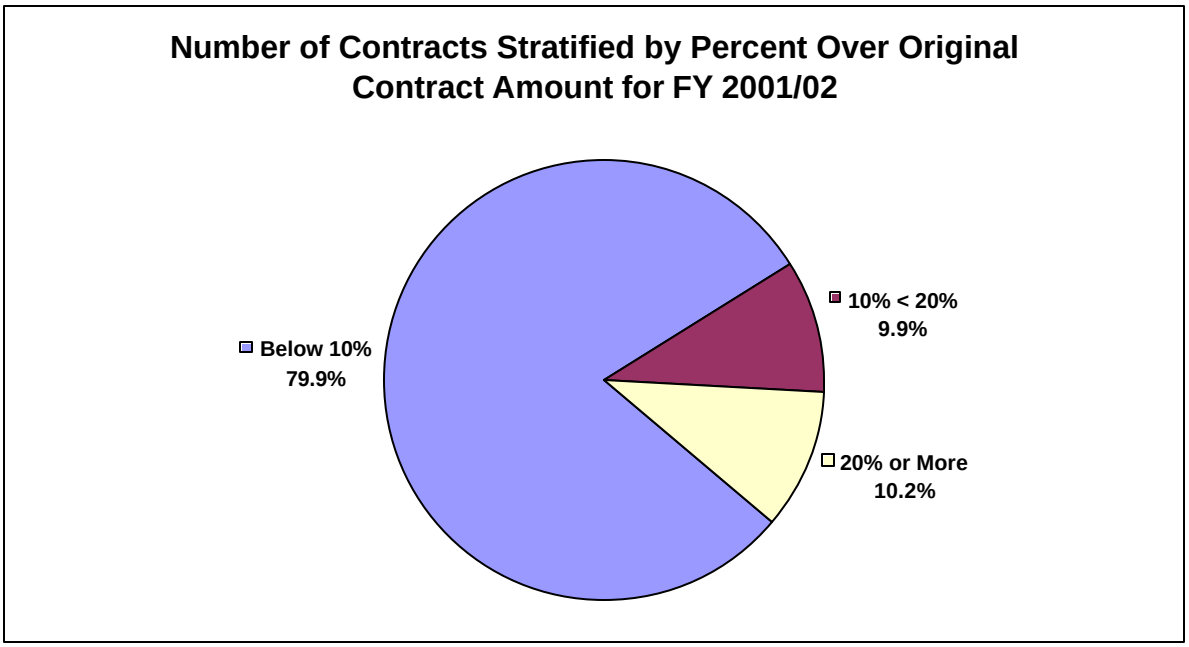


District Construction Contract Cost Data for FY 2001/02

($ in millions)	District							
	1	2	3	4	5	6	7	TPK
Original Amount	$133.5	$239.0	$147.9	$111.3	$183.5	$95.1	$100.4	$101.8
Additional Amount	$23.1	$23.7	$6.7	$19.0	$18.7	-$0.3	$17.6	$19.2
Total Amount	$176.3	$301.5	$131.4	$150.4	$117.7	$60.6	$166.1	$132.8
% Increase in Cost	17.3%	9.9%	4.5%	17.1%	10.2%	-0.3%	17.5%	18.9%
# of Contracts	52	66	54	39	50	24	28	10

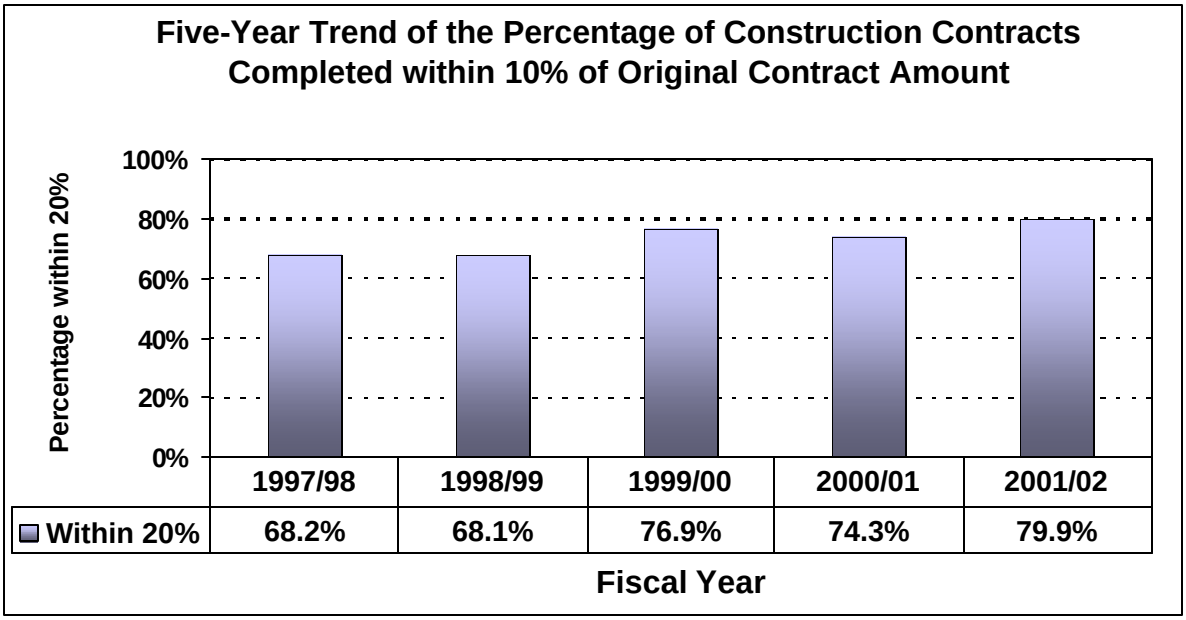
SECONDARY MEASURE: The chart and table below illustrates the number and percentage of construction contracts completed during the fiscal year, stratified by percentage increase over original contract amount: less than 10% over original time; 10% to less than 20% over original time; and 20% or more over original time.

RESULT: Of the 323 construction contracts completed during FY 2001/02, on 258 of them, or 79.9%, the original contract amount increased by less than 10% as a result of supplemental agreements and minor adjustments; on 9.9%, the original contract amount increased by at least 10% but less than 20%; and on 10.2% of all contracts completed, the original contract amount increased by 20% or more.

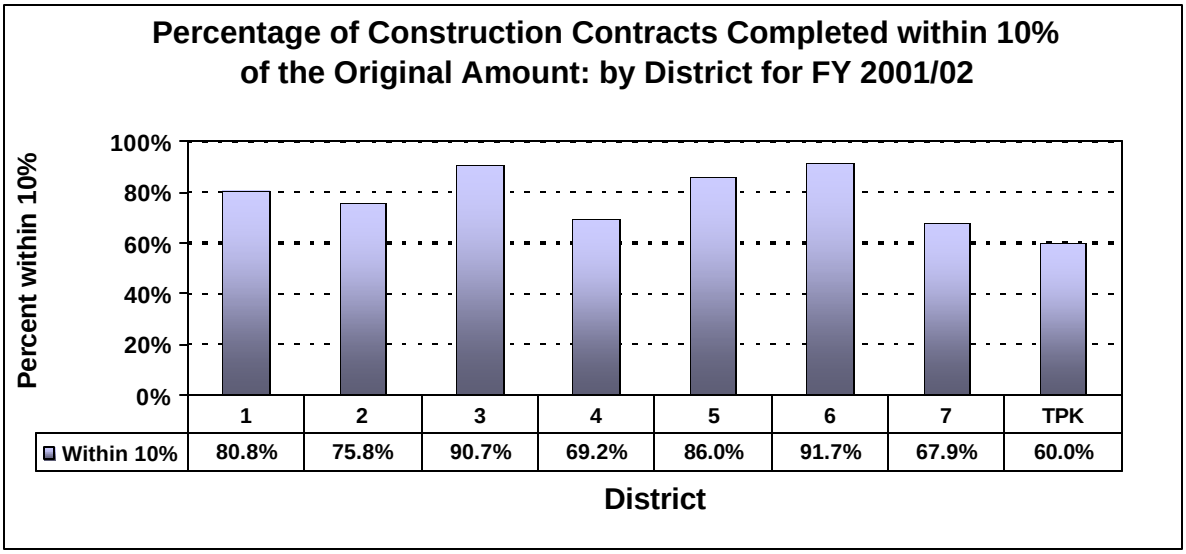


% Over Original Amount	# of Contracts	% of Total
Below 10%	258	79.9%
10% < 20%	32	9.9%
20% or More	33	10.2%
Total	323	100.0%

The chart on the next page is for informational purposes to show the five-year historical trend of the percentage of contracts that were completed within 10% of the original contract amount.



The chart and table below show the percentage of construction contracts that were completed within 10% of the original contract amount for each district for fiscal year 2001/02.



Contracts Completed Within 10% of Original Amount
District Detail for FY 2001/02

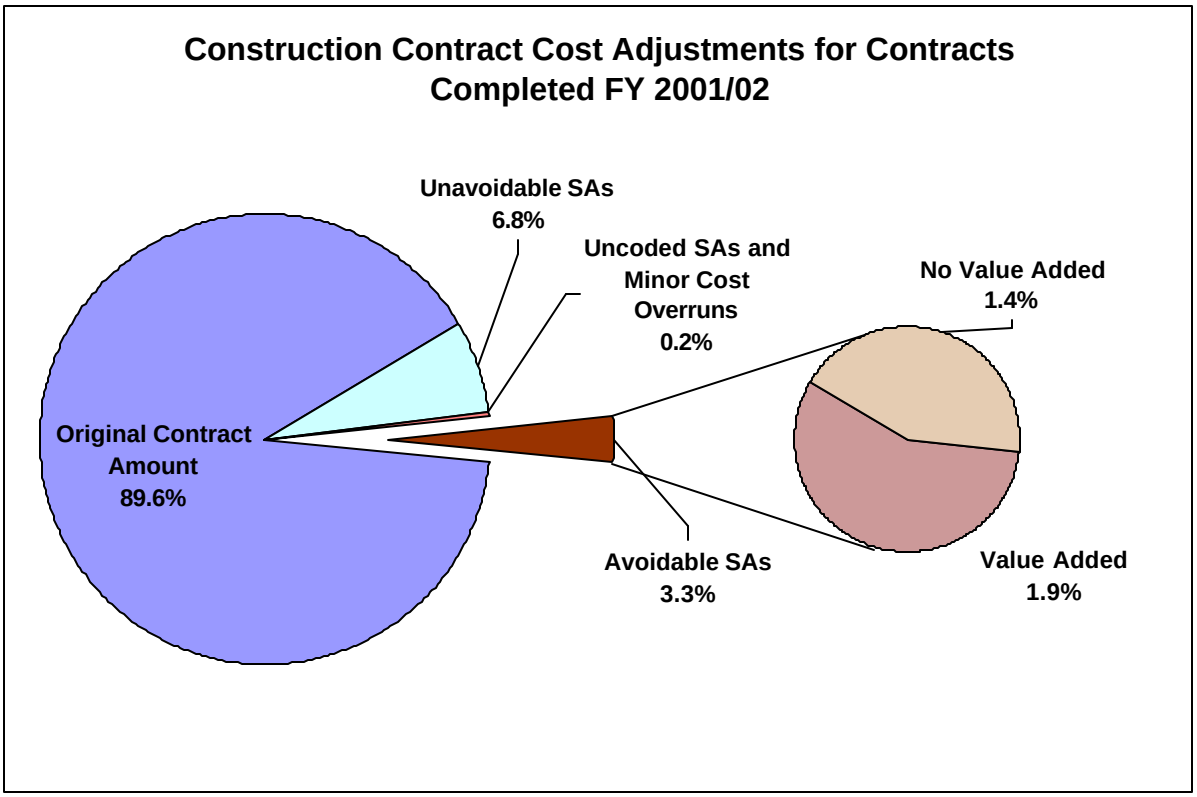
	District							
	1	2	3	4	5	6	7	TPK
# of Contracts	52	66	54	39	50	24	28	10
# Under 10%	42	50	49	27	43	22	19	6
Percent under 10%	80.8%	75.8%	90.7%	69.2%	86.0%	91.7%	67.9%	60.0%

Analysis of Cost Adjustments Due to Supplemental Agreements

The Explanatory Data presented below provide insight into the reasons for cost increases that are attributable to supplemental agreements and are used by the Department to target areas for improvement. Supplemental agreements comprise over 91 percent of all cost adjustments to construction contracts. Minor cost overruns make up the remaining nine percent. Nearly all supplemental agreements add value to the project because they purchase additional labor and materials that are necessary for the transportation facility to function properly once completed. There are instances, however, when the Department must pay a higher price for additional material quantities authorized by supplemental agreement, and when "delay costs" are incurred. These costs do not add value to the project and should be eliminated, to the extent they can be avoided. Moreover, to the extent these costs were avoidable and responsible parties are identified, the Department should pursue recovery in those cases where the amount subject to recovery makes legal action a cost-effective remedy.

SECONDARY MEASURE: The following chart and tables identify the part of the total final amount paid on completed construction contracts that was attributable to supplemental agreements that were avoidable (should have been foreseen). That portion is broken down further by the amount of supplemental agreements that added value to the project and the amount that did not add value and can be presumed to be "wasted" money.

RESULTS: Of the total final amount paid on completed construction contracts during FY 2001/02 of $1,240.2 million, a total of $41.1 million (or 3.3%) was avoidable (should have been foreseen) supplemental agreements. Of the $41.1 million avoidable supplemental agreement amount, $23.4 million (or 1.9%) added value to the projects completed, and $17.7 million (or 1.4%) did not add value to the projects.

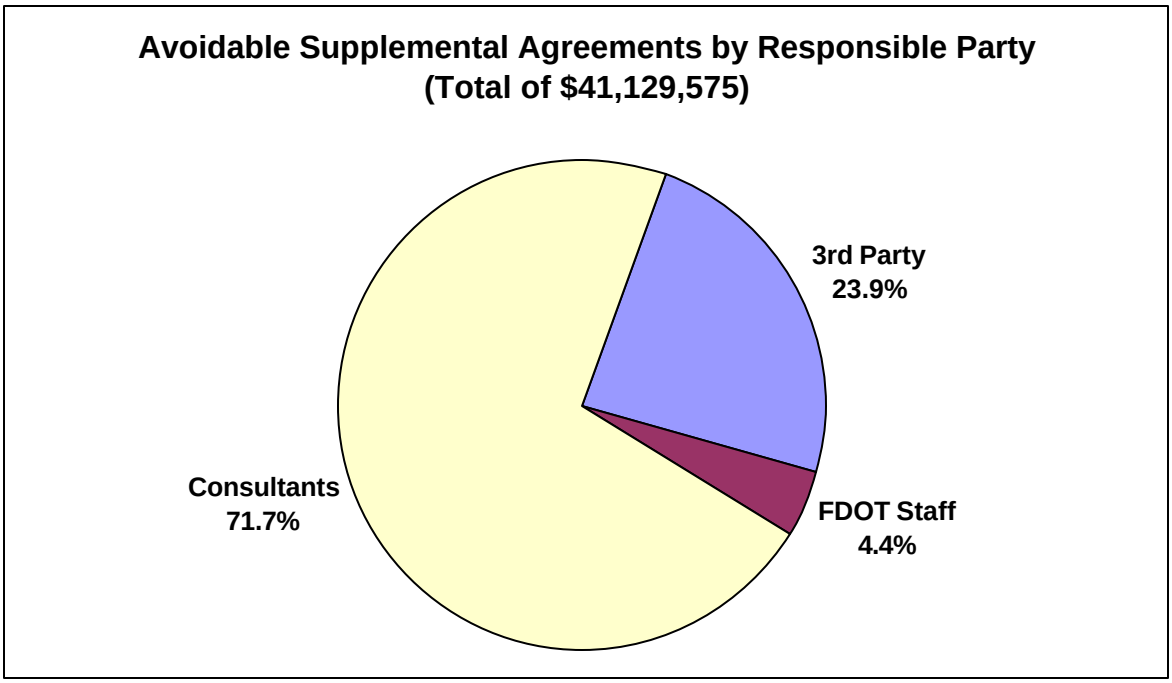


	Amount	%
Original Contract Amount	$1,112,571,985	89.7%
Unavoidable SAs	$84,446,205	6.8%
Avoidable SAs	$41,129,575	3.3%
Uncoded SAs	$976,007	0.1%
Minor Cost Overruns	$1,110,456	0.1%
Total Final Amount Paid	$1,240,234,228	100.0%

Avoidable SAs		
Value Added	$23,398,369	1.9%
No Value Added	$17,731,206	1.4%
Total	$41,129,575	3.3%

The chart on the previous page and the two tables above indicate that of the total amount paid for construction contracts, including supplemental agreements and minor cost overruns, in FY 2001/02, $17,731,206 (or 1.4%) of that amount went to pay for supplemental agreements that did not add any value to projects and can be considered money that was wasted. The Department should focus on these supplemental agreements to identify areas of improvement.

The next chart and graph identify the party responsible for the supplemental agreements that were avoidable and did not add any value to the project; those dollars that can be considered to be "wasted."



Responsible Party	Amount	%
3rd Party	$9,826,812	23.9%
Consultants	$29,504,830	71.7%
FDOT Staff	$1,797,933	4.4%
Total Avoidable SA Amount	$41,129,575	100.0%

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

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

4a. Commitment of Federal Funds
4b. Management of Administrative Costs
4c. Cash Management
4d. Management of Toll Facility Operational Costs

The Department of Transportation is the only state agency that operates on a "cash flow" basis. That is, for most transportation projects in Florida, the Department begins design and construction before the total amount of cash is available to fund the project. The Department anticipates that 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. Other Florida agencies require the entire contract amount to be on hand in the same year work begins. The method used by Florida's transportation agency requires an effective and timely forecasting process to calculate future revenues.

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4a. COMMITMENT OF FEDERAL FUNDS

BACKGROUND: Federal motor fuel taxes paid by Floridians and visitors are deposited in the Federal Highway Trust Fund, and a portion of the total tax amount deposited is returned to Florida as federal funds to be matched by state revenues and used for transportation purposes (e.g., the matching share for interstate highway construction is 80% federal funds, 20% state funds).

Today, federal funds comprise about 36% of Florida's total transportation revenues and, thus, play an important role in the State's ability to meet transportation needs. With few exceptions, the Department is responsible for ensuring that all available federal funds are committed to qualifying projects in a timely manner and that all federal requirements are met.

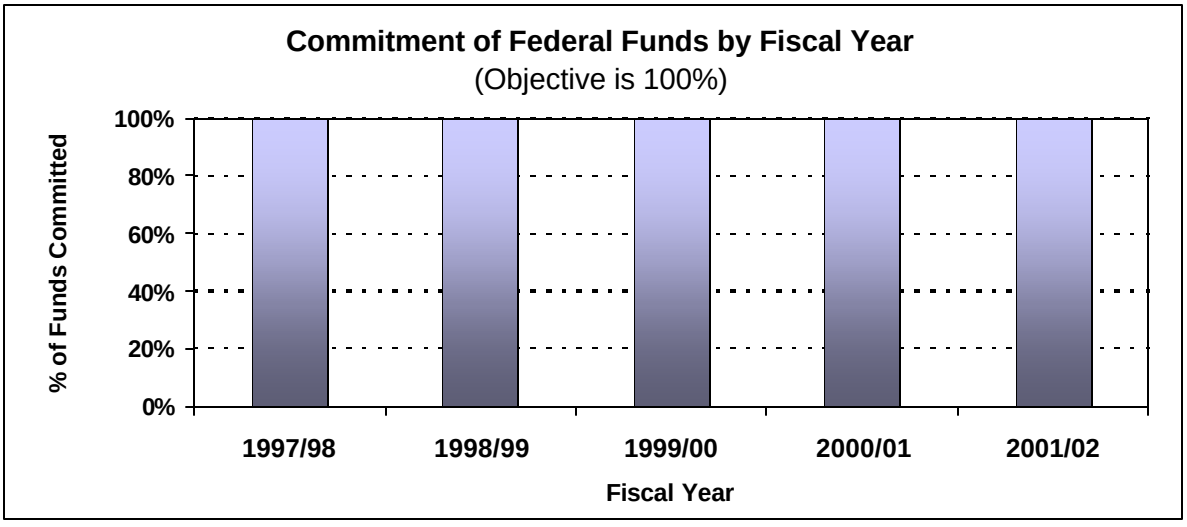
PURPOSE: Federal funding must be committed to projects within a specified time period, otherwise, unused funds are forfeited, pooled, and "redistributed" to states that have exhausted their federal funds and have the ability to use additional funds. With transportation needs that far exceed available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

PRIMARY MEASURE: Of the federal funds that are subject to forfeiture at the end of the federal fiscal year, the percent that was committed by the Department.

OBJECTIVE: The Department's objective is to commit 100% of the federal funds that are subject to forfeiture at the end of the federal fiscal year.

METHODOLOGY: This measure assesses how well the Department manages federal funds to avoid forfeiture of such funds. Commitment data is collected from the Department's Financial Planning Office within the Office of Management and Budget.

RESULTS: The Department is on track to commit 100% ($1,272.4 million) of the federal funds subject to forfeiture at federal fiscal year end (Sept. 30, 2002) if not committed. The Department requested an additional $200.0 million in redistributed federal funds. The Department received $18.4 million out of $495.4 million in redistributed funds.



	Fiscal Year				
	1997/98	1998/99	1999/00	2000/01	2001/02
Planned Commitments	$711.0	$851.0	$1,201.8	$1,281.1	$1,272.4
Actual Commitments	$711.0	$851.0	$1,201.8	$1,281.1	$1,272.4
% of Plan	100.0%	100.0%	100.0%	100.0%	100.0%

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4b. MANAGEMENT OF ADMINISTRATIVE COSTS

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

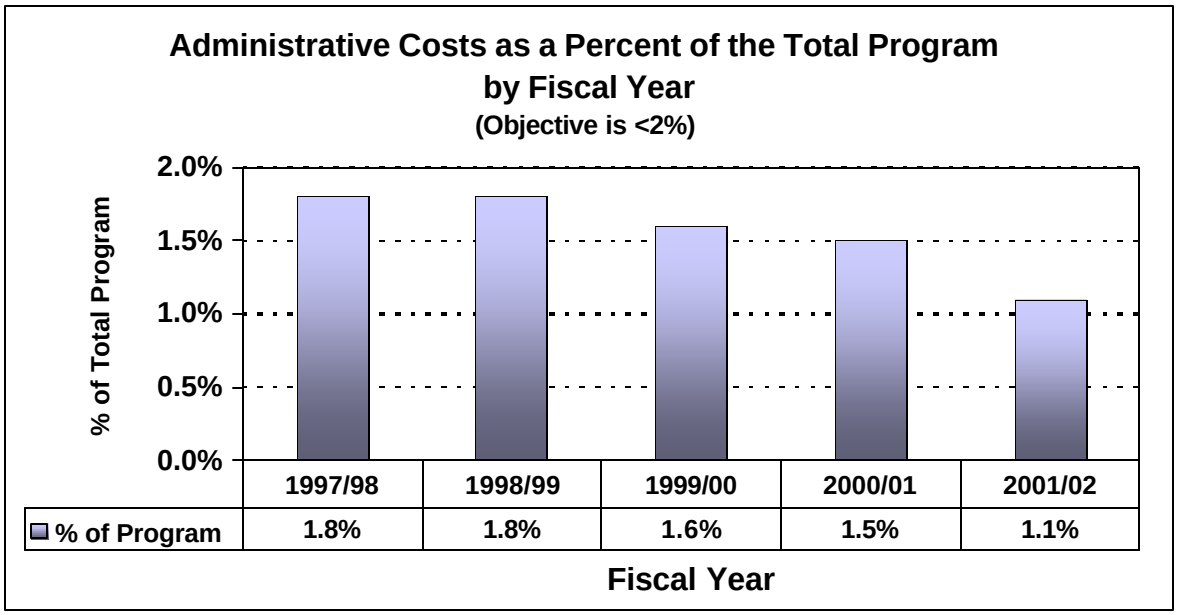
PURPOSE: The Department is one of few state agencies that produce a tangible product -- a transportation system composed of roads, bridges, and other ancillary facilities. The Florida taxpayer, who funds construction and maintenance of the state transportation system, has a legitimate expectation that the Department will strive to maximize tax dollars put into actual transportation product by containing administrative overhead and product support costs to the extent possible. It must be recognized, however, that the Department, as a public agency, is directed by the Legislature to perform many services and activities not required of private sector firms performing similar functions. Thus, a direct comparison of Department overhead costs with those of the private sector is not recommended.

PRIMARY MEASURE: The Department's dollar amount of administrative costs measured as a percent of the dollar amount of the total program.

OBJECTIVE: The Department's objective is to keep administrative costs below two percent of the total program amount.

METHODOLOGY: This measure tracks administrative costs as a percent of the total program (product, product support, operations, maintenance, and administration) and by actual dollar amounts. The measure allows evaluators to assess the reasonableness of administrative costs over time, and where increases occur, to review the administrative budget in greater detail. Since the administrative cost percentage will automatically increase or decrease, respectively, when total program size is reduced or increased, absolute dollar amounts must also be reviewed. The Department's Office of Comptroller provides administrative cost data.

RESULTS: Administrative costs were 1.1% of the total program for FY 2001/02, or $60.0 million of a total program of $5.6 billion. Based on actual dollar amounts of administrative costs, there was a 10.3% decrease (from $66.9 million to $60.0 million) in administrative costs in FY 2001/02 compared to FY 2000/01.



Five Year Administrative Cost Data

	Fiscal Year				
	1997/98	1998/99	1999/00	2000/01	2001/02
Administrative Costs	$65.1	$65.7	$63.7	$66.9	$60.0
Total Program	$3,633.3	$3,698.6	$4,021.2	$4,580.6	$5,602.1
% of Total Program	1.8%	1.8%	1.6%	1.5%	1.1%

4c. CASH MANAGEMENT

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

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

PRIMARY MEASURE: There are three parts to this measure that assess the Department's performance in cash management. Actual cash receipts compared against forecasted cash receipts, showing the resulting variance. Actual cash disbursements compared against forecasted cash disbursements, showing the resulting variance. The lowest annual cash balance measured against the total outstanding contractual obligations.

OBJECTIVE: The Department's objective is to maintain a variance within plus or minus 5% of the forecasted amount. However, the closer the variance is to 0% the better the Department's performance in cash management.

METHODOLOGY: These measures assess the effectiveness of the Department's cash management in maximizing the ability to deliver transportation product as early as possible. Cash receipt and disbursement data is collected from the Department's Office of Comptroller and analyzed.

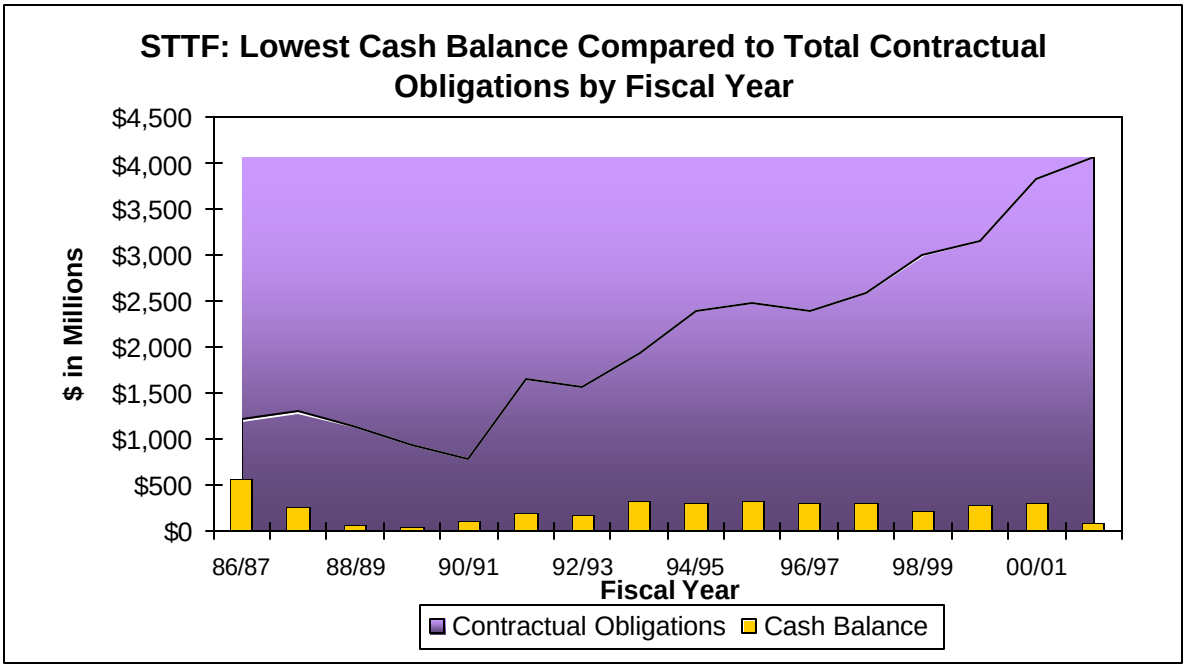
RESULTS: Actual cash receipts of $4,233.7 million for FY 2001/02 were 3.3% higher ($136.6 million) than the Department's August 2001 forecasted receipts of $4,097.1 million. Actual cash disbursements of $4,368.0 million for FY 2001/02 were 2.5% higher ($105.8 million) than the Department's August 2001 forecasted disbursements of $4,262.2 million. For FY 2001/02, the Department's lowest end-of-month cash balance was $94.0 million or 2.3% of its total outstanding contractual obligations of $4,066.0 million.

State Transportation Trust Fund

Cash Receipts	
Forecast of August 2001	$4,097.1
2001/02 Actual	$4,233.7
$ Variance	$136.6
% Variance	3.3%

Cash Disbursements	
Forecast of August 2001	$4,262.2
2001/02 Actual	$4,368.0
$ Variance	$105.8
% Variance	2.5%

Note: Dollars are in millions.



Historical Annual Lowest Cash Balance Compared to Contractual Obligations

Fiscal Year	Lowest Cash Balance ($ in Millions)	Contractual Obligations ($ in Millions)	Cash as % of Obligations
1986/87	$558.0	$1,206.0	46.3%
1987/88	$262.0	$1,295.0	20.2%
1988/89	$77.0	$1,137.0	6.8%
1989/90	$41.0	$940.0	4.4%
1990/91	$105.0	$786.0	13.4%
1991/92	$195.0	$1,649.0	11.8%
1992/93	$171.0	$1,574.0	10.9%
1993/94	$331.0	$1,933.0	17.1%
1994/95	$299.0	$2,397.0	12.5%
1995/96	$332.0	$2,478.0	13.4%
1996/97	$305.0	$2,401.0	12.7%
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%

4d. MANAGEMENT OF TOLL FACILITY OPERATIONAL COSTS

BACKGROUND: The collection of tolls on 73 of Florida's toll facilities is the responsibility of the Department. By far, the largest and highest revenue-producing toll facility is the Florida Turnpike, which is managed by the Department. Toll revenues are used to pay debt service on bonds issued for construction and maintenance of a facility. After the bonds are paid off, toll revenues are used for facility maintenance and other transportation purposes. When operational costs (e.g., salaries of toll collectors, utilities, building maintenance) to collect tolls increase, there is less toll revenue available for debt service or other purposes.

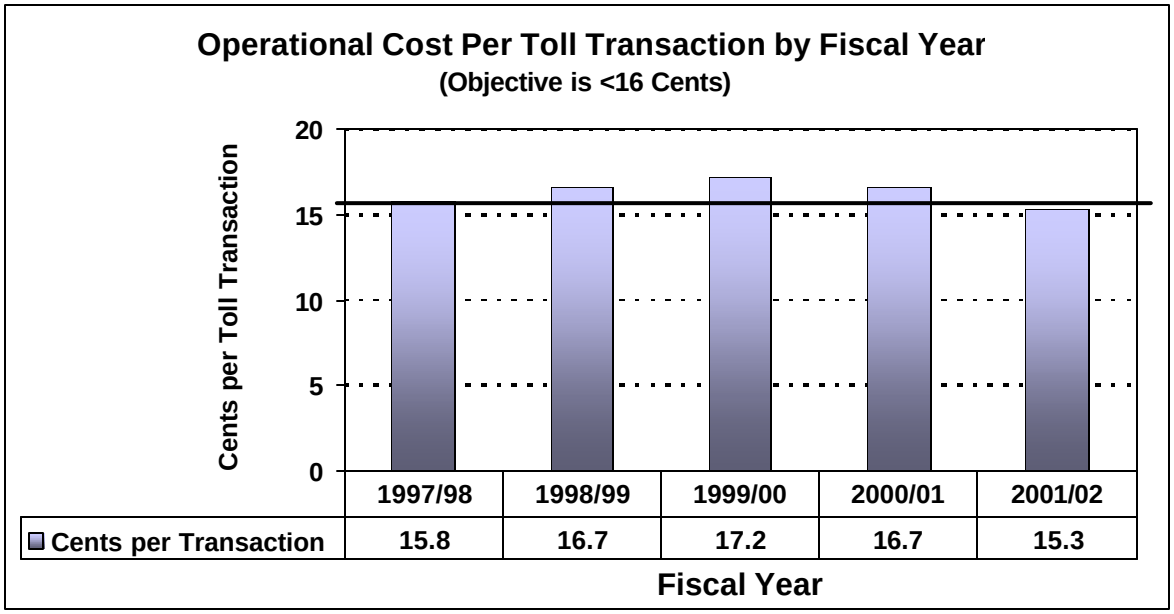
PURPOSE: Tolls are fees paid by facility users who have an expectation that the maximum amount of revenue collected be used to pay off the debt or for other transportation improvements, therefore toll collection costs should be contained and carefully managed.

PRIMARY MEASURE: The amount of each toll transaction that is dedicated to covering operational costs. (Operational costs per toll transaction.)

OBJECTIVE: The Department's objective is to keep the amount of each toll transaction that is dedicated towards covering the toll operational costs at a level below $0.16 per transaction.

METHODOLOGY: This measure provides the "cost per transaction" by dividing total operational costs (for toll collectors, supervisors, management) by the number of toll transactions. The cost per transaction can then be monitored over time and will provide the basis for measuring improved efficiency. Data is collected from the Department's Office of Toll Operations and Office of Comptroller.

RESULTS: For FY 2001/02, the Department's cost to operate toll facilities was 15.3¢ per toll transaction. The cost to operate toll facilities for FY 2001/02 was 1.4¢ lower (16.7¢ to 15.3¢) per toll transaction than in FY 2000/01.



Five Year Toll Transaction Data

Cost and $ in millions	Fiscal Year				
	1997/98	1998/99	1999/00	2000/01	2001/02
Operational Costs	$72.8	$81.3	$90.6	$98.2	$86.3
# of Toll Transactions	459.5	486.5	527.4	586.3	563.8
Cost Per Transaction	$0.158	$0.167	$0.172	$0.167	$0.153

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5. Minority and Disadvantaged Business Programs

5a. Minority Business Enterprise Program
5b. Disadvantaged Business Enterprise Program

The Florida Department of Transportation is dedicated to continued success and improvement in achieving diversity in contracting opportunities in our transportation program. Both state and federal laws address the utilization of socially and economically disadvantaged business enterprises in Department contracts for the construction of transportation facilities. The Department was actively encouraging minority business participation even before the passage of the Minority Business Assistance Act of 1985. With the Governor's One Florida Initiative, emphasis has shifted to tracking total expenditures with minority businesses with the goal of increasing such expenditures annually through aggressive outreach and encouragement. The Department also intends to expend at least eight percent of federal fund receipts with small business concerns owned and controlled by socially and economically disadvantaged individuals. It is the intent of the Department that this expenditure is obtained through a race and gender-neutral program.

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5a. MINORITY BUSINESS ENTERPRISE PROGRAM

BACKGROUND: The current Minority Business Enterprise (MBE) program began with the "Small and Minority Business Assistance Act of 1985." This established state agency goals for the percentage of expenditures with certified MBEs. The goals were set according to industry group: construction, architecture and engineering, commodities, and contractual services. Criteria for certification as an MBE were also detailed. These included ethnic group, business size, and being a Florida business owned by minority Florida residents. There have been refinements over the years, but the essence of the Act is still in place in Chapter 287, F.S. Under the Governor's One Florida Initiative, emphasis has shifted from tracking percentage goals by industry type to tracking total expenditures with MBEs and the increase in such expenditures annually. In addition, One Florida has de-emphasized the use of set asides or price preferences for MBEs in favor of aggressive outreach and encouragement.

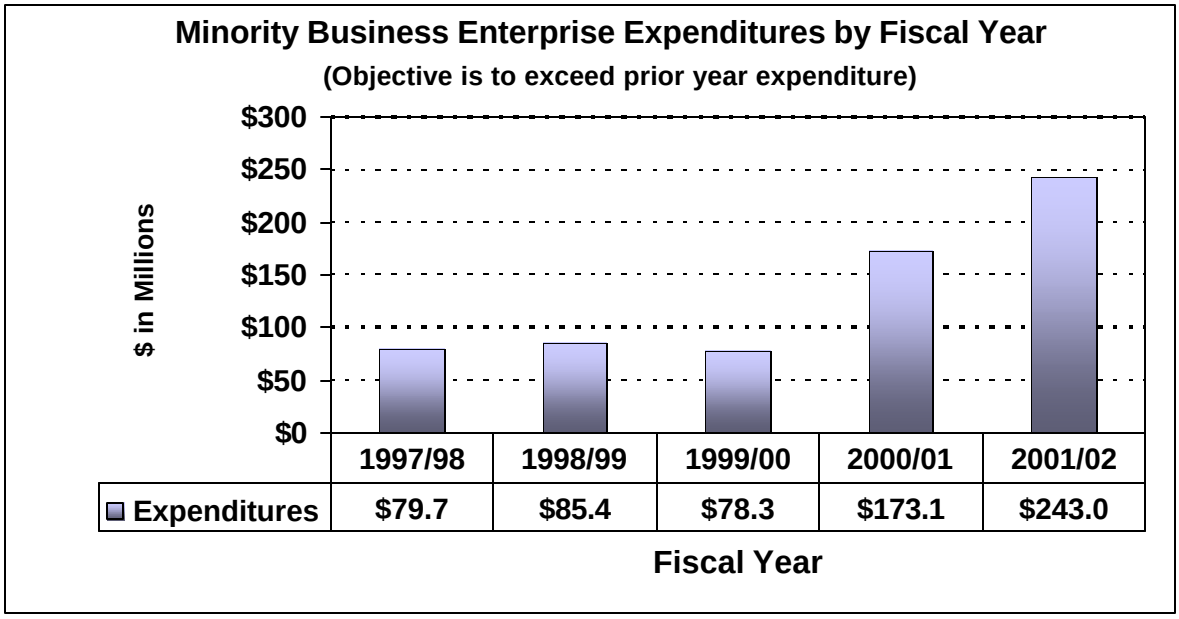
PURPOSE: The Department strives to improve economic opportunities for the state's women and minority owned businesses to ensure that equity in the contracting provisions are carried out.

PRIMARY MEASURE: The annual dollar amount of MBE expenditures measured against the previous year's annual dollar amount of MBE expenditures.

OBJECTIVE: The Department's objective is based on exceeding the prior year's actual MBE expenditure.

METHODOLOGY: The Program Support Unit of the Department's Procurement Office is responsible for coordinating the Minority Business Enterprise program. This Unit tracks MBE expenditures on a continuing basis and reports the results monthly.

RESULTS: The Department met its objective for utilization of MBEs having exceeded last year's MBE expenditure level of $173.1 million by $69.9 million, or 40.4% more than last year.



Five Year Statewide Minority Business Enterprise Expenditure Data

	Fiscal Year				
	1997/98	1998/99	1999/00	2000/01	2001/02
$ Goal	$76,077,960	$79,737,884	$85,398,751	$78,313,603	$173,064,642
Actual	$79,737,884	$85,398,751	$78,313,603	$173,064,642	$243,011,412
% over objective	4.8%	7.1%	-8.3%	121.0%	40.4%

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5b. DISADVANTAGED BUSINESS ENTERPRISE PROGRAM

BACKGROUND: Under new federal guidance, the Department initiated on January 1, 2000 a race and gender-neutral Disadvantaged Business Enterprise (DBE) program for all consultant and construction contracts, which are in part funded with federal aid. This program is based on demonstrable evidence of local market conditions and availability of DBEs. The definition of DBE is different from MBE mainly in firm size and the requirement for being based in Florida.

PURPOSE: 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 DBEs have an equal opportunity to receive and participate in these contracts.

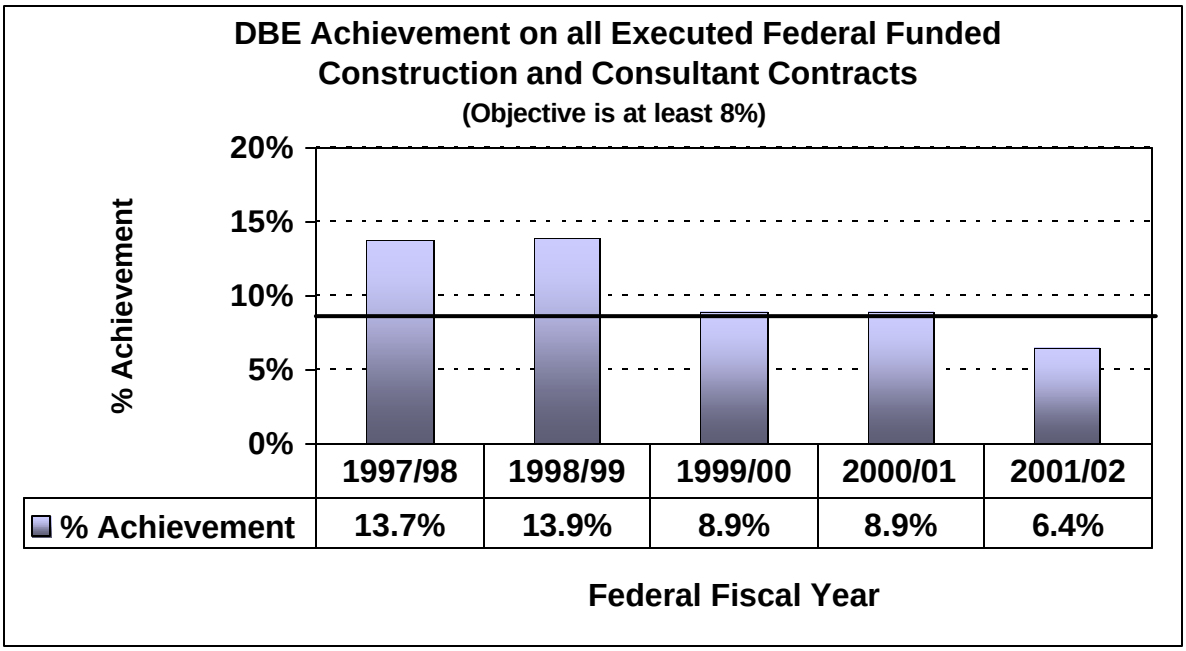
SECONDARY MEASURE**:** The dollar volume of Disadvantaged Business Enterprise participation as a percentage of total federal funded construction and consultant contract amount.

OBJECTIVE: The Department has set a goal of eight percent participation for all consultant and construction contracts, partially funded with federal aid. The Department applies this same standard to 100 percent state funded contracts.

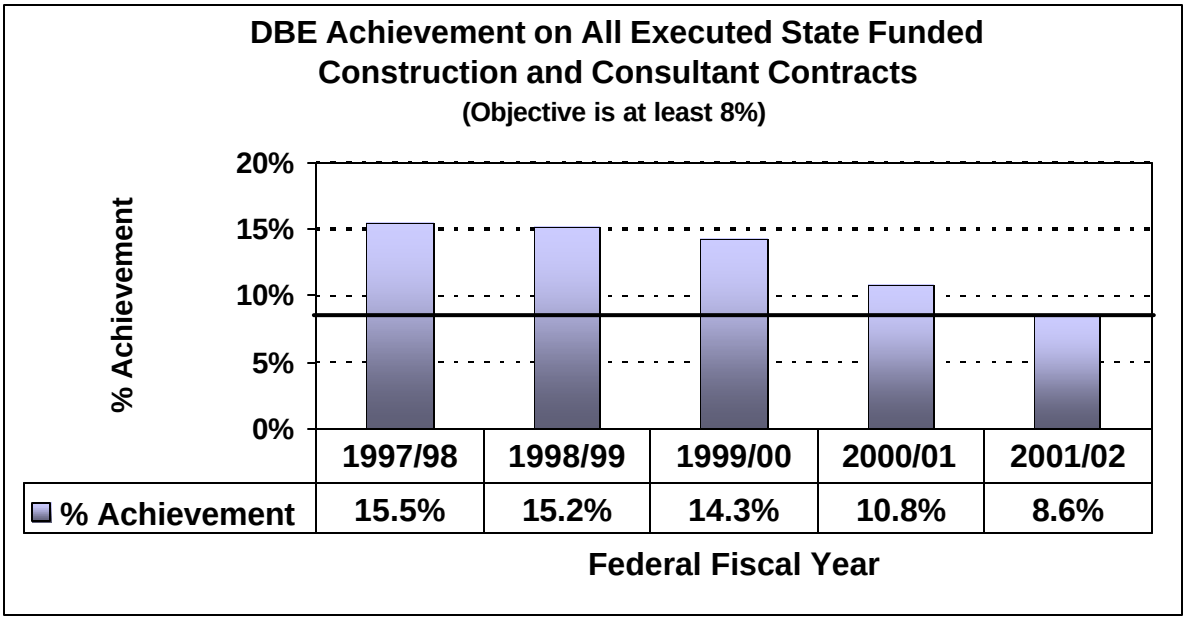
METHODOLOGY: The Department's Equal Opportunity Office is responsible for tracking disadvantaged business program data. Data is submitted by contractors illustrating their level of commitment to using disadvantaged businesses on each project. The data is then compiled and reported. Note: Since the DBE program is a federal program, results are presented by federal fiscal year, which begins October 1st and ends September 30th of each year. The charts below include data through July 31, 2002.

RESULTS: .For all construction and consultant contracts financed in part by federal funds, DBE participation was 6.4%, not meeting the 8% objective. For all construction and consultant contracts that are 100% state funded, DBE participation was 8.6%.

Additional Comments: The DBE participation rate for all construction and consultant contracts financed in part by federal funds was lower in FY 2001/02 than it was in 2000/01. The DBE participation rate for all state funded construction and consultant contracts was 2.2 percentage points lower (8.6% from 10.8%) in FY 2001/02 than in FY 2000/01.



Although not a federal requirement, the Department also tracks DBE participation on 100% state funded construction and consultant contracts and uses the same eight percent objective as its goal. The result is presented below.



6. Safety Initiatives

The Department's number one goal is to provide safe transportation for residents, visitors and commerce. 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.

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6a. SAFETY INITIATIVES

BACKGROUND: 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 State Highway System. The Department is responsible for designing, constructing and maintaining the approximately 12,000 miles of state roads (an additional 103,171 miles of roads, of which 19,679 miles are unpaved, are the responsibility of cities and counties).

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

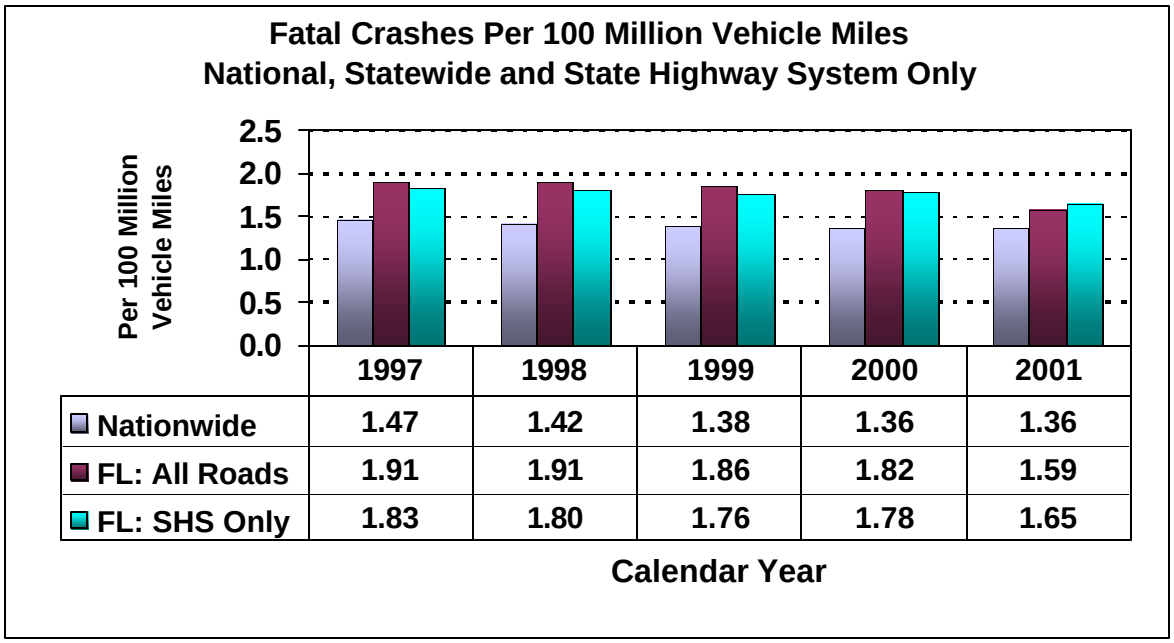
PURPOSE: Safe travel in Florida is the Department's number one priority. There is a defined Safety Program within the Department, but this program alone does not reflect the Department's total commitment to improving safety on the State Highway System. For example, current design standards incorporate safety as a feature.

SECONDARY MEASURE: Florida's fatal crash rate per 100 million vehicle miles traveled (VMT) and fatal crash rate per 100 million VMT for the State Highway System only, compared against the National average rate.

OBJECTIVE: It is the Department's objective to reduce the fatal crash rate to a level within 20% of the national rate. [Note: The Commission recognizes the fact that demographics in Florida will most likely prevent the State from ever achieving a fatality rate equal to or below the national rate.]

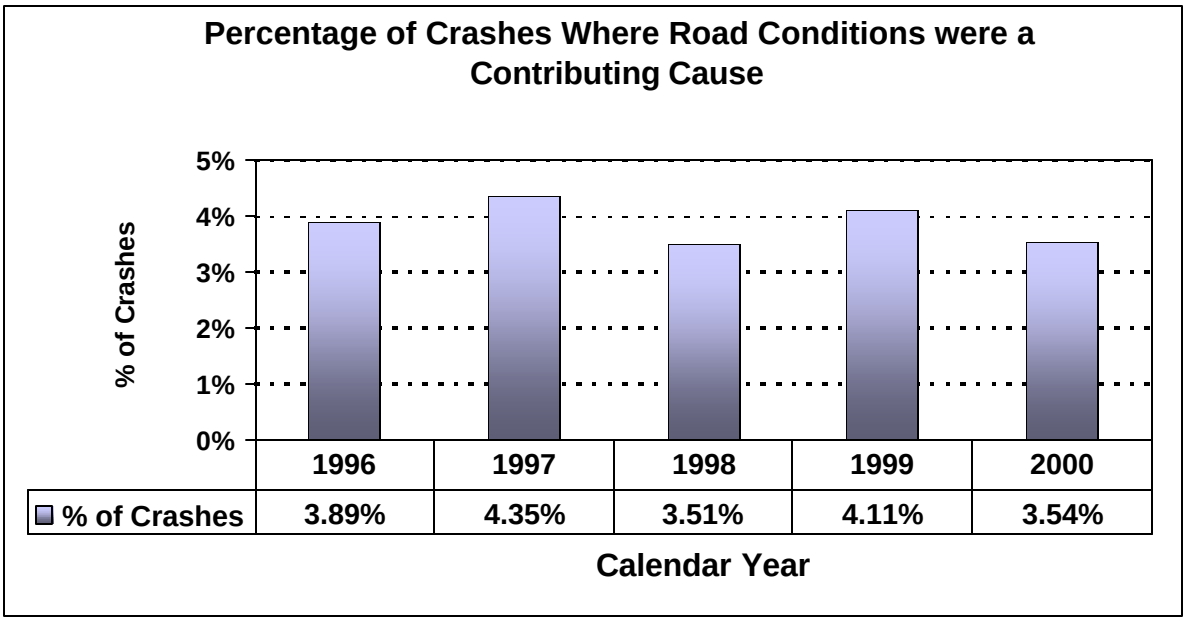
METHODOLOGY: Fatal crash statistics are compiled by the Department's Safety Office, which it receives from the Florida Department of Highway Safety and Motor Vehicles. This data is collected and compared against the national crash statistics.

RESULTS: Florida's 2001 fatal crash rate for all roads (state, county and city) was 1.59 fatal crashes per 100 million vehicle miles traveled (VMT), approximately 12.6% lower than the rate in 2000. Compared to the 2001 national rate of 1.36 fatal crashes per 100 million VMT, Florida's 2001 rate is 17% above the national rate. For the State System only, the 2001 fatal crash rate was 1.65 fatal crashes per 100 million VMT, as compared to 1.78 in 2000. The 2001 State System only rate of 1.65 fatal crashes per 100 million VMT is 21% over the national rate of 1.36.



SECONDARY MEASURE: The percent of crashes on the State Highway System where road conditions were a contributing cause. It is the Department's objective to keep the percentage of crashes where road conditions were a contributing cause below 1.0 percent.

RESULTS: For 2000, road conditions were a contributing cause in 3.54% of crashes on the State Highway System, down 0.57% from 1999, when road conditions were a contributing cause in 4.11% of crashes.



Highway Safety Grant Program

Certain programs are applicable to any public road in the state, and the Highway Safety Grant Program provides funding for state and local government safety programs in a number of areas relating to engineering, traffic law enforcement, public information and education, and emergency medical services.

The Department is responsible for the administration of the Highway Safety Grant Program, which awards federal grants to state and local agencies for traffic safety specific programs. Through July of 2002, Florida has received approximately $16.8 million and awarded 201 grants for a variety of traffic safety purposes such as speed enforcement, alcohol countermeasures, pedestrian/bicycle safety, motorcycle safety, promotion and enforcement of safety belt and child safety seat usage, and expansion of local Community Traffic Safety Teams. In addition, this program promotes safety through ongoing information and education activities statewide. Florida is expected to receive additional grant funds during this federal fiscal year.

Florida's Community Traffic Safety Team Program

Florida's Community Traffic Safety Teams (CTSTs) are locally based groups of highway safety advocates who address traffic safety problems through a comprehensive, multi-jurisdictional, multi-disciplinary approach. The Teams integrate the efforts of the various disciplines that work in highway safety, including engineering, enforcement, education, and emergency services to address traffic safety problems relating to the driver, the vehicle, and the roadway.

The number of CTSTs in Florida has increased from eight in 1993 to 56 Teams covering 50 counties, through June of 2002. Outreach by FDOT employees, as well as increased local interest in traffic safety, have been primary factors in the expansion of the CTST concept throughout the State. The remaining 17 counties without CTSTs are primarily rural in nature and average less than 225 total

crashes per year. This may be a key reason these communities have not yet considered forming a CTST. The only large urban area without a CTST is Dade County, which averages over 45,000 crashes and 300 fatalities per year. Due to many factors, Dade County has chosen to develop smaller CTSTs and currently has three city based teams.

The Department will continue to actively support and promote the CTST program, primarily through the efforts of the seven full time District CTST Coordinators. A current list of the CTSTs is available on the FDOT web site at **www11.myflorida.com/safety/ctst/ctst.htm**, or by contacting the FDOT Safety Office at 850-488-3546.

Based on traffic crash data, the counties with CTSTs cover an area that accounts for approximately 98% of the statewide crashes and 94% of the statewide fatalities. In addition, they encompass 88% of the public roads in Florida and 98% of the State's population.

Pedestrian and Bicycle Program

The Department has continued its efforts in pedestrian and bicyclist safety awareness programs. The Traffic Ed program continues to train elementary education teachers to implement the pedestrian and bicycle safety curriculum. In addition, the Department administers the School Crossing Guard Training and Certification Program statewide.

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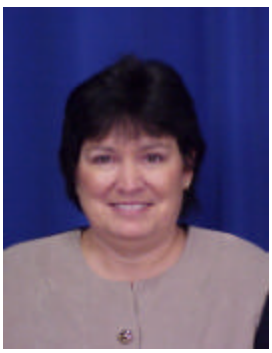
Bob Namoff



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Vacant

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