Performance and Production Review of the Department of Transportation

Fiscal Year 2003-2004

Florida Transportation Commission

FLORIDA TRANSPORTATION COMMISSION

Jeb Bush
Governor

October 18, 2004

Dear Governor Bush, Senate President King, and House Speaker Byrd,

At its public meeting on October 13, 2004, the Florida Transportation Commission conducted the *Performance and Production Review of the Department of Transportation for Fiscal Year 2003/04*. Secretary Abreu, all seven district secretaries and the Turnpike Enterprise Executive Director were either present or were represented and participated in the review.

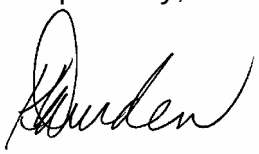
This marks the thirteenth year the Commission has conducted this evaluation of the Department's performance. Fiscal Year 2003/04 was another exceptional year for the Department. The Commission uses 35 primary and secondary measures to evaluate the Department's performance. However, the focus is on the 20 *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 17 of the primary measures. The three primary measures that were not met were in the areas of bridge replacement, public transportation capacity improvement projects, and the Minority Business Enterprise (MBE) program. There are valid reasons why the objectives for these particular measures were not met this year, which are explained in the *Review* beginning on page 47. However, in regards to the MBE program, the Department appears to be the victim of its own success in graduating vendors out of this program, thus reducing the number of certified MBE firms available.

Looking back over FY 2003/04, the Department was successful in beginning construction on 373.6 lane miles of additional roadway to the State Highway System (SHS). It also let to contract 2,076 lane miles of roadway to be resurfaced on the SHS. The Department was successful in beginning construction on 88 bridge repair and 17 bridge replacement projects. Dollar commitments for public transportation capacity improvements, which include airports, seaports, bus transit, intermodal development and commuter assistance, totaled $208.5 million last year. By the end of the fiscal year, the Department closed out 407 construction projects with a dollar value of $1,500.5 million and let $2,333.4 million in new projects; a new record.

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. Based on this assessment, the Florida Transportation Commission can assure you the Department is managing its operations in an efficient and cost effective manner and is committed to meeting the needs of the traveling public and the business community.

We hope this report is meaningful and clear. A concise executive summary is provided in the beginning of the report. If you have any questions regarding this review, please do not hesitate to contact me or the Transportation Commission staff. Your comments would be welcomed.

Respectfully,



Earl Durden, Chairman
Florida Transportation Commission

cc: Jose Abreu, Secretary of Transportation

PERFORMANCE & PRODUCTION REVIEW

OF THE DEPARTMENT OF TRANSPORTATION

Fiscal Year 2003-2004

October 13, 2004

*Cover photo of the I-4/St. Johns River Bridge is courtesy of Smith Aerial Photography.

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Please Note: some numbers on charts and graphs throughout this report may not add due to rounding.

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PERFORMANCE & PRODUCTION REVIEW
OF THE DEPARTMENT OF TRANSPORTATION

Fiscal Year
2003-2004
EXECUTIVE SUMMARY

A Challenge To Florida's Economic Well Being and Quality of Life

Florida faces a transportation crisis because the ability of state highways to meet capacity needs in many urban areas is no longer achievable. Moreover, just to maintain current service levels on the state highway system for the next decade, estimated transportation needs top $70 billion while anticipated revenue of under $50 billion will create a $2 billion average annual shortfall.

During FY 2003-04, for example, the Department of Transportation began construction on 373 lane miles of additional roadway on the state highway system consisting of interstate, interregional and intercity roads -- an increase of approximately 1%. Meanwhile, demand on the system, measured by daily vehicle miles traveled, increased by 2.4%. Since 1991, congestion has increased more than 40% on the entire interstate system and 36% percent on interstates within Florida's seven most populous counties.

The Transportation Institute at Texas A&M University annually reports 20 years of data on mobility trends in 85 urban areas throughout the U.S. The 2004 edition shows congestion levels increasing in seven of Florida's metropolitan areas included in the study. It ranks Miami as the nation's twelfth most congested metropolitan area based on annual delay per traveler. Orlando and Tampa-St. Petersburg rank thirteenth and twenty-second, respectively.

While Florida likely will never adequately address all of its transportation needs, the critical importance of our highway system to a healthy, competitive economy and quality of life makes it imperative for the Department of Transportation to operate as productively and efficiently as possible. The Transportation Commission's job to help ensure this occurs through ongoing oversight and performance evaluation.

Transportation System's Economic Value

Florida's economy depends on roads, airports, seaports transit systems and railways to provide businesses, residents and visitors with connections to each other, the country, and the world.

The commercial exchange of goods and services -- and movement of residents and tourists -- is most efficiently achieved with a seamless, multi-modal, and inter-modal transportation system. Agriculture, construction, retail and business services, among others, rely on a sound transportation system for timely delivery of materials and products -- and for access to labor, markets, and customers.

A February 2003 study of the Department's $26.6 billion 2003-07 work program by Cambridge Systematics, Inc. identified $118 billion in economic benefits over the next 18 years. It also calculated that every dollar spent by the Department returns $5.50 to Florida's economy.

The state's investment in transportation infrastructure increased from $658 million in FY 1990-91 to a record $2.3 billion in 2003-04. However, this level of investment will be decreasing over the next few years, for three primary reasons:

►Completion of the Mobility 2000 initiative, which advanced nearly $4 billion worth of transportation projects one to ten years earlier than planned;

►The Governor's 2001 Economic Stimulus Package which advanced $564 million worth of projects; and

►Continuing uncertainty regarding the reauthorization of the federal transportation bill (TEA-21).

FY 2003/04 MILESTONES

During FY 2003-04, the Department met or exceeded 24 of the 33 performance measures. Based on these results, the Commission is confident the Department is managing its operations in an efficient and effective manner, and is committed to meeting the needs of the traveling public and the business community. The three primary measures that were not met were in the areas of bridge replacement, public transportation capacity improvement projects, and the Minority Business Enterprise (MBE) program. There are valid reasons why the objectives for these particular measures were not met this year, which are explained in the *Review* beginning on page 47. However, in regards to the MBE program, the Department appears to be the victim of its own success in graduating vendors out of this program, thus reducing the number of certified MBE firms available.

Production. The Department's 2003-04 production was exemplary. A total of 570 consultant contracts worth more than $528 million were executed -- 54 more than planned. Construction contracts for 513 projects worth $2.3 billion were let; an all time record letting level! Five of the eight districts had a 100 percent delivery rate. The Department completed 407 construction projects valued at over $1.5 billion.

Environmental Streamlining. The Department saw its work in environmental streamlining come to fruition with implementation of the Efficient Transportation Decision Making (ETDM) process in FY 2003/04. Agreements were executed with 16 state and federal agencies, with three (3) other agency agreements pending, to expedite the Federal National Environmental Policy Act (NEPA) process and the environmental permitting process involving those agencies.

Intermodal Systems Development. The Department worked with its partners to develop a strategic plan for the future planning and management of Florida's Strategic Intermodal System (SIS). Senate Bill 1456 reorganizes the Department and creates a new position of Assistant Secretary for Intermodal Systems Development. The legislation also implements key elements of the SIS investment strategy.

Secretary's Transit Plan. Secretary Abreu has developed a transit plan to ensure maximum inclusion of Florida projects in transportation reauthorization and federal New Starts allocations during the next federal transportation act.

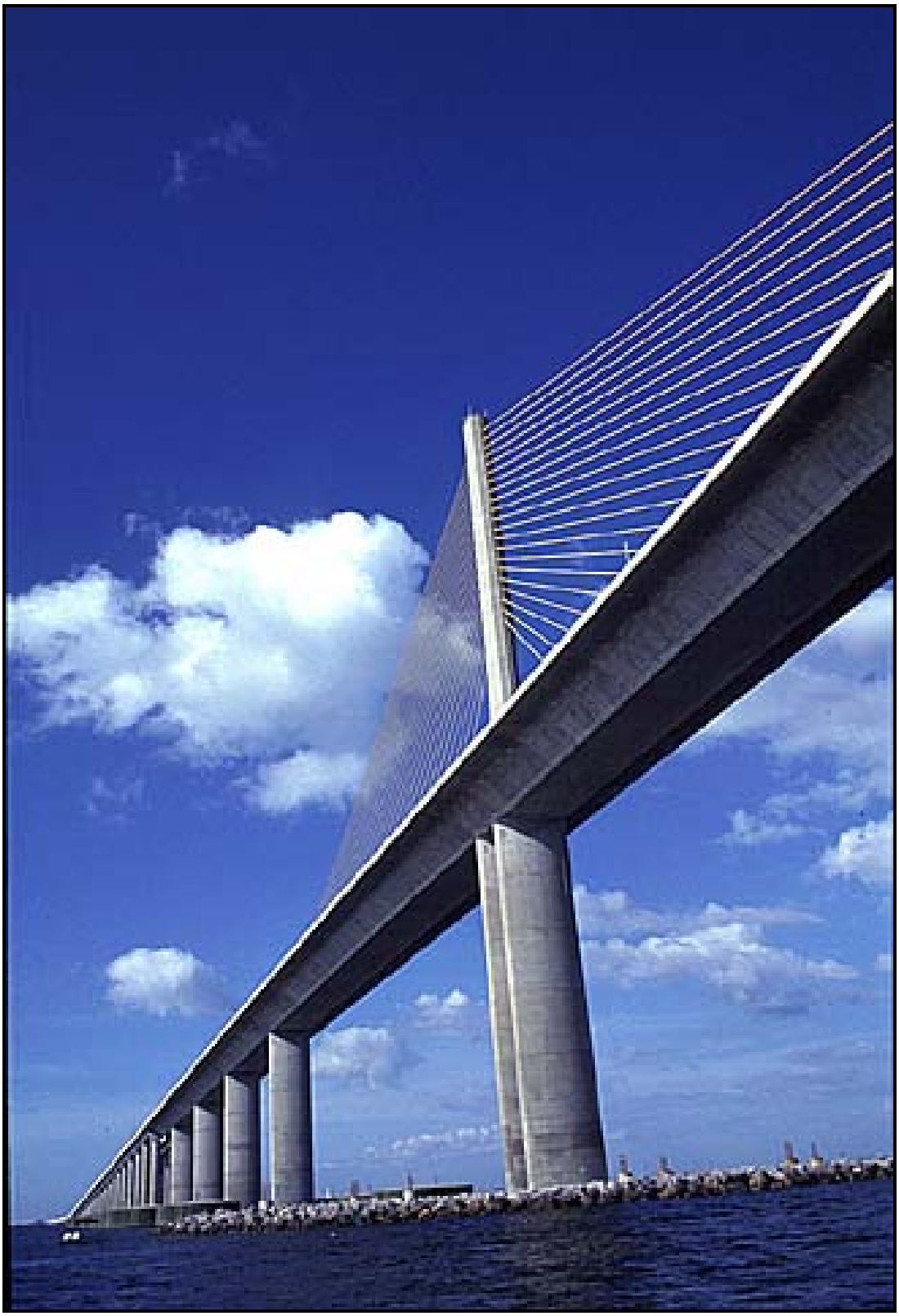
CHALLENGES IN FY 2003/04 AND BEYOND

Demand. Current trends show that economic activity and transportation demand in Florida will continue to grow even faster than the population over the next two decades.

State Funding. According to *Estimates of Florida's Transportation Needs, 2003-2020*, a report by Glaze Associates, Inc. for the Transportation Commission and the Department of Transportation, the estimated revenue shortfall just to maintain current conditions on the state share of the transportation system is $28.7 billion. To improve conditions, the revenue shortfall is estimated to be $54.1 billion.

Federal Funding. The Transportation Equity Act for the 21st Century (TEA-21) expired on September 30, 2003. Six short-term extensions of the Act have been enacted with the latest extension providing funding through May 31, 2005. Efforts to produce a multi-year bill will resume in the next Congress. Florida is a "donor" state, meaning the state only gets about 86 cents back on every dollar it sends to Washington for highways. The numbers are even worse when you look at transit funding with about 68 cents return overall.

Minority Business Enterprise. Total spending with both certified and non-certified MBEs decreased by $53 million in FY 03/04. This was the result of several large firms in the engineering and construction industries that were listed as certified MBEs in prior years no longer have that designation. The Department has undertaken several initiatives to increase MBE spending in FY 04/05. We have provided a list of certified DBEs that are not certified as MBEs to the Office of Supplier Diversity and will work with them to encourage these firms to apply for certification, and explore the possibility of our DBE certification staff being able to identify those firms who meet the MBE requirements and have them automatically certified as MBEs.



Sunshine Skyway, Tampa Bay.

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. The Transportation Commission could be compared to a private 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

The State of Florida, along with the rest of the nation, is facing a transportation crisis. The ability of the state highway system to meet its transportation capacity needs is no longer achievable in many urban areas. In order to just maintain current conditions on the state highway system over the next 10 years, transportation needs are conservatively estimated to be $71.1 billion. Anticipated revenue is estimated at $48.4 billion, leaving a $22.7 billion shortfall. Therefore, it is generally understood that we will never be able to adequately address all of the state's transportation needs. In FY 2003/04, the State of Florida budgeted about $6.3 billion on transportation services and facilities – one of the state's 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 Department's five-year work program represents the highest priority project phases, as determined by the Department in coordination with the metropolitan planning organizations and/or county commissions, and that it is balanced to available funds and budget.)

The Transportation Commission is 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. 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, working with the Department, 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 effectively the Department has addressed the transportation needs of our state through the implementation of its work program.

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. In fact, the Working Group has recently reconvened and, over the next year, will conduct a thorough review of the current measures to determine if they are still valid and reliable measures of the Department's business processes and production. We have also reserved a new section for performance measures on the Department's Intelligent Transportation Systems (ITS) program in this year's report. ITS is currently evolving in Florida, and thus the capability to report actual performance at this time is limited by the availability of consistent statewide data. The Department, in partnership with ITS Florida, is currently developing outcome based performance measures of the ITS program for inclusion in future reports. Until that time, this section will serve as a placeholder.

Interstate 95 reconstruction, Palm Beach County.

Introduction

No one can dispute the impact Florida's transportation system has on 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, transit systems, railways, seaports, and airports, which provide businesses, residents and visitors with connections to each other, the country, and to the rest of the world.

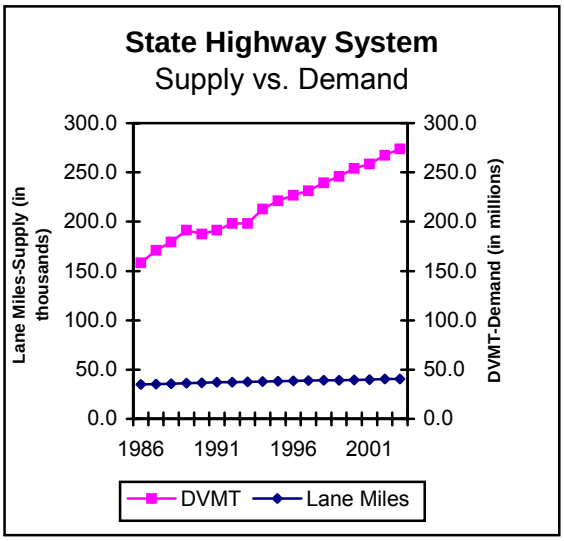
The quality and accessibility of the state's transportation system impact heavily on Florida's prospects for economic growth. A February 2003 macroeconomic impact study by Cambridge Systematics, Inc. of the Department's $26.6 billion FY 02/03 through 06/07 Five Year Work Program identified an expected yield of $118 billion in economic benefits over the next 18 years. It also calculated that every dollar spent by the Department returns $5.50 to Florida's economy. Industries such as retail, construction, business services, restaurants, agriculture and professional services, among others, are highly dependent upon and benefit from a sound transportation system. They 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 the buck") is essential. The Department's overall performance this past year was again exceptional and continues a long-standing positive trend. There are 33 performance measures with stated objectives the Commission uses to evaluate the Department's performance. (There are 35 measures, but two do not have objectives at this time.) During FY 2003/04, the Department met or exceeded 24 of those measures. ***Based on the results of this Review, the Florida Transportation Commission remains confident the Department is managing its operations in an efficient and effective manner and is committed to meeting the needs of the traveling public and the business community.***

During FY 2003/04, the Florida Department of Transportation (FDOT) was successful in beginning construction on 373.6 lane miles of additional roadway to the State Highway System (SHS) (an increase to the SHS of less than 1.0 percent). However, demand on the system, Daily Vehicle Miles Traveled (DVMT), increased by 6.4 million miles (an increase of 2.4 percent). In other words, demand continues to outpace the supply of roads (see Figure 1). The Department also let to contract 2,076 lane miles of roadway to be resurfaced on the SHS.

Figure 1

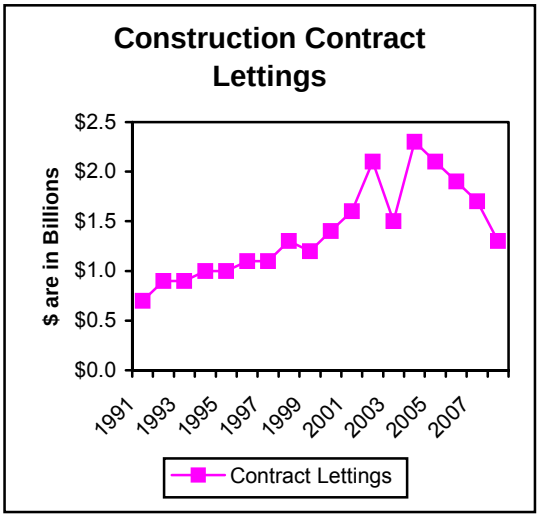


The Department let to contract 88 bridge repair and 17 bridge replacement projects. Dollar commitments for public transportation capacity improvements, which include airports, seaports, bus transit, intermodal development and commuter assistance, totaled $208.5 million last year. By the end of the fiscal year, the Department closed out 407 construction projects with a dollar value of

$1,500.5 million and let $2,333.4 million in new projects, which is $808.6 million more than last year's $1,524.8 million and beat the previous record high of $2,096.5.

The state's investment in its transportation infrastructure has increased significantly over the years, growing from $657.9 million in FY 1990/91 to this year's record of $2,333.4 million (see Figure 2 below). Transportation investment, however, is expected to drop off significantly over the next few years.

Figure 2

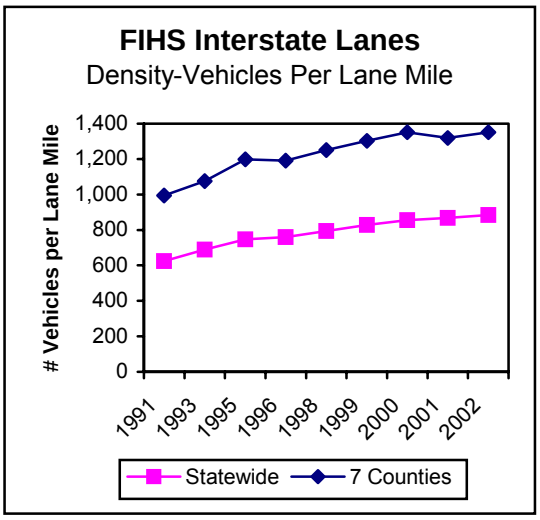


This drop off is primarily attributed to: the Mobility 2000 initiative, which advanced nearly $4 billion worth of transportation projects one to ten years earlier than planned; the Governor's Economic Stimulus Package, which resulted in the advancement of $564.4 million worth of projects into FY 2001/02; and to the continued uncertainty associated with the reauthorization of the federal transportation bill (TEA-21). Still, it is estimated there will be a $29 billion shortfall through 2020 in meeting the state's transportation needs on just the Florida Intrastate Highway System (FIHS) portion of the State Highway System. The FIHS is composed of Florida's key interstate, intercity and interregional highways. The Department does not have the resources to address this shortfall and can only strive to keep from falling farther behind.

Along with the rest of the country, Floridians love their personal freedom and their automobiles. Congestion levels continue to increase with no end in sight, especially in our metropolitan areas, as is evidenced by the following charts on mobility.

The next chart (Figure 3) 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, Hillsborough, Pinellas, and Duval). Since 1991, congestion has increased 41.6 percent on the entire interstate system and 36.1 percent on the interstates within these seven largest counties. This means that even though we continue to invest billions of dollars in the state's transportation facilities, congestion on our principle highways continues to worsen.

Figure 3

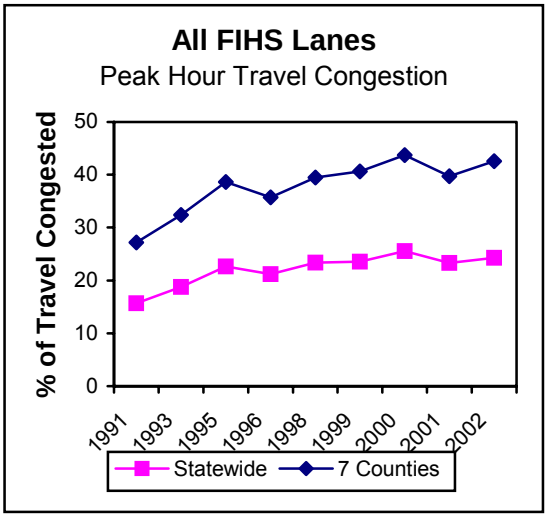


Note: Only even year data is available from 1990 to 1996.

Not only has the number of vehicles on the roadway increased over the years, but also the percentage of our travel time that is spent in congested conditions. 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 (Figure 4) 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 56.7 percent since 1991. There has been a corresponding increase of 54.3 percent on the FIHS statewide.

Figure 4



Note: Data is not available for some years.

Each year the Texas Transportation Institute at Texas A&M University publishes its *Urban Mobility Report*. This annual report addresses congestion and mobility issues by analyzing 20 years of data from generally available data sources to provide information about mobility trends at the urban level of 85 metropolitan areas of varying sizes. The version released in September of 2004 once again shows congestions levels increasing in Florida's seven metropolitan areas included in the study. The study ranks the Miami metropolitan area as the twelfth most congested area in the country based on annual delay per traveler. Orlando and the Tampa-St. Petersburg areas rank thirteenth and twenty-second, respectively.

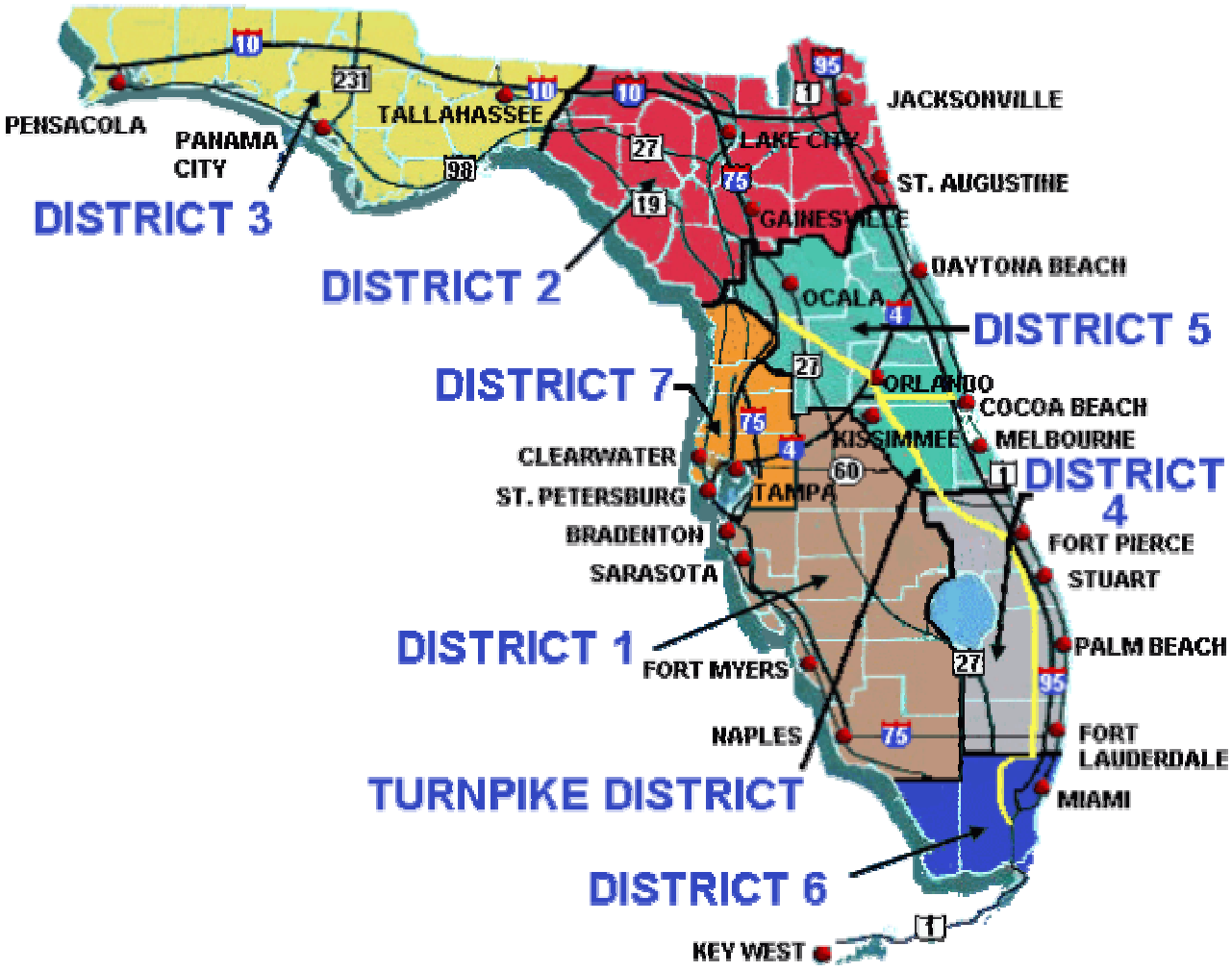
As you can see from the information presented, addressing the state's transportation needs is a formidable task. However, it is a task that must be undertaken with diligence if Florida is to maintain its economic strength. The Florida Transportation Commission, through its oversight responsibility and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

Tri-Rail.

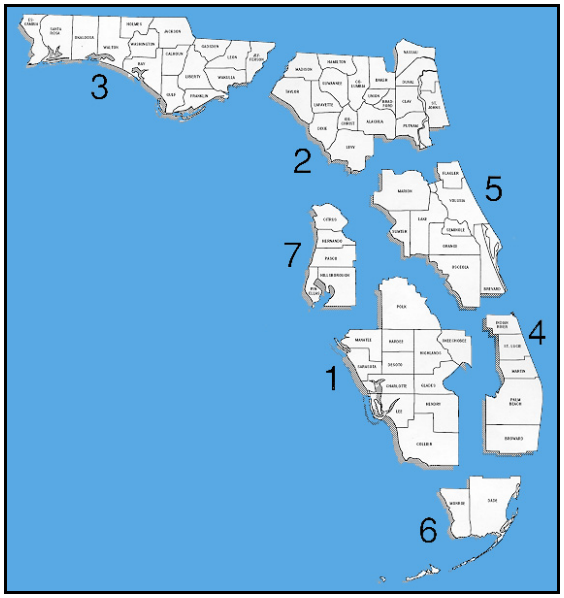
FDOT Statewide and District Accomplishments and Challenges

Grand opening ceremony of the new St. George Island Bridge.

Florida Department of Transportation District Map



STATEWIDE
Accomplishments and Challenges



Overview of the State: Florida, with a population of approximately 17 million residents, covers an area of 59,928 square miles, representing 67 counties. The State Highway System (SHS) is composed of 40,970 lane miles with 6,268 bridges. There are 28 public transit systems; 834 active aviation facilities, 131 of which are open to the public with 18 offering commercial service; 2,871 railway miles; and 14 deep-water ports.

Accomplishments

SIS Strategic Plan. The department worked with its partners to develop a strategic plan for the future planning and management of Florida's Strategic Intermodal System (SIS). This plan will include maps and lists of designated SIS facilities and services; a compilation of planned and programmed projects and identified unfunded needs; a recommended prioritization process; and a recommended finance plan. Major progress was made in FY 2003/04 in the identification of connectors between SIS hubs and corridors; the compilation of safety, security, preservation, operations and capacity needs involving SIS and Emerging SIS facilities; and the development of policy objectives, performance measures and investment strategies. The department coordinated extensively with over 30 statewide partners and numerous local and regional partners in development of this plan, with particular emphasis on modal interests through the new Strategic Intermodal Transportation Advisory Council (SITAC); economic development interests through Enterprise Florida and its partners; rural interests through the Rural Economic Development Initiative; and urban interests through the Metropolitan Planning Organization Advisory Council (MPOAC) and other partners. Fifteen public workshops involving nearly 600 participants were held to review elements of the draft plan. Final adoption of the plan will occur by December 31, 2004.

ETDM. The department saw its work in environmental streamlining come to fruition with implementation of the Efficient Transportation Decision Making (ETDM) process in FY 2003/04. Agreements were executed with 16 state and federal agencies, with three (3) other agency agreements pending, to expedite the Federal National Environmental Policy Act (NEPA) process and the environmental permitting process involving those agencies. Training and resource materials, including several handbooks, have been provided to participants in the ETDM process. During FY 2003/04, 140 projects were screened through this process.

Production. The department had a great production year for FY 2003/04. The Consultant Acquisition Plan finished the year executing 572 contracts - 56 more than the original plan. This plan committed $529.3 million in Consultant Services directly related to road and bridge projects. The department let to construction 513 projects with a value of $2.3 billion

2004 Legislative Package. Senate Bill 1456 reorganizes the department and creates a new position of Assistant Secretary for Intermodal Systems Development. The legislation also implements key elements of the SIS investment strategy. The legislation makes all SIS and Emerging SIS facilities eligible for state funding; authorizes the department to allocate a minimum of 50 percent of new discretionary funds to the SIS; and establishes a minimum of $100 million annually in SIS funding. The legislation also repealed the Transportation Outreach Program. The FY 2004/05 appropriations act provided $100 million in funding for the SIS and also restored funding for the Small County Outreach Program (SCOP, $20 million) and the Small County Road Assistance Program (SCRAP, $25 million). The department worked with partners to identify projects involving SIS and Emerging SIS connectors that could be funded in the FY 2004/05 work program using the initial SIS funding. In August 2004, the Governor announced funding for 36 SIS connector projects using this initial funding.

Secretary's Transit Plan. Secretary Abreu has developed a transit plan to ensure maximum inclusion of Florida projects in transportation reauthorization and federal New Starts allocations during the next federal transportation act. The department has committed $100 million in state funds to Miami-Dade County for the Earlington Heights to Miami Intermodal Center extension of the Miami Metrorail System. Along with local dollars generated by the People's Transportation Plan, these funds will leverage additional federal transit investment in Florida. The department has also taken a lead role in planning efforts for potential New Starts projects in the Central and South Florida regions.

People First As the People First initiative progresses, the department's Human Resources (HR) staff will continue to be at the forefront of user acceptance testing of the remaining modules, in expressing HR needs and practices, and in successfully implementing the modules.

Challenges

Demand. Current trends show that economic activity and transportation demand in Florida will continue to grow even faster than the population over the next two decades. By 2020, Florida's transportation system will need to serve a projected population of 21 million residents, 110 million visitors annually, and a monumental increase in freight movement. Vehicle miles of travel are expected to increase about 66 percent, transit trips by 53 percent, and air travel will almost double.

State Funding. The General Revenue Estimating Conference's projected revenues for Fiscal Year (FY) 2004/05 reflect a moderate recovery based on an increase in sales tax and documentary stamp revenues. Transportation revenue streams have remained strong. The Transportation Outreach Program was rescinded by the 2004 Legislature and the funding moved to help finance the Strategic Intermodal System (SIS).

Federal Funding. The Transportation Equity Act for the 21st Century (TEA-21) expired on September 30, 2003. Six short-term extensions of the Act have been enacted with the latest extension providing funding through May 31, 2005. Florida will be guaranteed 90.5 percent of our share of Highway Trust Fund contributions for the highway funds distributed by formula. The Highway Trust Fund will now receive 2.5 cents per gallon of the tax on gasohol (for 2004 only) which was previously credited to the General Fund. Efforts to produce a multi-year bill will resume in the next Congress.

Florida is a "donor" state. That means the state only gets about 86 cents back on every dollar it sends to Washington for highways. The numbers are even worse when you look at transit funding with

about 68 cents return overall. Over 120 Florida organizations and officials, as well as the Florida Transportation Commission, have joined together in support of eight key recommendations for the next act one of which is a guarantee that all states receive at least a 95% rate of return on the funds they contribute to the federal Highway Trust Fund.

Minority Business Enterprise. Total spending with both certified and non-certified MBEs decreased by $53 million in FY 03/04. This was the result of several large firms in the engineering and construction industries that were listed in SPURS as certified MBEs in prior years no longer having that designation. Our total expenditure with these firms in FY 02/03 was nearly $100 million.

Our certified MBE spending on commodities and contractual services actually increased by nearly 30% or approximately $7 million during FY 03/04, while total spending with certified MBEs in construction contracting declined by just over $100 million and by $6 million in engineering contracts.

The department has undertaken several initiatives to increase MBE spending in FY 04/05. We have provided a list of certified DBEs that are not certified as MBEs to the Office of Supplier Diversity and will work with them to encourage these firms to apply for certification, and explore the possibility of our DBE certification staff being able to identify those firms who meet the MBE requirements and have them automatically certified as MBEs.

In addition to the certification of our DBEs as MBEs, we have recently implemented a web-based system that allows contractors and consultants to report payments to subs monthly. We are adding an interface with the certified MBE directory to identify all payments to MBE subs. This will enable us to capture this data for this fiscal year and it should be a significant dollar amount.

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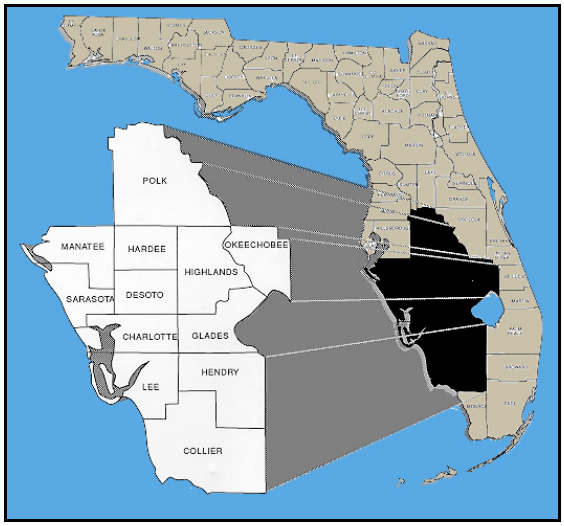
DISTRICT ONE
Accomplishments and Challenges



Overview of District: District One, with a population of approximately 2.3 million residents, covers an area of 11,629 square miles, representing 12 counties in Southwest Florida. The State Highway System (SHS) in the District is composed of 5,871 lane miles with 901 fixed bridges including 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.

Accomplishments

Celebrating accomplishment begins first with a tip of the hardhat to every District One employee whose energy and expertise drive projects to success. The department's annual survey tells us consistently and overwhelmingly that our people like their jobs and believe in the importance of what the department does. This attitude allows District One to excel; our numbers and percentages in product management in the last fiscal year have been consistently the best statewide.

Turning challenge into accomplishment, tragically, has meant reliving history. On February 2, 2004, almost eight years to the day after the I-75 Salt Creek Bridge incident, a fuel tanker crashed into the I-75 Big Slough Bridge in Sarasota County. It exploded, severely damaging the structure and closing the interstate southbound. Tremendous teamwork with Sarasota County, our contractors, consultants, and suppliers kicked emergency reconstruction of the interstate bridge into high gear. In five days, one temporary southbound I-75 lane had been built and opened to traffic. On day 11, with the bridge restored, both southbound I-75 lanes reopened to traffic.

I-75 Big Slough Bridge damage.

Several recently completed projects also are noteworthy. A cable barrier system installed along wildlife fences on I-75/Alligator Alley in Collier County is stopping a disturbing trend of fatal crashes (vehicles slipping under the fence and submerging in the canal) and has won a safety award. In Charlotte County, the I-75 Peace River Bridge, an innovative, cost-saving six-laning project, has won three design/build awards. Another impressive design/build job, the John Ringling Causeway Bridge in the City of Sarasota is a signature bridge, stretching beautifully across the bay. The Sarasota County Area Transit System has reconstructed the Venice Train Depot (federal and state funding contributed to its renovation) and it already has received several awards, including historic recognition from the Florida Preservation Trust.

With other districts, we participate in projects to build the Lake Okeechobee Scenic Trail. The trail lures fishermen, boaters, hikers, campers, and visitors from Florida, the nation, and throughout the world. It also creates important opportunities for counties of critical economic concern.

Innovation charts a course to achievement, and District One is proud to say two State Infrastructure Bank Loans received for the right-of-way phases of production will move two critical Lee County projects closer to construction. Both jobs build improvements to north/south corridors and offer relief to an overburdened I-75.

Internally, District One thrives on teamwork. Externally, the district has developed strong and valued transportation partnerships. The Southwest Florida Transportation Initiative (SWFTI) has worked with District One, and through donations of right-of-way and joint use pond sites, we have moved US 41 projects forward several years and saved taxpayers upwards of $20 million. SWFTI works with us today exploring opportunities that might expedite improvements to I-75. Along SR 70 in Manatee County, Schroeder Manatee Ranch also worked proactively with District One. This developer donated a pond site, eliminating substantial time and costs involved in the right-of-way phase. Construction in a key segment of SR 70 (where significant community projects are scheduled to begin) has been advanced that will tie into road improvements already underway.

Challenges

According to the "laws of human nature," something different or new inherently presents challenges. As change becomes more familiar through clear explanation and strong demonstration of its value, new paths lead the way to new successes. District One has educated our transportation partners about the Strategic Intermodal System (SIS) and associated funding. We have communicated and coordinated closely with elected officials, identifying SIS corridors and connections and encouraging interlocal agreements between MPOs. We have informed the public and media how strategic, regional approaches to transportation demonstrate benefits to local communities and counties, as well as how the SIS positions Florida very favorably in the national and international arenas.

In addition, creating a mindset that gets people out of cars into alternate modes of transportation is an ongoing challenge. No longer a second thought, however, in transportation planning, transit increasingly is becoming a key transportation solution in urban areas and, importantly, in rural counties, too. In May 2004, District One funded and began a rural transit planning and marketing assessment. The study is somewhat groundbreaking, and we have been asked to present early results and feedback at the National Rural Public & Intercity Bus Transportation Conference in October 2004.

Southwest Florida International Airport, the second fastest growing airport in Florida and thirteenth nationally, is part of the SIS. Airport access is critical, knowing that passenger volumes will top six million this year. Additionally, a new $438 million midfield terminal (including $100 million in state funds) is expected to open in spring 2005. Intermodal access dollars and a federal discretionary earmark are funding design that starts later this year to prepare plans to build a collector/distributor roadway system connecting the midfield terminal to I-75. SIS connector funding provides $5 million this year for right-of-way acquisition for this project.

Tremendous growth and development direct attention to I-75 as a major corridor to move people and goods both through and within District One. Mobility 2000 advanced about $240 million worth of project phases to improve I-75 in

Southwest Florida. Design is underway to six-lane I-75 in Lee and Collier counties, although elected officials have expressed interest in an expressway authority and/or identifying other entities that could build a 10-lane interstate with toll lanes instead. Construction also has begun on a new interchange at I-75 and Golden Gate Parkway in Collier County that will offer more direct access from the interstate to Naples.

With an estimated $328 million in FIHS advancements targeted for 34 project phases on I-75 in Southwest Florida, District One faces the challenge of considerable work to produce these projects on an accelerated schedule (advancements from one to five years). Challenges like these, however, translate readily into welcomed opportunities. Similarly, when Governor Bush's economic stimulus plan challenged a highly motivated team in District One to advance construction on I-4, they leapt at the opportunity. By the end of 2005, three design/build projects in the economic stimulus plan and a fourth project will complete six-lanes on I-4 through Polk County several years ahead of schedule, connecting with projects underway in District Five.

While enhancing mobility, it is understood that environmentally sensitive areas must be treated with care and respect. One example is the coordination with the Water Management District and US Fish and Wildlife Commission during the design for I-75 improvements in Lee and Collier counties.

Without question, the most frustrating challenge has been completion of Charlotte County's signal interconnect system. Although no single issue defines the job's difficulty, communications software problems have plagued the project, pushing it about 4 ½ years past its expected completion time. Upgrades to software are intended to resolve difficulties allowing the satisfactory finish of the project in fall 2004.

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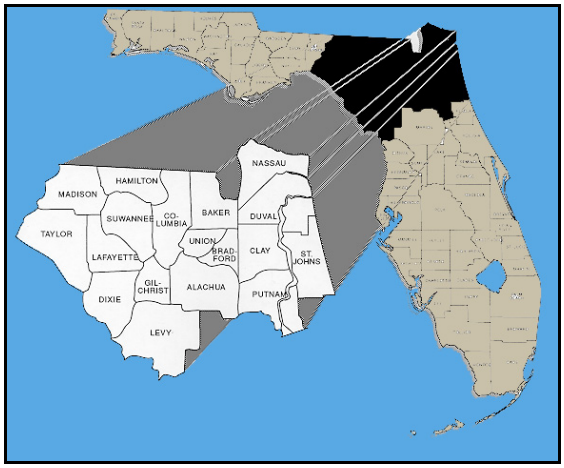
DISTRICT TWO
Accomplishments and Challenges



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 7,931 lane miles with 1,128 fixed bridges including 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.

Accomplishments

Substantial progress has been made on capacity improvements on I-95 from the Georgia state line south through Nassau, Duval and St. Johns Counties. Two additional travel lanes have been constructed in St. Johns County that provide a 6-lane roadway, from the Flagler County line north to the Duval County line. In Duval County, I-95 is a minimum of 6-lanes except between Lem Turner Road and the I-295 north interchange. Design and right of way are completed for this four-lane segment, and construction funds have been advanced to FY 2004/05 for the segment between Lem Turner Road and Heckscher Drive, including the Trout River Bridge replacement. The segment from Heckscher Drive to I-295 is funded for construction in FY 2008/09. Operational improvements for the I-95/I-295/SR 9A north interchange have been advanced and the construction of the southbound to eastbound flyover ramp is scheduled for FY 2006/07. The I-95/I-295/9A south interchange is under construction in southern Duval County and is approximately 76% complete. The District received bids on the reconstruction of I-95 at I-10 interchange in July 2004. The estimated cost of this project is $158 million. All of these projects will complete the six-laning of I-95 through District Two.

All segments of SR 9A, the eastern expressway loop around Jacksonville, will be complete, under construction or let to contract by May 2004. The segment from J. Turner Butler Expressway to Beach Boulevard was let to contract this past July. The remaining section to be let is the J. Turner Butler and SR 9A interchange. Bids were received in May 2004, but this project will be re-bid in FY 2004/05 due to required plan changes to the maintenance of traffic plan. With the completion of SR 9A, the Jacksonville metropolitan area will have another north-south interstate facility that bridges the St. Johns River.

SR 200/U.S. 301 is another north-south corridor on the FIHS/SIS in Duval and Nassau Counties. The plan is to widen the existing two-lane facility between I-10 and I-95 to four-lanes. Of five planned construction sections, one is let to contract, one is scheduled for letting in FY 2006/07, one is scheduled for letting in FY 2007/08, and one is scheduled for letting in FY 2008/09. The remaining section is not funded for construction, but design and right of way acquisition are in progress.

The Branan Field Chaffee Road interchange at I-10 and the new road construction from 103rd Street north to I-10 have recently received construction funding. Funds are being provided by the

FDOT, SIB loans and a City of Jacksonville loan from the Better Jacksonville Plan. Design is underway with right of way acquisition scheduled to begin in FY 2004/05. Construction is scheduled to be let in FY 2006/07.

The six-laning of I-10 from Branan Field Chaffee Road to I-295 has also recently received construction funds. Funds are being provided by the FDOT, SIB loans and a City of Jacksonville loan from the Better Jacksonville Plan. Design is underway with right of way acquisition scheduled to begin in FY 2004/05. Construction is scheduled to be let in FY 2008/09.

A four-lane divided arterial has been completed between I-295 and Airport Road to provide an alternative access to the Jacksonville International Airport. This improvement included an interchange at Airport Road.

I-295 and Airport Road Interchange.

The Collins Road/Blanding Boulevard collector distributor system along I-295 near Orange Park has been advanced with right of way acquisition to begin in FY 2006/07. Construction is not funded in the Five Year Work Program at this time.

The section of SR 500 (U.S. 27A/U.S. 27) in Levy County, which is on the FIHS, has been widened from two-lanes to four with the last segment completed in May 2004.

There have been milestones in the four-laning of the SR 26, SR 20 and SR 207 east-west FIHS corridor form U.S. 19 to I-95, with many remaining challenges such as rural and urban roadway characteristics, historic districts and building impacts, business impacts and environmental wetlands. An environmental study is scheduled in the work program for SR 26 from U.S. 19 to Newberry. The last section of four-laning from Newberry to Gainesville is complete.

On the east side of Gainesville, the four-laning of SR 20 is under construction to U.S. 301. From U.S. 301 to Interlachen a project development and environmental study is underway and expected to be completed soon. The four-laning from Interlachen to Palatka is currently under construction except for one remaining segment from CR 315 in Interlachen to Roland Avenue east of Interlachen.

The four-laning of the remaining section of SR 207 from Palatka to St. Augustine is currently under construction. This will give Palatka a much needed four-lane highway with direct access to I-95.

The historic Bridge of Lions rehabilitation has been let to construction with work beginning February 2005. This is the culmination of over a decade of effort on this project, carefully balancing transportation needs with historical preservation needs.

District Two has implemented the ETDM system in the First Coast MPO area. All new projects requiring environmental review are being screened by the ETDM team members.

The District has initiated $10.865 million in design and construction projects on the SIS Connector System for FY 2004/05 from the $100 million program approved by the 2004 Legislature.

Challenges

The most important transportation challenge for District Two is to provide for the fast developing First Coast

communities, which encompass Nassau, Duval, Clay and St. Johns Counties, while at the same time providing for through traffic to and from South Florida. To meet this challenge, the District must work towards the following challenges.

Completion of the 4 or 6-laning of the FIHS/SIS corridors in the District is critical to northeast and north central Florida having an effective and continuous transportation network.

Completion of the environmental and engineering studies to locate a major crossing of the St. Johns River in Clay and St. Johns Counties. This includes the Branan Field Chaffee corridor on the Clay County side and the SR 9B/I-95 corridor on the St. Johns County side. This project will provide an additional route between I-10 and I-95, south of Jacksonville.

Completion of the remaining sections of Branan Field Chaffee Road from SR 21 to I-10. These are essential components of the future river crossing system. This is a priority for Clay County and will provide high speed access to I-10 and into Jacksonville via I-10.

The completion of the SR 9B section from St. Johns County to SR 9A. This project is essential to the future traffic patterns in the area. It is a priority for St. Johns and Duval Counties, as it provides another route between the two.

Completion of the demolition of the old I-95 Fuller Warren Bridge in downtown Jacksonville. This project replaced the old 4-lane draw bridge with a new 8-lane medium level bridge. The old structure needs to be removed; however, the demolition permit has still not been obtained. There has been much controversy on the method of demolition. Coordination with the City of Jacksonville along with environmental agencies continues.

Coordination of the Jacksonville area construction projects and maintenance efforts with Super Bowl XXXIX to be held in Jacksonville in February 2005. This is the first Super Bowl in Jacksonville, and the community is very sensitive to the impression left with visitors. Considerable efforts are underway to minimize traffic disruptions and unsightly transportation facilities.

Containing the increase in cost estimates for construction projects. Some projects increased significantly in cost over the past year, and it seems that all projects have gone up to some degree. This has had a devastating effect on our contingencies and may affect the ability to let future projects as they are currently scheduled.

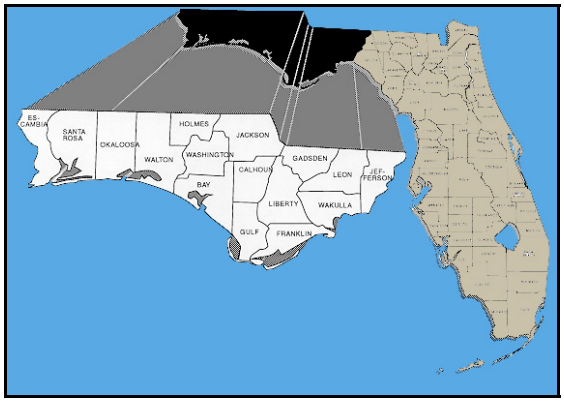
Assuring sufficient interest of bidders on all projects. District Two received single bids on several small construction projects or projects in outlying rural areas. In one instance, this resulted in a project bid at double the district's estimate.

Resolution of the issue of accidents on the grating of the Matthews Bridge. We are in the process of determining the best "solid surface" solution and getting the plans production ready. Funding for construction of this project is needed by late FY 2004/05 or early FY 2005/06. This project has received tremendous political attention this year. Significant action to replace/modify the existing grating is needed, but this work is not yet funded.

Completion of the environmental and engineering studies to a U.S. 301 by-pass of the City of Starke. This area will continue to be a bottleneck on the FIHS/SIS system for truck traffic along U.S. 301 until this issue is resolved, and a project can be developed.

District 3 Office Complex, Chipley, Florida.

DISTRICT THREE
Accomplishments and Challenges



Overview of District: District Three, with a population of approximately 1.3 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 6,480 lane miles with 779 fixed bridges. There are four urban transit systems and each of the 16 counties has a transportation disadvantaged board. These boards coordinate and/or provide transportation for the disadvantaged and many of them also operate fixed route service for rural public transportation. There are 80 public and private airports, four of which offer commercial service, four major rail lines and three deep-water ports.

Accomplishments

District Three achieved many successes this past fiscal year, which included accomplishing 100% of all scheduled lettings totaling approximately $179 million (45 projects). Also, the District successfully let 11 additional projects with a construction cost of approximately $17 million. Further, the District successfully executed 69 consultant contracts (from a plan of 65) at a cost of $46.6 million.

The District continues to attain new heights of success in right-of-way parcel production. During the past fiscal year, the District was challenged and committed to acquire 353 parcels of right-of-way and to certify 20 projects "construction ready." The District met the challenge by acquiring all of the 353 parcels. This accomplishment represented 21% of the total state parcel acquisition production of 1,713. In addition to the parcel production challenge, the District committed to certifying 20 projects "construction ready" and exceeded this challenge by 4 projects (120%). These 24 certifications represented 28% of the state certifications of 87.

Preliminary work is ongoing 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, construction on the Thomas Drive fly-over project is well underway.

The following major capacity projects were let during fiscal year 2003/2004:

1. I-110 from north of Fairfield Drive to Airport Boulevard (222466-1) - $24.3 million
2. I-110 from Maxwell Street to Fairfield Drive (222467-1) - $29.6 million
3. S.R. 77 from C.R. 2300 to Mill Creek Bridge (217948-1) - $8.4 million
4. S.R. 77 from north of Bailey Bridge to C.R. 2300 (217947-1) - $12.5 million
5. Davis Highway from Burgess Road to I-10 (218539-1) - $7 million
6. S.R. 87 from C.R. 184 to S.R. 10 (U.S. 90) (220442-5) - $17.8 million

Major capacity design is underway on Crawfordville Highway in Wakulla County, with one section planned in 2004 and another section in 2005. These advancements will serve the District well in its commitment to provide the infrastructure necessary to sustain the demands on its transportation network. In addition, U.S. 331 multi-laning design was executed in 2004. The design of a new bridge over West Bay on S.R. 79 was let. Additional accomplishments include the completion of the St. George Island

Bridge and the Hathaway Bridge, which were design/build projects.

Chairman Durden and Commissioner Namoff tour the Hathaway Bridge Project.

Challenges

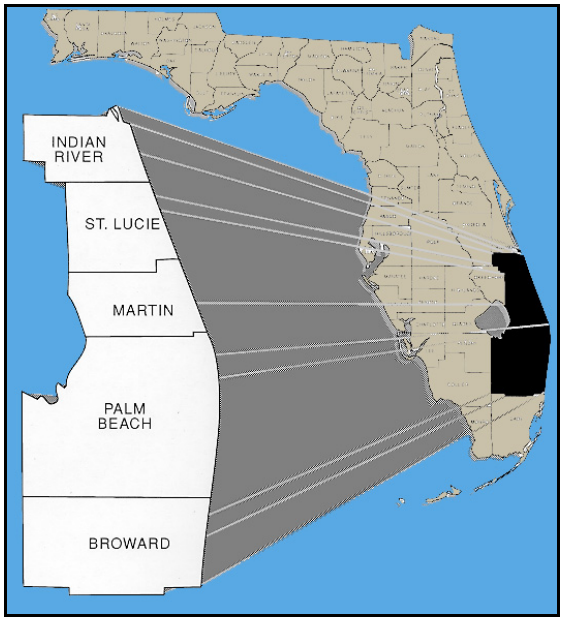
A multitude of challenges face District Three in the near future. Rapid growth in northwest Florida is requiring the District to reassess the current transportation infrastructure and the increasing needs created by this development. Major landholders are modifying their corporate focus and transitioning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

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 Department, in coordination with other agencies, will be working to develop a strategic plan for the nine counties in District Three which have been identified as rural counties of critical economic concern. This will present quite a challenge to develop and maintain a transportation infrastructure that will support these economically challenged rural areas.

The District is continuing 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 that 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 continue to increase as the “per acre” cost rises each year based on the inflation rate.

DISTRICT FOUR
Accomplishments and Challenges



Overview of District: District Four, with approximately 3.3 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 6,030 lane miles with 717 fixed bridges including 38 movable bridges. There are two major transit authorities, a regional transportation authority, 14 public and 74 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.

Accomplishments

For the fiscal year the District achieved its largest letting level ever, $477 million in projects. This has taken years of planning, right-of-way acquisition and plans preparation and could not have been accomplished without a dedicated staff working as a team.

I-95 in Palm Beach County is under construction to add HOV lanes and general purpose lanes to the corridor. Eight miles of new HOV lanes were completed with 20 additional miles under contract for construction. As part of the I-95 reconstruction in Palm Beach County the Palm Beach International Airport/I-95 Direct Connect project was opened in stages between March and July, 2004. This project was the largest single project on the I-95 corridor and not without controversy due to the proximity of residential neighborhoods.

Last year the cooperative project between the Department and the Seminole Tribe of Florida to reconstruct a portion of State Road 7/US 441 was highlighted. This project has now been completed. The project was a traditional design, bid, build project and the entire process was completed in one year. Even though there were unique circumstances for this project and certain elements were constructed before the Department issued a permit for the project, this streamlined project implementation highlights the need to determine how the Department can achieve similar success in projects.

The District has made significant strides in privatizing roadway maintenance. The Department is a leader in asset management contracts, an innovative and efficient contracting method where the maintenance of all aspects of roadways or bridges are covered in a long-term contract. In addition to what is presently under contract, in the next year all movable bridges in the District and all of US 1 and A1A will be added to the inventory of asset management facilities.

The District has placed a major focus on interstate traffic management through the utilization of ITS techniques, expanded Road Ranger operations and involvement of Community Traffic Safety Teams. An Interim Traffic Management System (ITMS) has been in operation in Palm Beach County for the past year in relation to the on-going reconstruction of I-95. The Broward Traffic Management Center

(TMC) was recently completed and will house both the District interstate management operations and the Broward County traffic signal operation. This co-location of operations affords the opportunity to effectively manage traffic for incidents which occur on interstates and the use of arterials for detours. This TMC will operate in conjunction with a similar facility in District 6 and the Interim TMS in Palm Beach County.

Challenges

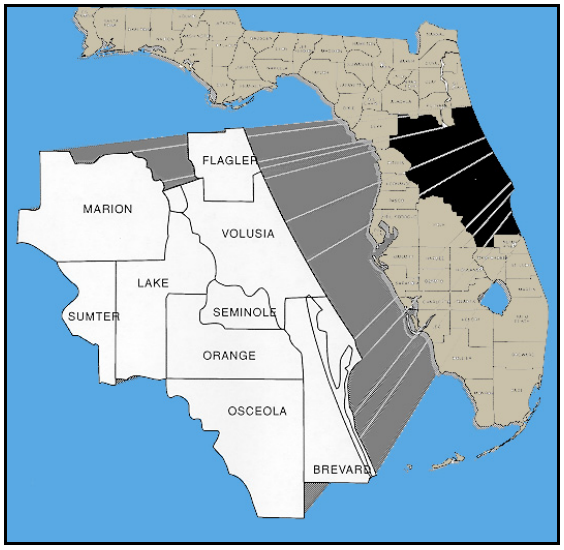
Continued growth, urban in-fill and redevelopment, construction in an urban setting, noise, managing traffic, safety, providing for bicycle and pedestrian facilities, expanding the role of transit, connectivity among modes and lack of funding all remain challenges for the District. As the District continues to grow, each of these challenges comes into play, sometimes in conflict with each other. Providing for needed transportation facilities means impacts, either from the actual construction of the facility impacting access to residents or businesses or traffic congestion in construction zones. The general public has grown less tolerant of these inconveniences and the major challenge is how to deliver projects in as fast a manner as possible with the least disruption. Outside forces such as material and labor shortages or restrictive times for construction, both in hours and months/seasons, have created more challenges in trying to achieve this objective.

Noise continues to be a major area of controversy for the District as well as the Florida's Turnpike in both Broward and Palm Beach Counties. Expansion of I-95, Florida's Turnpike and the Sawgrass Expressway plus the double tracking of the South Florida Rail Corridor all have created noise impacts and demands for noise mitigation from adjacent residential areas. For most of these impacted areas viable solutions have been developed yet not all parties are satisfied as areas remain that do not qualify for noise abatement, for various reasons.

The announcement of Scripps Research Institute opening a facility in Palm Beach County has been a major challenge this past year. The project was identified by the State as eligible for the Expedited Permit Review process. District Four is in the lead from the transportation perspective of the project, and staff has worked diligently with Palm Beach County to identify issues related to transportation serving the site and in the development review. The impacts from the development of the Palm Beach County Biotechnology Research Park (which includes Scripps) and a complementary development are many, yet the process has been able to identify the issues and address the concerns, and approvals are now being granted. The District continues to work in close coordination with Palm Beach County to properly align County and State/Federal resources to develop transportation infrastructure projects to support this development.

With the continued growth of the South Florida region, the expansion of transit facilities, a rethinking of how redevelopment can better support transit and how to finance the operating cost of transit have become major considerations in the District's large urban counties. Several studies are underway to evaluate both north-south and east-west transit alternatives. Expansion of transit systems, the development of bus rapid transit routes, extensions to the Tri-County Commuter Rail system or development of light rail systems are all being considered. Studies are underway for many of these initiatives and the District has just advertised for an alternatives analysis of the feasibility of transit in the Florida East Coast Railroad corridor in Miami-Dade, Broward and Palm Beach Counties.

DISTRICT FIVE
Accomplishments and Challenges



Overview of District: District Five, with a population of approximately 3.1 million residents, covers an area of 8,282 square miles, representing nine counties in Central Florida. The SHS in the District is composed of 7,483 lane miles with 958 fixed bridges including eight movable bridges. There are eight transit agencies, 160 public and private airports, four of which offer commercial service, five major rail lines, one deep-water port and a space port.

Accomplishments

Since 2003, over 50 miles of new lanes have been added to Interstate 4, the backbone of the transportation network in the greater Orlando area. Projects completed this past fiscal year included the addition of auxiliary lanes between U.S. 441 and Maitland Boulevard in Orange County, and between Kirkman Road and Florida's Turnpike. Additional through lanes also opened to traffic between West Volusia County and Lake Mary Boulevard in Seminole County, substantially reducing the commute times during morning and afternoon rush hours between West Volusia and Seminole Counties and downtown Orlando. Those new lanes include the I-4/St. Johns River bridges, which had long been a choke point for commuting traffic between Orange and Volusia Counties. The estimated time savings for commuters from the Deltona area to downtown Orlando has been between 30 and 35 minutes on a typical day.

Other capacity improvement projects completed in the past fiscal year included: the widening of I-95 from four to six lanes between I-4 and U.S. 92 in Daytona Beach; the widenings of Silver Star and Kirkman Roads in Orange County; the widening of U.S. 441 through Tavares; the widening of State Road 442 between U.S. 1 and I-95 in Edgewater; the widening of a portion of State Road 15A in DeLand; the widening to six lanes of a section of U.S. 1 north of Melbourne; the four-laning of a section of State Road 44 in Sumter County, and the four-laning of U.S. 41 through Dunellon. The District also contributed funding to a Marion County project to widen State Road 200 west of Ocala.

The past fiscal year also saw the start of a number of significant capacity improvement and major bridge replacement projects in District Five. Governor Bush helped break ground on a nearly $40 million project to reconstruct the I-4/John Young Parkway interchange in Orange County, another major traffic choke point along the I-4 corridor. Construction began on two State Road 520 widening projects in Brevard and Orange Counties. By 2006 all 22 miles of State Road 520 between I-95 in Brevard County and State Road 50 in Orange County will have been widened to four lanes. Work also began on the widening of State Road 100 in Flagler County and the widening to four lanes of the last remaining two lane section of State Road 44 between I-95 and I-4 in Volusia County. In Osceola County, other major capacity improvement projects that got underway are the six-laning of nearly four more miles of U.S. 192 in Kissimmee, and

the four-laning of seven miles of U.S. 192 between the Brevard County line and St. Cloud. U.S. 192 is also slated to be multi-laned for its length within the next several years. The $32 million widening of Orange Blossom Trail (U.S. 441) between Osceola Parkway and Taft-Vineland Road in Orange County also got underway, continuing the widening to six lanes that began several years ago along this major corridor. On I-95, widening 25 miles between Daytona Beach and the Flagler County line also began.

In all, the District opened bids or received design/build proposals for over 50 projects totaling nearly $400 million in FY 2003/2004, which is twice the dollar amount of projects from the previous year.

The Intelligent Transportation Systems (ITS) continued to expand in Central Florida, with the Regional Traffic Management Center (RTMC) now capable of monitoring traffic along virtually the entire I-4 corridor, the Interstate 95/State Road 528 interchange area in Brevard County, and much of I-95 in the Daytona Beach area. Work has begun on installation of additional traffic data collection devices that will allow the RTMC to improve incident response times, hurricane evacuation, and provide real-time traffic information to the motoring public via the media, internet, and the 511 Travel Information system. The system will include data from all limited access highways and over 100 miles of major Central Florida arterials. A link between District Five and District Two in the Jacksonville area was also established via microwave so that this information is available in both Districts.

Challenges

Growth in Central Florida continues to outpace transportation improvements, with new residents and millions of tourists visiting the region's major attractions, placing additional pressure on already clogged highways. With a backlog of needs far greater than existing revenue sources, the issue becomes one of prioritizing capacity improvement projects in a way to achieve maximum advantage with available resources. The ultimate build-out of Interstate 4, which will include physically separated tolled express lanes within the I-4 corridor, will require the purchase of hundreds of millions of dollars in right of way, and will take over two decades to accomplish, given available funding.

Limitations on what can be done on our highways accentuate the importance of developing mass transit alternatives. A consensus among local governments on the best transit options and the means of funding those options remains a challenge for both the Department and the local governments such systems would serve. Joint funding initiatives with local governments are in process toward development of a commuter rail system through the greater Orlando area, linking West Volusia County to Poinciana in Osceola County.

Governor Bush's Wekiva River Basin Coordinating Committee developed a concept for development of a so-called Wekiva Parkway, linking the Western Beltway with Interstate 4 in Seminole County. It remains now for the Department, in conjunction with the Orlando-Orange County Expressway Authority, to develop a specific plan for the Parkway that meets the criteria established by that Committee. In a similar vein, the District continues to work with a Task Force considering improvements to the State Road 40 corridor near and through the Ocala National Forest. The challenge is to meet the transportation needs through the corridor while preserving or even enhancing the sensitive natural environment.

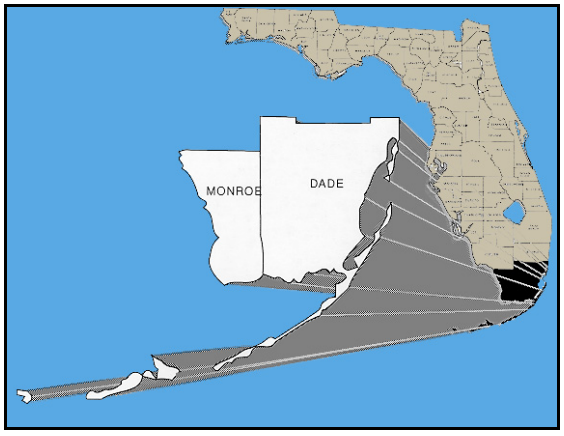
As traffic increases on all State and local roads, access management issues become an even greater challenge as the Department is forced to limit some access to improve the safety and capacity of

roads that can't be widened. Those issues, along with a clamor for signalization, reduced speed limits, and noise walls to muffle the sound from busy highways, will continue to challenge planners and designers.

I-4/St. Johns River Bridge. Photo courtesy of Smith Aerial Photography.

District 6 Office Complex, Miami, Florida.

DISTRICT SIX
Accomplishments and Challenges



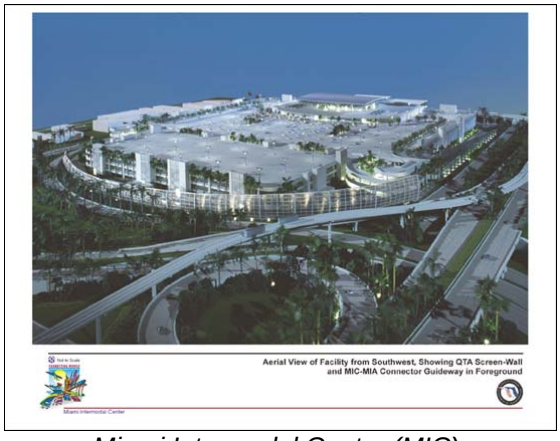
Overview of District: District Six, with a population of over 2.4 million residents, covers an area of 2,989 square miles, representing Miami-Dade and Monroe Counties in Southeastern Florida. The State Highway System (SHS) in the District is composed of 2,880 lane miles with 457 fixed bridges including 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.

Accomplishments

District 6 SunGuide Operations Center.

On June 25, 2004, Governor Bush inaugurated the SunGuide Transportation Management Center. The $9.2 million high-tech command post will place Transportation Management Center Operators, FHP and the 511 Travel Information Service providers under one roof. The District staff, through the use of computer controlled cameras, detectors and dynamic message boards will continue to improve the safety, capacity and efficiency of congested highways.

A major milestone was reached when the NEPA Re-evaluation for the 2-lane safety project (compromise) of US-1 South / (18 Mile Stretch) was approved on February 24, 2004. Permit applications to the South Florida Water Management District (SFWMD), US Coast Guard (USCG) and the US Army Corps of Engineers (ACOE) were submitted, the SFWMD permit has been approved. As of this writing, the USCG has approved and issued their permit and the ACOE has issued its 10-day notice. Other accomplishments on this project include the selection of the CEI Consultant and the shortlist for the Design/Build contract from Key Largo to Miami-Dade County line, which includes the replacement of the Jewfish Creek Bridge. Two additional Design Build projects are being pursued over the next two fiscal years to complete the corridor improvements from Miami-Dade County line to Florida City.



Miami Intermodal Center (MIC).

All roadway components supporting the Miami Intermodal Center (MIC) and the Rental Car Facility (RCF) were let for construction this past year. All utility relocation and construction of the water and sewer infrastructure to support these

facilities has been completed. We continue with foundation construction and the development of the construction documents for the Rental Car Facility, the MIC/MIA Connector Station and Guideway, and the relocation of the Tri-Rail Station.

A project that will result in tremendous benefit to marine interests along the Miami River is the replacement of the 75 year old NW 5th Street bascule bridge. Consensus has been reached on the design criteria for the replacement of this structure. The preferred solution will accommodate the requirements of the USCG, the ACOE, and the needs of the marine industry and the motoring public, while minimizing community and right of way impacts.

On SR-997/Krome Avenue, one of the most dangerous two-lane roads in South Florida, the District completed the improvement of five intersections that were high crash locations. This $5 million project was expedited using the design/build contracting method. An additional three intersections are currently being designed. The District also began the Project Development and Environmental process for the remainder of the 37-mile corridor to reach consensus on the preferred long-term solution for this rural roadway. The challenges to be met on this accomplishment include: environmental impacts, access management, and compliance with Miami-Dade County's Comprehensive Development Master Plan.

The District completed construction efforts on two major reconstruction projects along the congested corridor of SR-25/US-27 in the City of Hialeah and at Miami International Airport/Miami Springs. The 3 miles of urban reconstruction upgraded an existing roadway facility from four to six lanes, restored an historic bridge, improved water quality and beautified the corridor. This improvement will benefit both commercial and commuter traffic.

The District reached another major milestone when the City of Miami Beach voted in favor of the replacement of the 63rd Street flyover with an at-grade intersection that will improve traffic operations and pedestrian safety. This flyover has been designated a safety hazard and is functionally obsolete due to its low vertical clearance and narrow lane widths. The construction letting is scheduled for January 2005.

Challenges

South Florida is ranked fifth in the nation in congestion and, with an expected increase in population and reduction in transportation funds, congestion and delays can only increase. By 2025, the population in Miami-Dade County alone is expected to increase by 39%, from 2.1 million to 3 million residents, and the regional population will increase by an additional 2.5 million. Annual vehicle miles traveled will increase by 63%, from 14 billion in 1999 to 23 billion by the year 2025, and the average time spent in traffic will almost double.

The 20-year transportation plan identifies more than one hundred capacity improvement projects, including highway projects (est. $5.8 billion), transit capital projects (est. $4.4 billion), and transit operation and maintenance expenditures (est. $5.9 billion). The total estimated cost of these needed improvements exceeds $16 billion but it is anticipated that only $11.2 billion in state, federal and local funds will be available -- a funding gap of almost $5 billion. The challenge for the Department and our transportation partners is to ensure that the highest priority is given to those projects that will provide the greatest congestion relief to the public. Another major challenge will be to work with our regional partners to make transportation policy decisions that are effective and provide the best regional transportation solutions to South Florida.

Two of these priority projects address traffic movement in and around the City of

Miami and the Port of Miami. A growing number of people and businesses are returning to the City and a major development boom is underway, with 34,000 new dwelling units in the various stages of planning and construction. As right of way adjacent to I-395 continues to develop and escalate in value, potential improvements will prove to be very costly. Therefore, a major challenge will be to advance acquire the properties before development occurs. Project development continues as staff seeks a financially feasible alternative to rebuilding I-395, which will also meet the needs of the community.

With respect to the Port of Miami, the Turnpike Enterprise is taking the lead, in partnership with the Miami-Dade County Expressway Authority and the District, on the development of a model to finance the design and construction of a tunnel connecting the Port of Miami to Watson Island. This project would remove truck traffic from surface streets by providing a direct route via the Interstate System.

In another example of a strong partnership between the Turnpike Enterprise, Miami-Dade County Expressway Authority and the District, the agencies are working together in seeking the MPO's endorsement of the Managed Lanes Concept. This concept will provide us greater opportunity to operate the expressway systems more efficiently through dynamic demand management.

With the recent appropriation for the Strategic Intermodal System (SIS) by the 2004 Florida Legislature, Miami-Dade County received $25 million for the NW 25th Street improvements. NW 25th Street is a major connector between SR 826 and Miami International Airport's West Cargo Area. The proposed project will widen NW 25th Street and introduce an elevated viaduct with direct connections to SR-826. The challenge for this project will be to identify the additional funds ($75 million) required to complete the entire project without having to phase construction or impact the local business owners more than once.

As part of our efforts to improve safety and manage capacity on the I-95 corridor, the District continues the deployment of ITS field elements. Twenty-two signals and detectors are currently being placed to meter traffic flow onto I-95. Additional efforts underway include conversion of the HOV lanes to a 24-hour operation and the imposition of truck lane restrictions. The implementation of these traffic management strategies will require an extensive public information effort to inform the MPO, municipalities, elected officials and the public.

The District will also continue to pursue capacity improvement projects along the Palmetto Expressway/SR 826 and US-1/Biscayne Boulevard corridors. Although the projects on these corridors are similar (capacity improvements on highly congested corridors), they offer very different challenges: the former is limited access, the latter a commercial hub. One of our goals is to maximize construction efforts while maintaining mobility and access to adjacent business and property owners.

The District will also continue its efforts to complete the capacity improvements on SR-25/Okeechobee Road. This is the third in a series of four construction projects and was let for construction in June 2003. The final construction project will be let in January 2005, and will include a depressed roadway section of SR-25 under the CSX railroad line. The $35 million depressed roadway will provide six-lanes of capacity without the need to stop for the trains. This railroad crossing has been a major contributor to the traffic congestion in the area and the depressed section will alleviate this condition for motorists while allowing the railroad to operate more efficiently.

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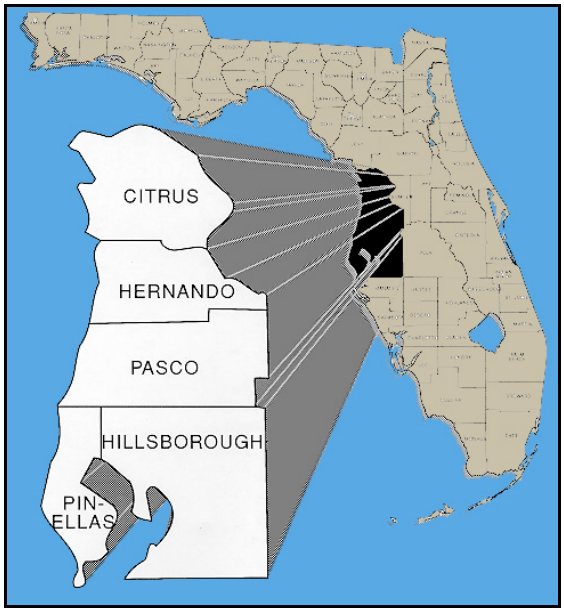
DISTRICT SEVEN
Accomplishments and Challenges



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 4,295 lane miles with 638 fixed bridges including 13 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.

Accomplishments

District Seven accomplished its highest letting volume year ever at $357.3 million. These projects added to a volume of construction underway of more than $500 million. Projects that were let include SR 54 between Mitchell Road and Gunn Highway, which will complete the multi-laning of SR 54 from US 19 to I-75. Also included is a $192 million project in the vicinity of the Tampa International Airport.

In the area of construction, this year the District completed construction of multi-laning US 98 between the northern terminus of the Suncoast Parkway and US 19 in Citrus County. This 3.4 mile project provides a crucial regional connection between two facilities on the Strategic Intermodal System. Construction continued on other major facilities such as US 19 in Pinellas County and I-4/I-275 in Hillsborough County. In addition to the above construction projects, the District completed rehabilitation of 21 historic houses in the Ybor City National Historic Landmark District as part of mitigation for the I-4 widening project. These houses have been turned over to the City of Tampa pursuant to the Memorandum of Agreement developed for the Tampa Interstate Study. Other houses that were rehabilitated were also included in a project known as the Casitas Project which opened this year. The Casitas Project is a partnership between the City of Tampa, State Parks Department, and FDOT. It is a museum which showcases the history of Ybor City and provides an opportunity for visitors and residents to learn about the culture and history of the area, including the historic architecture of the houses.

The Calsitas Project.

The District continues to attain a successful negotiated settlement rate in acquiring property for right-of-way. In FY 2003/04 a settlement rate of 70.4% was achieved which represents the fourth consecutive year of greater than 70%.

Other accomplishments include working with Pasco County to provide local funds to purchase right-of-way for interchange improvements at I-75 and SR 52, as well as developing plans to utilize impact fee revenues to the county for other interstate projects.

In the area of public transportation, the District helped fund the implementation of a new transit system in Hernando County. This system has exceeded ridership expectations to date. The District also helped fund an express bus route across the Howard Frankland Bridge (I-275) which provides regional service connecting Pinellas and Hillsborough Counties. This service is provided through the Pinellas Suncoast Transit Authority.

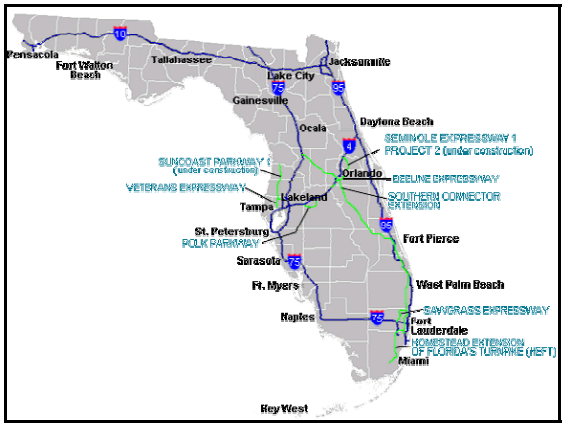
Challenges

District Seven continues to work closely with our transportation partners to identify the most important projects to pursue. With four MPOs, the development of regional priorities is essential. The District and the MPOs (through the Chairs' Coordinating Committee) have been developing a process to identify these regional priorities that would then be part of each local long range plan. Also, part of these needs is a regional transit system. With Pinellas and Hillsborough Counties each developing local transit plans including forms of rail and buses, it becomes important to plan how to connect those systems.

With recent efforts to accelerate projects, the District faces the challenge of getting more projects ready for construction. Major regional projects the District is working to fund and produce include: I-75 in northern Hillsborough, Pasco, and Hernando Counties; the I-4/Selmon Crosstown Connector (to facilitate truck movement out of the Port of Tampa; and more interchanges and controlled access along US 19 in Pinellas County. The District also continues to proceed in the implementation of a regional ITS system. An additional challenge is being able to fund the rising cost of right-of-way acquisition to support future construction projects.

Lastly, the District is currently working through two formal bid protests. One of these protests is a challenge to the Department's right to reject bids consistent with the FDOT Standards and Specifications Manual. This is an extremely important issue not only for the District but the Department as a whole.

TURNPIKE ENTERPRISE
Accomplishments and Challenges



Overview of Turnpike: Florida's Turnpike is a 449-mile system of limited access toll highways that passes through 16 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.

Accomplishments

The accomplishments achieved by Florida's Turnpike centered on providing excellent customer service and running the Turnpike in a business-like manner.

In the summer of 2003, the Enterprise became the first toll agency in the nation to mass market transponders, transitioning from selling transponders at a few locations to selling them at 1,100 Publix Supermarkets and Eckerd Drug Stores throughout Florida. As a result, SunPass sales have doubled, with 80% of transponders sold through retail sales, and over 1.4 million Floridians owning transponders. Retail sales allowed Florida's Turnpike to exceed its goal of 50% SunPass participation seven months early. The Enterprise's next goal is to achieve 75% participation by the end of 2008.

SunPass Challenge, the $110 million program to double the number of SunPass lanes across the State, has opened over 50 new lanes so far. The first SunPass Challenge project opened in May 2003 at the Countyline Road interchange in Miami-Dade County, with the latest lanes opening at the Anderson Mainline Plaza on the Veterans Expressway in August of 2004.

This past year the Turnpike System was scheduled for a toll rate increase, the first rate increase in over a decade. Additional annual revenues of $48 million are anticipated to build widening projects, new SunPass only lanes, new interchanges, and safety projects. On March 7, 2004, the new toll rate schedule increased the average rate for cash customers only from 6¢ per mile to 7.5¢ per mile on the Turnpike Mainline. Other Turnpike System facilities also received rate increases of approximately 25% at some toll locations. SunPass customers continue to pay the 6¢ per mile rate, in large part because electronic transactions cost less to process than cash. Turnpike staff held 12 public workshops and hearings statewide to receive public comments. The meetings were uneventful and the conversion of toll rates on March 7th occurred without incident.

The 2003 Customer Satisfaction Survey set several records. Overall customer satisfaction ratings for value received for the toll paid increased by 3% to 84%. And a record 93% of customers indicated they would recommend using Florida's Turnpike to family and friends. The number and percentage of customers responding to the survey also set a record with almost 109,000 customers returning completed surveys for an unprecedented 17% response rate.

In June of 2004 the Turnpike completed the SunNav℠ Phase I construction project, which installed the first 68-mile leg (milepost 7 to milepost 75) of what will be a System-wide fiber optic cable communications backbone, as well as

providing the first eight Closed Circuit TV traffic monitoring cameras in South Florida. This year the Turnpike provided Traffic Management Center (TMC) staff to the Lake Worth FHP Troop K Dispatch Center to allow for more accurate and timely information exchanges between the TMC and FHP.

In 2003, Florida's Turnpike Enterprise published its first Annual Performance Report. The Turnpike has developed 24 performance measures based on the goals outlined in the *Enterprise Business Model* on which the Turnpike will measure itself every year. The 2003 report established the benchmark measures and preliminary indicators for 2004 are looking positive. Several measures come from the annual Customer Satisfaction Survey, the Workforce Survey, and other traffic, tolls and finance data collected annually. This report will be used to gauge our success at meeting the expectations of the Legislature and Governor.

This year Florida's Turnpike started construction on the last of the expansion projects mandated by the Legislature, the 11-mile Western Beltway, Part C, project in Orange and Osceola Counties. The Turnpike Enterprise used the Most Qualified Contractor (MQC) process on the Western Beltway project, whereby contractors submitted packages detailing their prior experience on similar type projects, construction approach, technical abilities and backlog of work. The Enterprise evaluated the packages and only allowed those contractors that met the necessary requirements to bid on the project. In addition, the Enterprise has also started construction on its first all-electronic interchange at SR 710 in Palm Beach County.

The Turnpike remains financially strong with actual revenues exceeding forecasts for FY 2003/04. Total Turnpike System revenues from tolls and concessions approached $530 million and are expected to continue to increase over the 5-year Work Program period. With this years upgrade from Fitch Ratings, Florida's Turnpike earned an AA bond rating from all three internationally recognized rating agencies. In fact, Florida's Turnpike is only one of a few Turnpikes in the nation with this high rating. The Turnpike also earned, for the 12th year in a row, the Certificate of Achievement in Financial Reporting from the Government Finance Office Association.

Challenges

Challenges that faced Florida's Turnpike Enterprise this year were centered on trying to meet the growing transportation needs across the state while exceeding customer expectations.

A major challenge for the Department every year is safety along the highways. As an investment in customer safety, Florida's Turnpike Enterprise and FHP Troop K announced the implementation of a $50 million System wide safety program. The heart of this effort is the median guardrail program, which will complete guardrail installation along the entire Turnpike Mainline from Fort Pierce to Wildwood in the next 12 months. Other aspects of the program include $2.5 million in added FHP enforcement, the FDOT 90-minute *Quick Clear Policy*, holiday motorist "Safety Breaks" at the service plazas, and the Burma Shave Sign Safety Series. The Turnpike Enterprise anticipates that every dollar invested in safety will increase awareness and save lives now and into the future.

Growth in traffic across the State continues to increase at unprecedented levels along the Turnpike System. Statewide, growth rates exceeded 10% with the highest rates on the Veteran's Expressway in Hillsborough County (16.9%) and on the Mainline in Palm Beach and northern Broward Counties (13.8%).

This growth along the System has challenged the Enterprise to re-evaluate

its own needs. This year a master planning effort was initiated that examined the Turnpike System from end to end. Maintaining the existing System is only part of the solution. Utilizing new technologies and using tolling to manage congestion are other solutions. The Enterprise is exploring the idea of tolled express lanes on Interstates, known as "Xpress Lanes." These Xpress Lanes will provide new toll facilities in the median of the State's most congested Interstate segments and be managed using congestion pricing. Xpress Lanes will help other FDOT districts accelerate funding of important Interstate improvement projects. The tolling of Xpress Lanes provides bonded funds earlier than conventional funding which allows projects to be built sooner. The Enterprise is working on another tolling initiative known as Open Road Tolling (ORT). The Sawgrass Expressway in Broward County will be the first toll highway to convert to all electronic tolling by 2008 becoming the prototype for other ORT projects. Growth on the System may require that ORT facilities be subject to congestion pricing to manage ever growing traffic demands.

Increased traffic on the System coupled with increased residential development along the Turnpike have created an escalated pressure to provide noise walls as part of widening projects. This pressure was especially felt last year in Broward County with several widening projects scheduled on the Mainline and Sawgrass Expressway. The Enterprise was able to come to an agreement with the County while maintaining FDOT standards.

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Emphasis Areas for Fiscal Year 2003/04

Dynamic Message Sign, part of the Intelligent Transportation System.

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Emphasis Areas

Fiscal Year 2003/04 marks the thirteenth year the Florida Transportation Commission has conducted this evaluation of the Department of Transportation's performance.

The Commission uses 35 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. The primary measures are the measures on which the Commission places the most weight. 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 17 of the 20 primary performance measures used for evaluation by the Commission. Initially, it was reported that the Department failed to meet the Bridge Repair performance measure objective. However, upon further analysis of the data, it was revealed all bridges planned for repair, were, in fact, repaired (see page 47 for a complete explanation). Overall, of the 33 primary and secondary performance measures developed by the Commission that include a stated objective (there are 35 measures, but an objective has not yet been established for two of the secondary measures), the Department met or exceeded 24. In FY 2002/03, the Department met or exceeded 27 out of 33 performance measures.

The following pages present "Emphasis Areas of Noted Improvement or Performance" to highlight primary 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 includes primary measures that were not met during this performance-rating period.

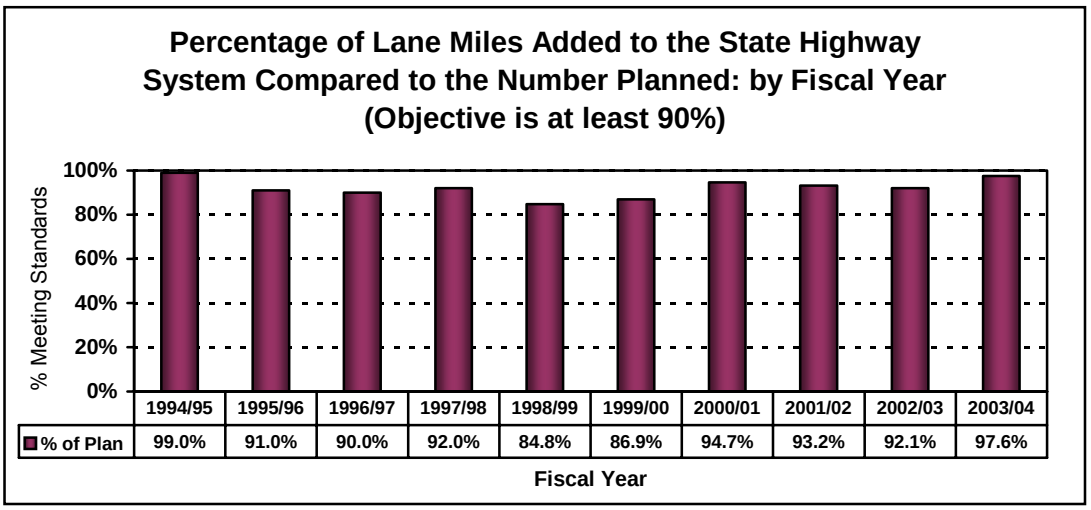
EMPHASIS AREAS OF NOTED IMPROVEMENT OR PERFORMANCE

1. CAPACITY IMPROVEMENTS: HIGHWAYS

(See page 73 for a full description of the measure.)

Performance 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.

FY 2003/04 results: For FY 2003/04, the percentage of lane miles of capacity improvement projects let was 97.6%, exceeding the Department objective of 90% by 7.6 percentage points and improving on last year's effort of 92.1%.



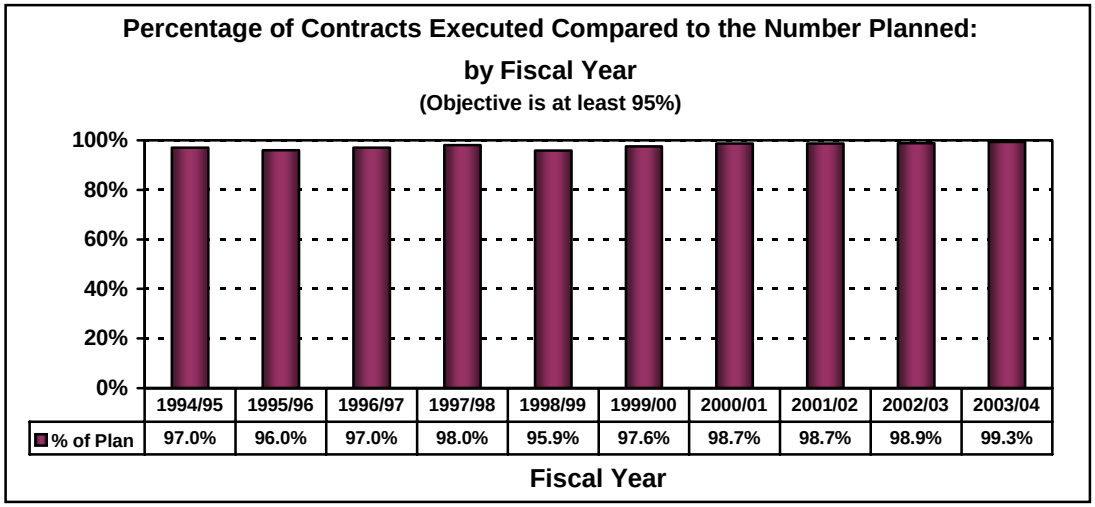
Comments: As indicated in the above chart, the Department has surpassed its objective for the fourth consecutive year posting a significant increase over last year's results. This year's effort was the best since FY 1994/95 when the Department met 99 percent of its plan.

2. CONSTRUCTION CONTRACTS

(See page 91 for a full description of the measure.)

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

FY 2003/04 results: The Department achieved 99.3% of its plan, having executed 453 of the 456 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.



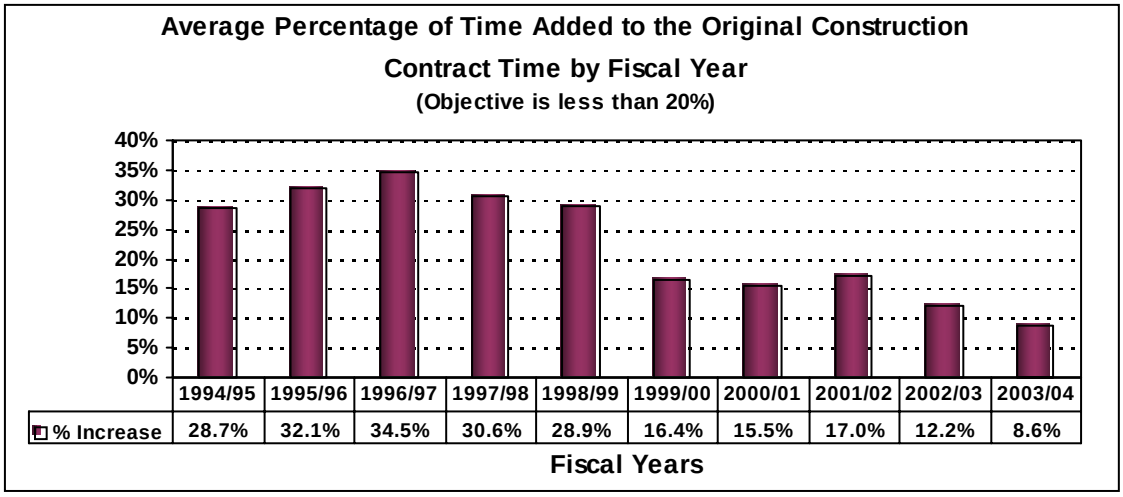
Comments: The Department has met the objective for this performance measure in each of the last ten years. As stated earlier in this Review, at the core of this performance assessment is public accountability, ensuring that taxpayer dollars are directed toward development of tangible transportation products. 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 Department's performance in construction contract lettings over the past ten years is a testament to accomplishing this tenet. The Department reached an all time record this year by executing 99.3% of those construction contracts it committed to execute, letting all but three contracts in its plan.

3. CONSTRUCTION CONTRACT TIME ADJUSTMENTS

(See page 96 for a full description of the measure.)

Performance measure: For all construction contracts completed during the Fiscal Year, the original contract time is measured against the actual days used by the contractor to complete the project. 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.

FY 2003/04 results: For the 407 contracts completed during FY 2003/04, the total original contract time increased an average of 8.6% as a result of days added to the contract and used by the contractor (excluding weather days). The percentage increase in contract time on completed contracts was 3.6 percentage points lower (8.6%, down from 12.2%) in FY 2003/04 than in FY 2002/03.



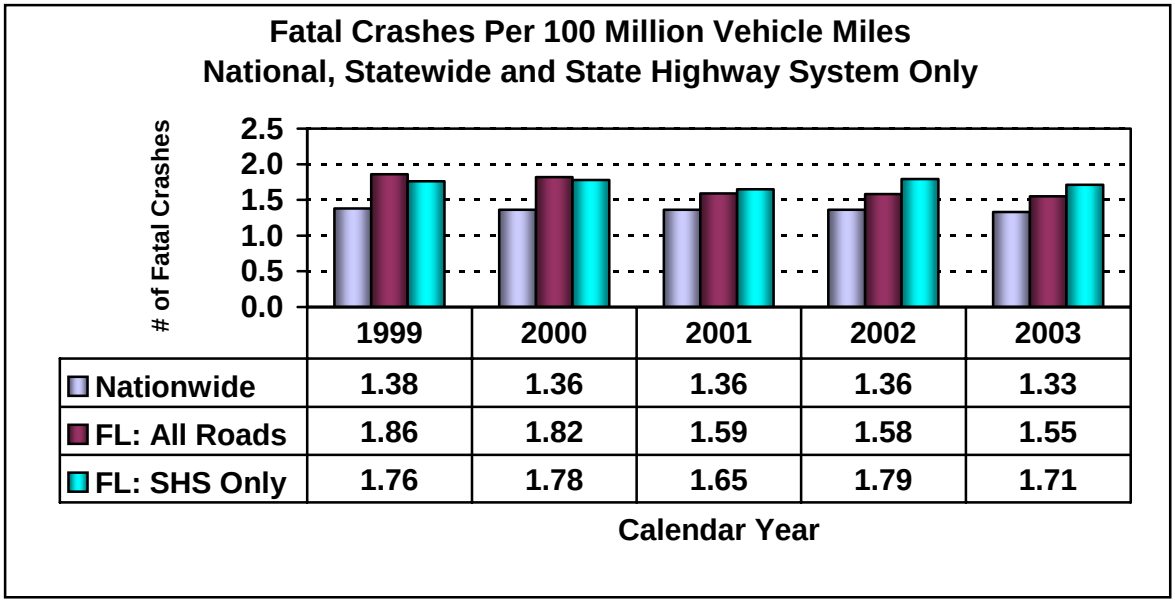
Comments: This is now the fifth year in a row that the Department has exceeded the objective for this performance measure. Time adjustments to construction contracts have been a concern to the Transportation Commission for a number of years. Meeting the objective of less than 20% has been a major undertaking for the Department. In October of 1995, the Transportation Commission, concerned with the increases in time and cost adjustments to construction contracts, requested the Department to place more emphasis on bringing time adjustment under control. The Department's success since that time can be attributed to an increased level of utilizing innovative contracting techniques and placing more emphasis on the plans review process. One of the most successful tools at the Department's disposal is the use of incentives in the form of performance bonuses awarded to contractors for completing projects on time. This past fiscal year, the Department gave out almost $19 million in performance bonuses to contractors.

4. SAFETY INITIATIVES

(See page 123 for a full description of the measure.)

Performance 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.

FY 2003/04 results: Florida's 2003 fatal crash rate for all roads (state, county and city) was 1.55 fatal crashes per 100 million vehicle miles traveled (VMT), approximately 1.3% lower than the rate in 2002. Compared to the 2003 national rate of 1.33 fatal crashes per 100 million VMT, Florida's 2003 rate is 16.5% above the national rate. For the State Highway System only, the 2003 fatal crash rate was 1.71 fatal crashes per 100 million VMT, as compared to 1.79 in 2002. The 2003 State Highway System only rate of 1.71 fatal crashes per 100 million VMT is 28.6% over the national rate of 1.33.



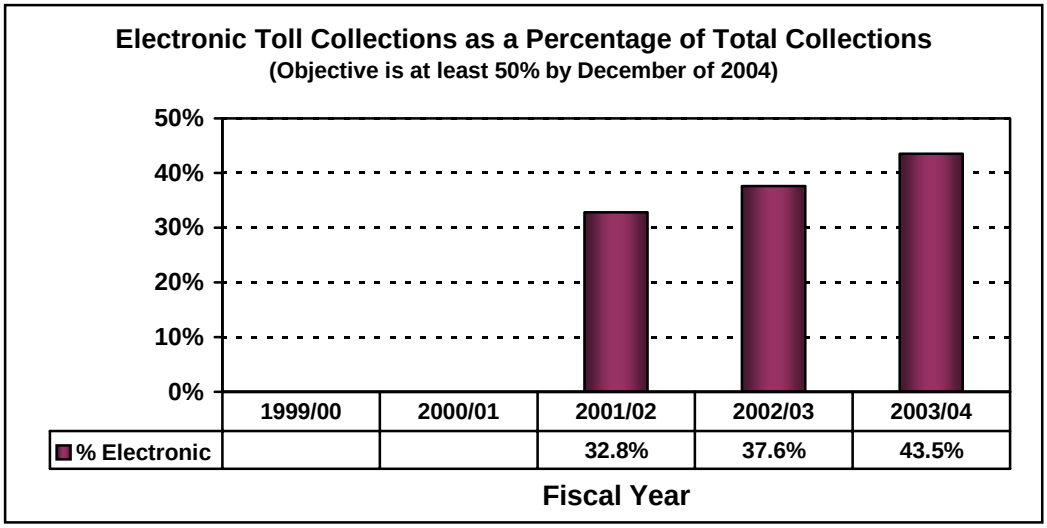
Comments: Because safe travel in Florida is the Department's number one goal, it is important to recognize success in reducing the rate of fatalities on the state's highways, even though this is a secondary performance measure. The Department's ability to reduce the number of traffic-related injuries 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). 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. Therefore, it should be noted when the state's fatality rate decreases.

5. SUNPASS PARTICIPATION

(See page 133 for a full description of the measure.)

Performance measure: The number of SunPass transactions expressed as a percentage of the number of total transactions from all Turnpike Enterprise owned or managed facilities.

FY 2003/04 results: The percentage of all transactions attributed to SunPass usage on all toll facilities either owned or managed by the Turnpike Enterprise is 43.5%. The SunPass participation measure is a new measure; therefore data prior to FY 2001/02 is not available.



Comments: The SunPass participation rate for the fiscal year was 43.5%. This reflects SunPass transactions as a percentage of total transactions for the year. However, in March of 2004, the Turnpike Enterprise reached 50% for that month and has steadily increased participation to 53.1% through June of 2004, surpassing its goal that was set for December of 2004. The new objective the Turnpike Enterprise has established is for SunPass to generate 75% of total transactions by December of 2008. In August and October of 2003, the Turnpike Enterprise launched partnerships with Eckerd Drug Stores and Publix Supermarkets respectively, to market the SunPass transponders in those establishments. This was a very successful strategy and was instrumental in the Enterprises reaching its SunPass participation goal nine months early.

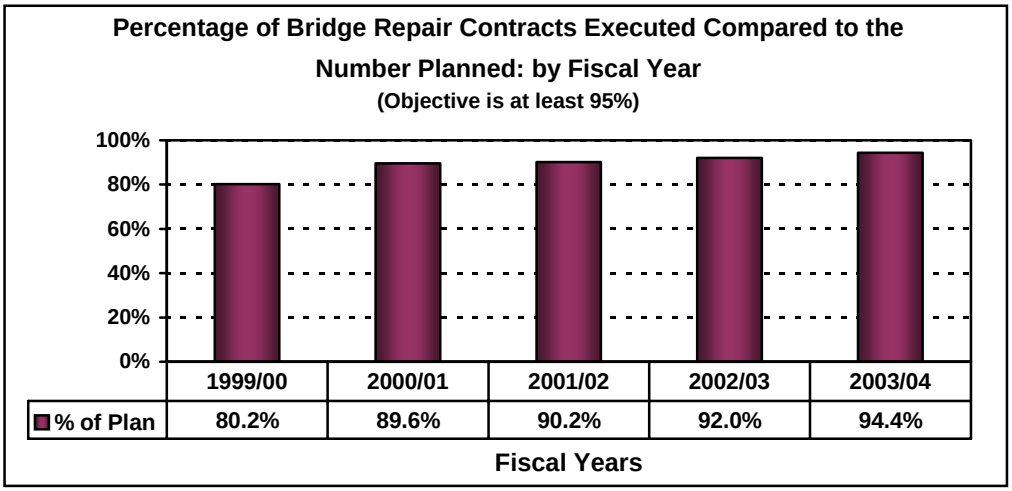
EMPHASIS AREAS FOR PERFORMANCE IMPROVEMENT

1. BRIDGE REPAIR

(See page 62 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 2003/04 results: The stated objective is to let to contract at least 95% of the planned projects. Of 72 bridge repair projects planned for letting, 68 bridge repair projects, or 94.4%, were let; an improvement over last year's result, but still short of the objective. However, in addition to the plan and much to the Department's credit, 12 bridge repair projects that were not in the plan were let during the year and four projects planned for future fiscal years were advanced and let for a total of 84 bridge repair contracts being let.



Reason for departure from objective (Department's Response): Upon further review of the bridge repair data by the Department, it was discovered there was an error in the number of bridge repair projects shown as planned. One of the 73 projects planned was, in fact, a sign structure identified in error and should not have been included in the plan.

Of the 72 bridge repair projects that should have been in the plan, 68 were let to contract as reported, but an additional four were repaired under routine maintenance contracts, so all the work was performed as planned.

These adjustments have been reflected in the data provided on page 62 of this final report.

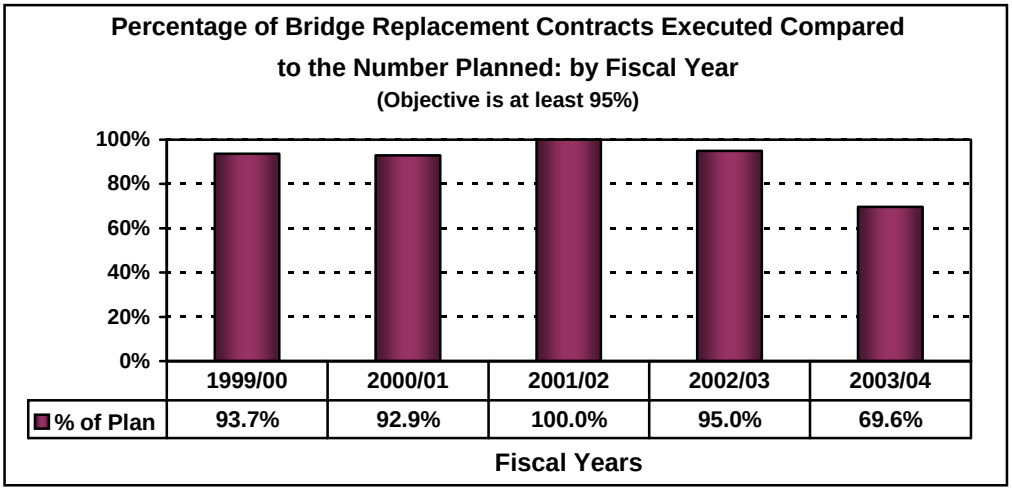
Recommendation for improvement: No recommendation is necessary.

2. BRIDGE REPLACEMENT

(See page 63 for a full description of the measure.)

Performance 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.

FY 2003/04 results: The Department's objective is to let to contract no less than 95% of those bridge replacement projects planned to be let during the year. The Department achieved 69.6% of its plan, having let to contract 16 bridge replacement jobs out of 23 planned. In addition, during the year the Department let to contract one bridge replacement project not in the current or future plans.



Reason for departure from objective (Department's Response): The Department researched why the seven projects in the Bridge Replacement Program were not let to contract. It found that of the 23 bridges planned for replacement, six bridges were local bridges and had been converted to Local Agency Program (LAP) projects. On each of these six bridges, the local governments needed additional time to meet their part of the LAP agreement. All six bridges will be let in FY 2004/05. Even though these six bridges are local bridges, they are included in the Department's Five Year Work Program and, therefore, are included in the Department's Bridge Replacement Program.

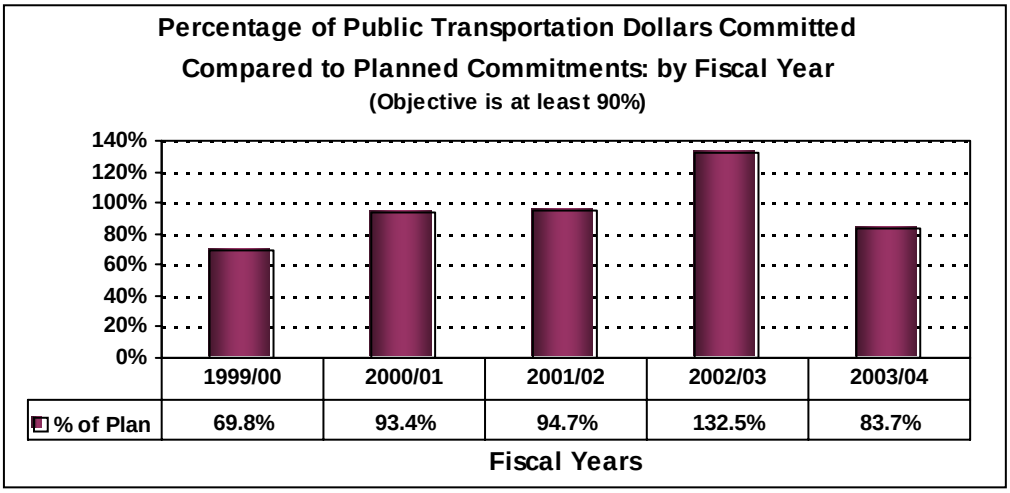
The Department also found that the one remaining bridge had been dropped from the plan. The project entailed increasing the bridge clearance from nine feet to 15 feet, with the local government agreeing to fund 50% of the cost. The local government ultimately chose not to fund its part of the project, and the bridge, otherwise, does not qualify for the Department's bridge replacement or repair programs.

Recommendation for improvement: No recommendation is necessary.

3. CAPACITY IMPROVEMENTS: PUBLIC TRANSPORTATION MODES
(See page 75 for a full description of the measure.)

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

FY 2003/04 results: The Department's objective is to commit no less than 90% of the dollar amount of public transportation capacity improvement projects planned for commitment during the fiscal year. The Department achieved 83.7% of its plan, committing $208.5 million of a planned $249.1 million in public transportation capacity improvement projects.



Reason for departure from objective (Department's Response): The deficiencies in the Public Transportation Capacity Improvement Program are confined to the Intermodal Program category.

According to the Department, there was a $25 million commitment for the construction of a Tri-Rail station at the Miami Intermodal Center. Utilizing the "construction manager at risk" procurement method instead of the "low bid" method has caused unanticipated delays. These funds will be committed in FY 2004/05.

There were $18 million committed for a light rail project in Orlando that rolled to FY 2004-05. Since the local referendum failed, local funds were not available to match the state and federal funds committed to build the light rail project. Future use and options for these funds are being considered.

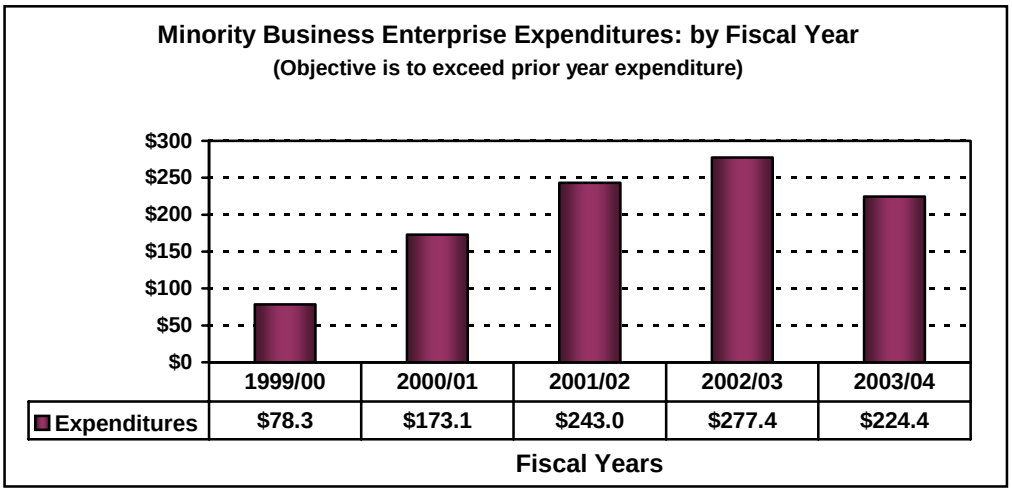
Recommendation for improvement: No recommendation is necessary.

4. MINORITY BUSINESS ENTERPRISE (MBE) PROGRAM

(See page 117 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 2003/04 results: The Department's objective is based on exceeding the prior year's actual MBE expenditure. The MBE expenditure level for FY 2003/04 was $224.4 million which is $53.0 million, or 19.1%, less than last year's expenditure of $277.4 million.



Reason for departure from objective (Department's Response): The Department's goal is to exceed MBE expenditures from the previous year. The MBE expenditure amount is determined by combining the spending in the commodities and contractual services area and in the road and bridge construction area.

The Department actually increased MBE spending on commodities and contractual services by nearly 30% or $7 million during FY 2003/04. However, spending in the construction area declined by just over $100 million and by $6 million in the engineering area. Two certified MBE firms conducting business with the Department during FY 2002/03 --Community Asphalt and Kissinger Campo which accounted for $100 million in MBE expenditures that year—graduated from the MBE program and no longer meet the MBE certification requirements. Therefore, we did not get any credit in FY 2003/04 for continued spending with these two firms.

We will continue to work with the Office of Supplier Diversity to increase their MBE construction and engineering pool to include more Department certified Disadvantaged Business Enterprise firms, and to capture the sub-contract payment information on contracts to have the most complete data and get credit for all of the dollars spent with MBE certified firms.

Recommendation for improvement: No recommendation is necessary.

I-95 at CR 210 in St. Johns County.

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DETAILED ANALYSIS OF PERFORMANCE AND PRODUCTION MEASURES FY 2003/04

District Three Secretary Edward Prescott offers his perspective on performance to the Commission.

District 7 Viaduct construction adjacent to I-275.

The following table presents an overview of the results of the Commission's evaluation of the Department's performance during fiscal year 2003/04. 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, yet they meet the primary criteria to a lesser degree. The second column provides a statement of each measure, followed by the established objective listed 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. There are detailed analyses of all the performance measures following the table.

Performance Measures Summary Table

Priority	Measure	Objective	FY 03/04 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 62)	≥95%	100%	Yes
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 63)	≥95%	69.6%	No
2nd	Of the total number of state-maintained bridges, the percentage meeting DOT standards, i.e., not in need of repair or replacement. (See page 64)	≥90%	93.8%	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 66)	≥95%	96.9%	Yes
1st	Of the total lane miles of state roads, the percentage meeting standards. (See page 67)	≥80%	80.1%	Yes
Routine Maintenance				
1st	Achieve a Maintenance Rating of 80 on the State Highway System. (See page 69)	≥100%	105.0%	Yes
Capacity Improvements: Highways				
1st	Lane miles of capacity improvement projects let vs. lane miles of capacity improvement projects planned. (See page 73)	≥90%	97.6%	Yes
2nd	Percentage of centerline miles of 2-lane roadways on the Florida Intrastate Highway System (FIHS) brought up to standard (let to	Being Developed	1.0%	NA

Priority	Measure	Objective	FY 03/04 Results	Meets Objective
	contract for improvement from two to four lanes) during the fiscal year. (See page 74)			
Capacity Improvements: Public Transportation Modes				
1st	Dollar amount committed to public transportation capacity improvement projects vs. dollar amount planned. (See page 75)	≥90%	83.7%	No
Consultant Acquisition				
1st	Number of consultant contracts executed vs. total contracts planned. (See page 79)	≥95%	98.4%	Yes
2nd	Dollar value of consultant contracts executed compared to the original estimated value. (See page 80)	100% (+ or – 5%)	97.2%	Yes
Right of Way Acquisition				
1st	Number of projects certified vs. number of projects scheduled for certification. (See page 83)	≥90%	98.5%	Yes
2nd	Number of parcels acquired by negotiation vs. condemnation. (See page 85)	≥60%	62.9%	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 86)	Being Developed	61.0%	NA
2nd	For negotiated parcels, purchase agreement amount vs. DOT last appraisal vs. property owner's counter-offer amount. (See page 87)	≤50% of spread	55.0%	No
2nd	For litigated parcels, the final judgment amount compared against the total DOT estimated compensation and the total property owner's claim for cases resolved through settlement, mediation and verdict, respectively. (See page 87)	≤50% ≤50% ≤50% of spread	44.8% 57.8% 26.5%	Yes No Yes
2nd	Of total right of way expenditures, the percentage of the dollar value used to purchase land vs. percentage of the dollar value expended for associated land acquisition costs and fees. (See page 88)	≥75%	77.7%	Yes
Construction Contracts				
1st	Number of projects let vs. planned for letting. (See page 91)	≥95%	99.3%	Yes
2nd	Dollar value of construction contracts executed compared to the original estimated value. (See page 92)	100% (± 5%)	105.8%	No

Priority	Measure	Objective	FY 03/04 Results	Meets Objective
Construction Contract Adjustments				
1st	For all construction contracts completed during the fiscal year, the original contract time vs. actual time used to complete the project (excluding weather days). (See page 96)	<20%	8.6%	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 98)	≥80% below 20%	74.0% below 20%	No
1st	Original contract amount vs. final amount paid on all construction contracts completed during the fiscal year. (See page 100)	<10%	8.2%	Yes
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 102)	≥80% below 10%	80.6% below 10%	Yes
2nd	Of the final amount paid on completed construction contracts, the portion that was avoidable (should have been foreseen) supplemental agreements. (See page 104)	<5%	1.7%	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 109)	=100%	On track for 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 111)	<2.0%	1.2%	Yes
Cash Management				
1st	Actual cash receipts vs. forecasted cash receipts and actual cash disbursements vs. forecasted cash disbursements respectively. (See page 113)	Within ± 5%	-1.3% and -0.9%	Yes
1st	Lowest annual cash balance vs. total contractual obligations. (See page 113)	≤5%	4.9%	Yes
Minority Business Enterprise Program				
1st	The annual dollar amount of MBE expenditures measured against the previous year's expenditure. (See page 117)	>$277.4 million	$224.4 million	No
Disadvantaged Business Enterprise Program				
2nd	Dollar volume of disadvantaged business enterprise utilization as a percentage of total	≥7.5%	7.6%	Yes

Priority	Measure	Objective	FY 03/04 Results	Meets Objective
	federal funded contracts. (See page 119)			
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 123)	Within 20% of the national Rate of 1.33 (or <1.60)	Florida:1.55 State System only: 1.71	No
2nd	Percent of crashes on the State Highway System where road conditions were a contributing cause. (See page 124)	<1.0%	3.32	No
Management of Toll Facility Operational Costs				
1st	Operational costs per toll transaction. (See page 129)	<16.0 cents	14.9 cents	Yes
Toll Revenue Variance				
1st	The revenue variance expressed as a percentage of indicated revenue for all toll facilities managed by the Turnpike Enterprise. (See page 131)	≤ 5%	2.8%	Yes
SunPass Participation				
1st	The number of SunPass transactions measured against the number of total transactions from all Turnpike Enterprise managed facilities; expressed as a percentage. (See page 133)	≥ 50% by December of 2004	43.5%	On Track
Intelligent Transportation Systems (ITS) (Future Measures)				
	Being Developed			

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 functionally 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 11,395 bridges in Florida, and 6,268 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 Programs monitor the need for repair, rehabilitation and replacement of FDOT maintained bridges. *No bridge is allowed to become unsafe for the traveling public.*

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.

Old Hathaway Bridge demolition (Panama City).

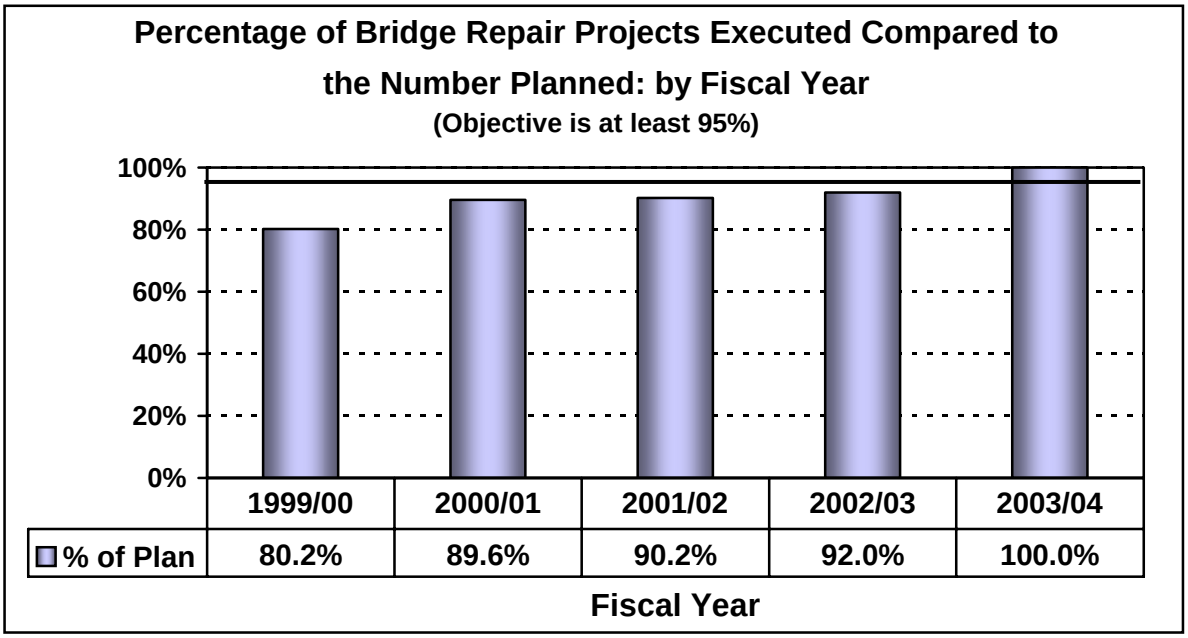
Bridge Repair

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. (Note: A bridge repair contract may include more than one bridge repair job. Also, a bridge repair job can be included as part of a road project.)

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

METHODOLOGY: This measure assesses how well the Department performed in executing construction contracts which included bridge repair projects that it planned to execute during the year. Data is collected from the Department's Production Management Office that identifies those bridge repair projects that were actually executed, whether they were executed as a bridge repair contract or as part of a road construction project. This data is then compared against the bridge repair project plan established prior to the beginning of the fiscal year.

RESULTS: For bridge repair, the Department achieved 100% of plan; having repaired 72 bridges of 72 planned. During the year the Department also repaired an additional 12 bridges that were <u>not</u> in the current or future plans and advanced and let four projects planned for repair in a future fiscal year.



Five-Year Statewide Bridge Repair Data

	Fiscal Year				
	1999/00	2000/01	2001/02	2002/03	2003/04
Plan	162	134	143	125	72
Actual	130	120	129	115	72
% of Plan	80.2%	89.6%	90.2%	92.0%	100.0%
Advanced FY	3	3	2	9	4
Additions	48	8	54	27	12
Total	181	131	185	151	88

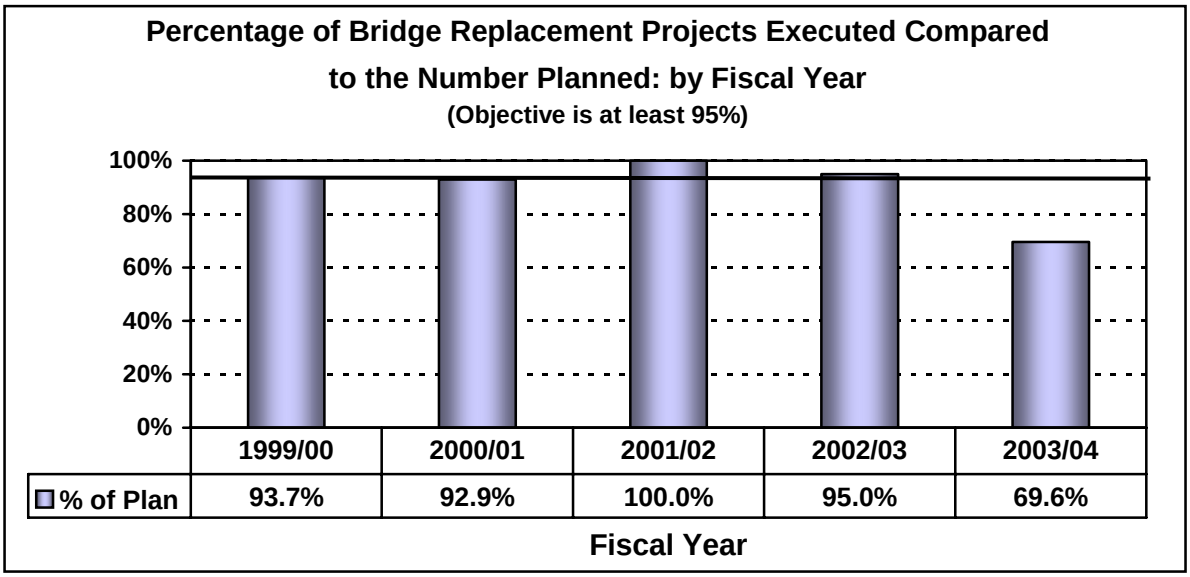
Bridge Replacement

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 projects 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 planned to execute during the year. Data is collected from the Department's Production Management Office that identifies those bridge replacement projects that were actually executed, whether they were executed as a bridge replacement contract or as part of a road construction contract. This data is then compared against the bridge replacement project plan established prior to the beginning of the fiscal year.

RESULTS: For bridge replacement, the Department achieved 69.6% of its plan, having let to contract 16 bridge replacement jobs out of 23 planned. In addition, during the year the Department let to contract one bridge replacement project not in the current or future plans.



Five-Year Statewide Bridge Replacement Data

	Fiscal Year				
	1999/00	2000/01	2001/02	2002/03	2003/04
Plan	63	42	14	20	23
Actual	59	39	14	19	16
% of Plan	93.7%	92.9%	100.0%	95.0%	69.6%
Advanced FY	0	0	4	0	0
Additions	0	2	3	2	1
Total	59	41	21	21	17

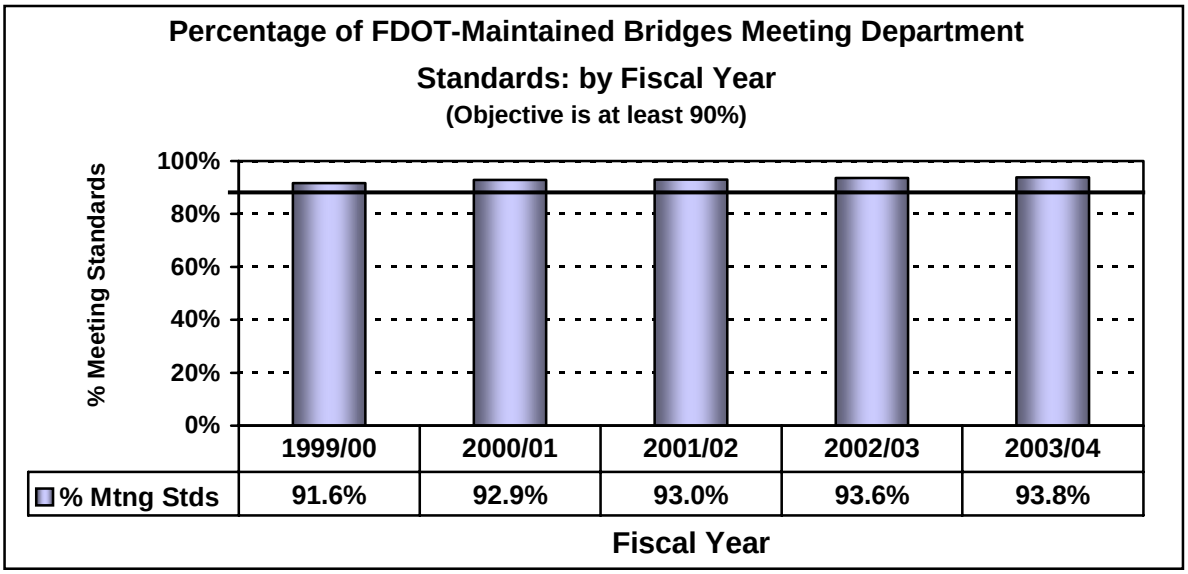
Bridge Condition

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 2003/04, the percentage of state-maintained bridges meeting standards was 93.8%, exceeding the Department's short-range objective of 90% by almost four percentage points.



Five-Year Statewide Bridge Maintenance Data

	Fiscal Year				
	1999/00	2000/01	2001/02	2002/03	2003/04
Total # of Bridges	6,253	6,320	6,260	6,265	6,268
# Meeting Standards	5,726	5,869	5,823	5,862	5,880
% Meeting Standards	91.6%	92.9%	93.0%	93.6%	93.8%

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.

Asphalt work on SR 87.

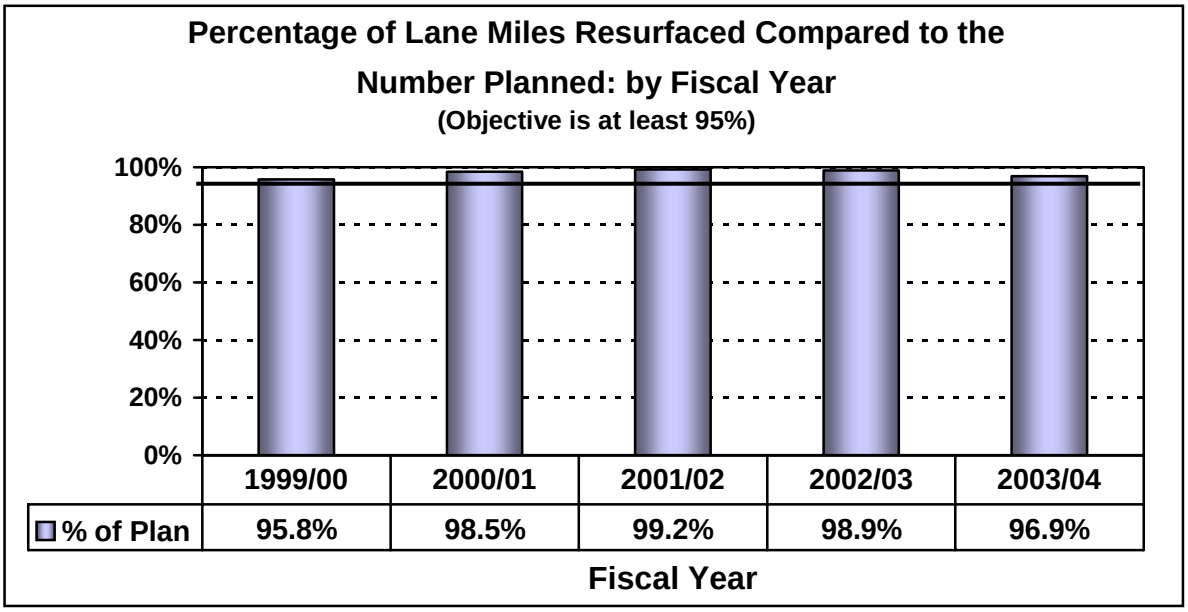
Lane Miles Resurfaced

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

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 96.9% of FY 2003/04 plan, having resurfaced 1,877.2 of 1,937.4 lane miles planned. In addition, the Department advanced and resurfaced 96.6 lane miles that had been planned for future fiscal years and 101.8 lane miles that were not in the current or future plans. Note: The above data includes 24.38 lane miles of resurfacing projects on roads off the State Highway System.



Five-Year Statewide Resurfacing Data

	Fiscal Year				
	1999/00	2000/01	2001/02	2002/03	2003/04
Plan	1,711.0	2,195.0	2,260.0	2,433.9	1,937.4
Actual	1,639.0	2,163.0	2,242.0	2,406.6	1,877.2
% of Plan	95.8%	98.5%	99.2%	98.9%	96.9%
Advanced FY	5.0	24.0	133.8	82.6	96.6
Additions	58.0	0.0	208.0	230.3	101.8
Total	1,702.0	2,187.0	2,583.8	2,719.5	2,075.6

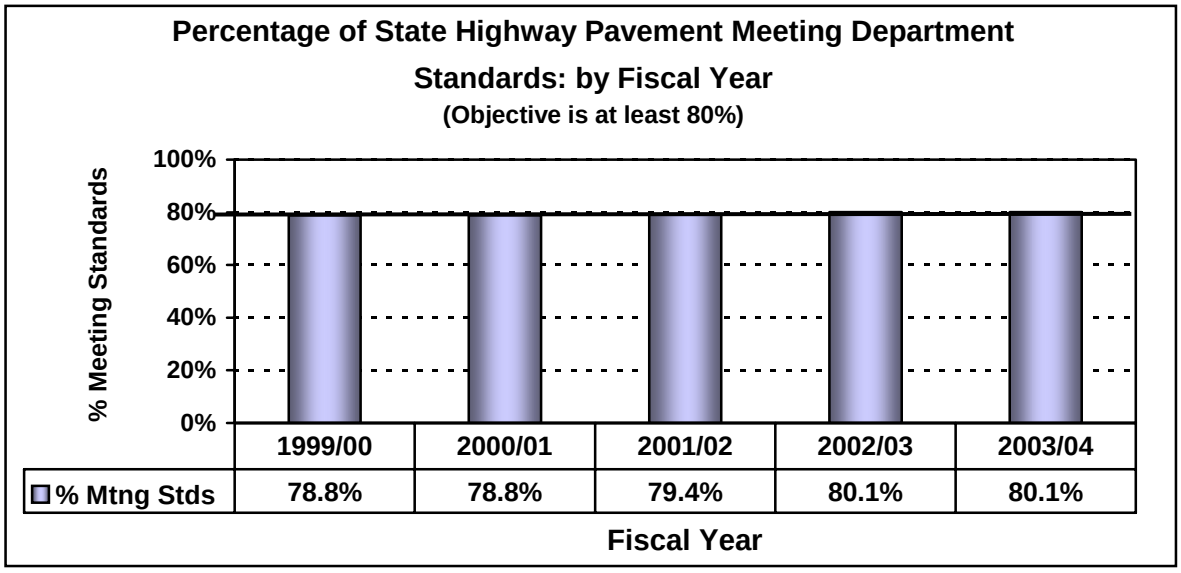
Pavement Condition

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

OBJECTIVE: The Department's objective, statutorily mandated and presented in the Short-range Component of the Florida Transportation Plan, is for 80% of lane miles to meet Department standards (i.e., rated seven or above in the 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 seven or above 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 2003/04, the percentage of state road lane miles meeting standards was 80.1%, exceeding the Department objective of 80% by one-tenth of one percent.



Five-Year Statewide Pavement Condition Survey Data

	Fiscal Year				
	1999/00	2000/01	2001/02	2002/03	2003/04
Total Lane Miles	39,529	39,840	40,204	40,554	40,829
# Meeting Standards	31,149	31,407	31,908	32,484	32,717
% Meeting Standards	78.8%	78.8%	79.4%	80.1%	80.1%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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.

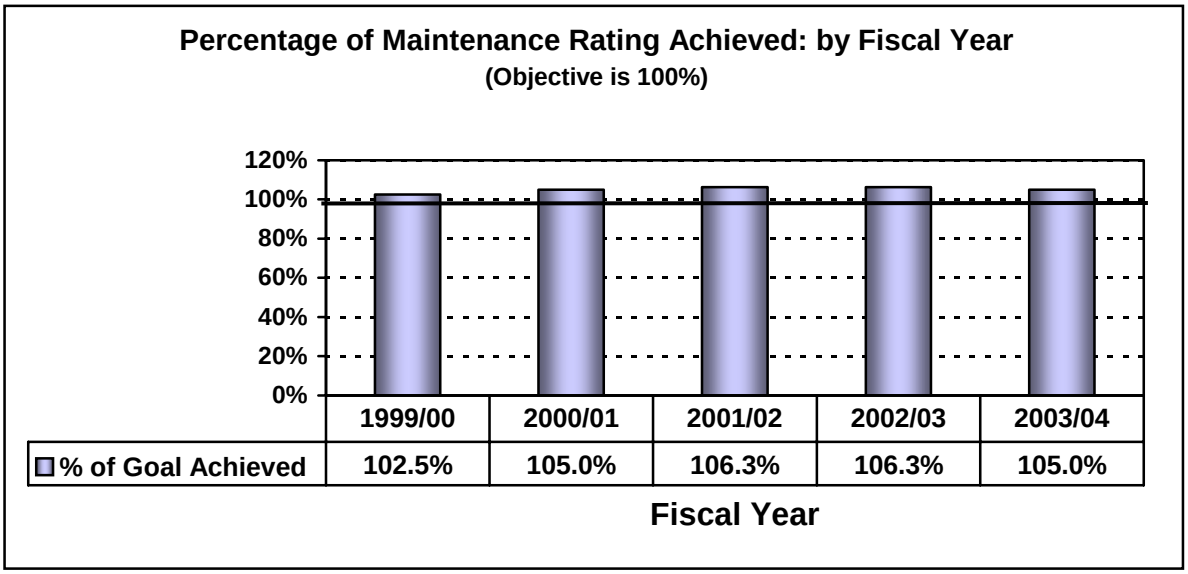
PURPOSE: Florida law requires the Department to provide routine and uniform maintenance of the State Highway System. The measure below is the Department's current operating policy implementing the statutory provision.

PRIMARY MEASURE: Achieve a Maintenance Rating of at least 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.

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 (MRP). 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.

RESULTS: For FY 2003/04, the Department achieved an MRP of 84, or 105.0% of the objective of a system-wide maintenance rating of 80.



Five-Year Statewide Maintenance Rating Data

	Fiscal Year				
	1999/00	2000/01	2001/02	2002/03	2003/04
Rating Goal	80	80	80	80	80
Actual Rating	82	84	85	85	84
% of Goal Achieved	102.5%	105.0%	106.3%	106.3%	105.0%

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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 priority with 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 such as intersection improvements, signal timing, etc.] have been accorded secondary priority. Although Florida law mandates that the Department "reduce congestion on the state transportation system" through new construction, expansion of existing facilities and traffic operations improvements, these capacity improvement programs have not been comprehensively addressed because of competing preservation priorities for limited funding.

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2a. CAPACITY IMPROVEMENTS: HIGHWAYS

BACKGROUND: On June 30, 2004, there were approximately 120,376 centerline miles of public roads within the state. The State Highway System (SHS) comprises about 10 percent, or 12,051, of the total centerline miles. This equates to 40,970 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 (currently 3,943 centerline miles of the State Highway System) is a network comprised of Florida's key interstate, intercity and interregional highways for high-volume, high-speed movement of goods and people.

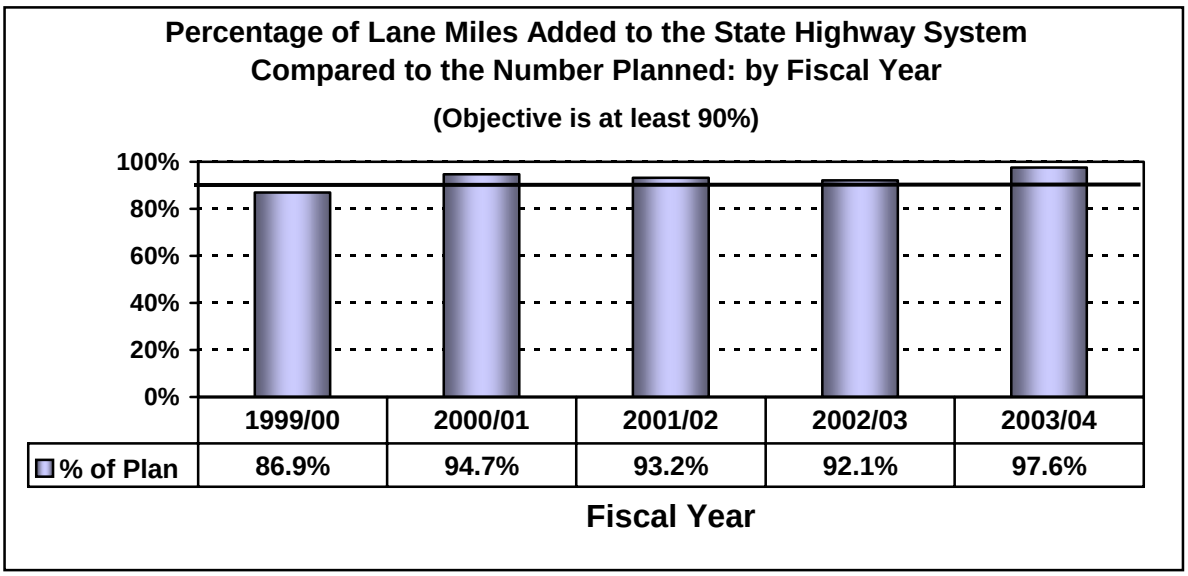
PURPOSE: The handling capacity and efficiency of the SHS, and the FIHS specifically, are critical determining factors to Florida's economic future enabling the state to compete for new and expanding domestic and international markets and to maintain its tourism industry. Standards for the FIHS have been established both for improved capacity and control of access. To the extent that these standards are implemented, the FIHS will continue to contribute to Florida's enhanced economic competitiveness throughout 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 Financial Development Office and analyzed.

RESULTS: Of 362.3 lane miles of capacity improvement projects planned, 353.5 lane miles or 97.6% were let. The Department advanced 19.5 lane miles that had been planned for a future fiscal year, and let an additional 3.6 lane miles of capacity improvement projects not included in the original plan for the year, thus increasing system capacity by 376.6 lane miles. Note: The above data includes 3.0 lane miles of capacity improvement projects on roads off the State Highway System.



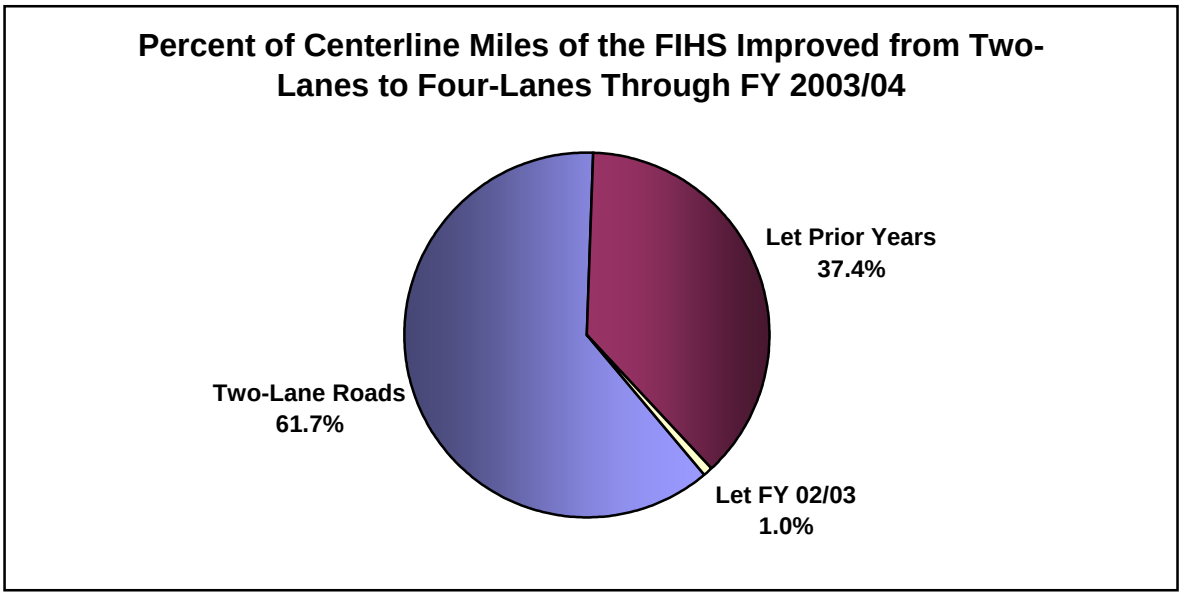
Five-Year Statewide Highway Capacity Lane Miles Data

	Fiscal Year				
	1999/00	2000/01	2001/02	2002/03	2003/04
Plan	320.0	266.0	407.4	373.9	362.3
Actual	278.0	252.0	379.6	344.3	353.5
% of Plan	86.9%	94.7%	93.2%	92.1%	97.6%
Advanced FY	20.0	0.0	182.0	0.0	19.5
Additions	0.0	61.0	70.0	8.6	3.6
Total	298.0	313.0	631.6	352.9	376.6

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 lanes to four lanes) during the fiscal year.

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

RESULTS: Of 888 FIHS centerline miles not meeting the minimum lane standard on July 1, 1993, 8.5 miles or 1.0% were let to contract during FY 2003/04 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 340.5 miles, or 38.4%, to the four-lane standard.



FIHS Two-Lane Roads	# of Centerline Miles	% of Total
Let in Prior Years	332.0	37.4%
Let During FY 2003/04	8.5	1.0%
Miles of Two-Lane Roads	547.5	61.7%
Total	888.0	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.

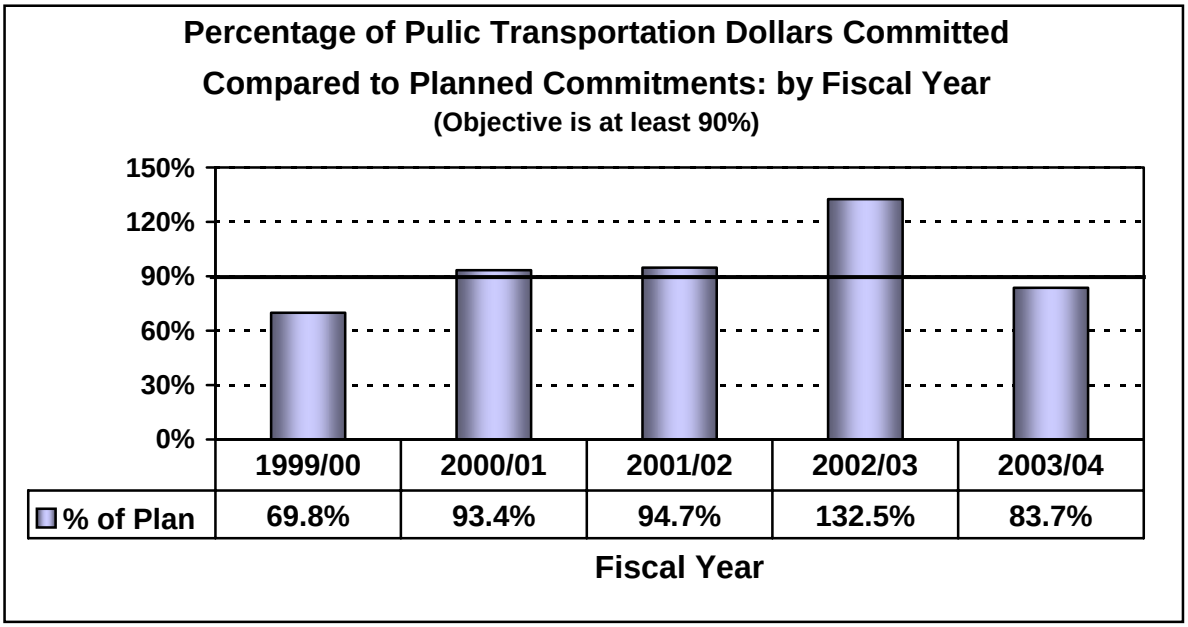
PRIMARY MEASURE: The dollar amount committed to public transportation capacity improvement projects compared against the dollar amount planned to be committed during the fiscal year.

OBJECTIVE: The Department's objective is to commit no less than 90% of the dollar amount of public transportation capacity improvement projects 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 2003/04, the Department achieved 83.7% of its plan, committing $208.5 million of a planned $249.1 million in public transportation capacity improvement projects.

Additional Comments: The plan for FY 2003/04 was 63.1% larger than the plan for FY 2002/03. Department achievement of plan was 48.8 percentage points lower (from 132.5% to 83.7%) in FY 2003/04 than in FY 2002/03.



Five Year Statewide Public Transportation Capacity Improvement Data

	Fiscal Year				
	1999/00	2000/01	2001/02	2002/03	2003/04
Plan	$337.9	$334.5	$189.9	$152.7	$249.1
Actual	$235.9	$312.5	$179.8	$202.4	$208.5
% of Plan	69.8%	93.4%	94.7%	132.5%	83.7%
Advanced FY	$0.0	$0.0	$0.0	$0.0	$0.0
Additions	$0.0	$0.0	$0.0	$0.0	$0.0
Total	$235.9	$312.5	$179.8	$202.4	$208.5

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 five year period. 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, and then construction engineering and inspection (CEI) activities. Although the Department employs engineers and other staff who perform these functions, it also contracts with private-sector engineering and right of way consultants to produce approximately 82% of design plans, 73% of right of way activities, and 81% of CEI activities. Unlike the traditional 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 the quality of the technical proposal submitted. Once a consultant has been selected, the 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 the production process usually result in increased project costs.

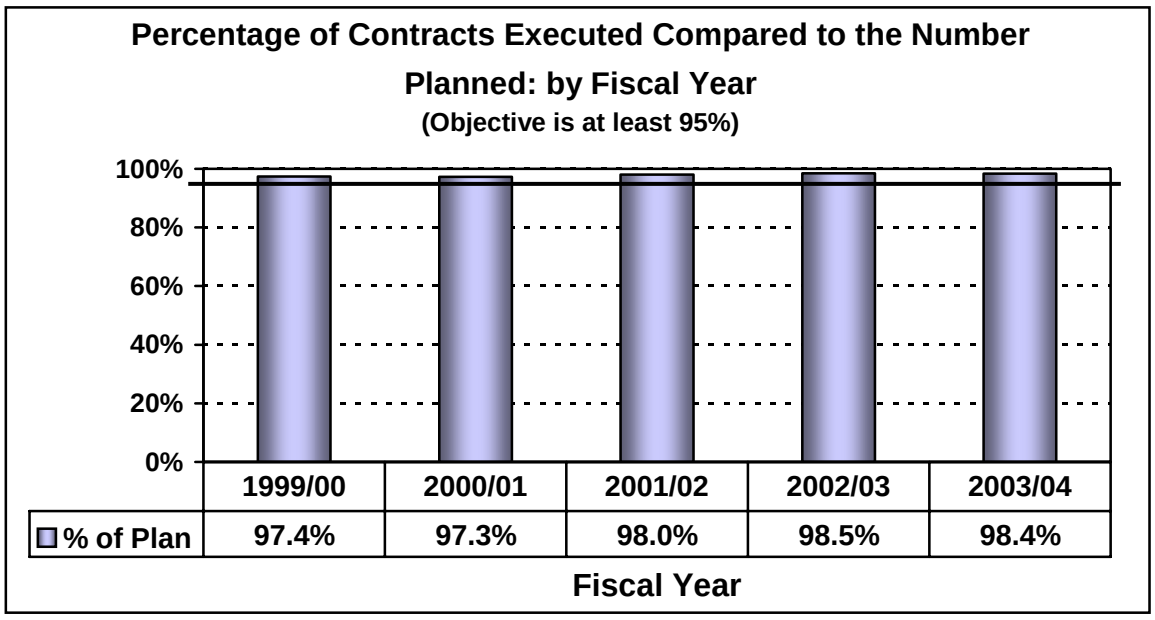
PRIMARY MEASURE: The number of consultant contracts actually executed compared against the number of consultant contracts planned to be executed during the year.

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, right of way acquisition, and CEI 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 2003/04, the Department achieved 98.4% of its plan, having executed 508 of the 516 contracts planned to be executed during the year. The Department also executed an additional 64 consultant contracts that were not included in the original plan.

Additional Comments: The Department's consultant acquisition plan for FY 2003/04 was 52.2% larger than its plan for FY 2002/03. The Department's achievement of plan was one-tenth a percentage point lower in FY 2003/04 than it was in FY 2002/03.



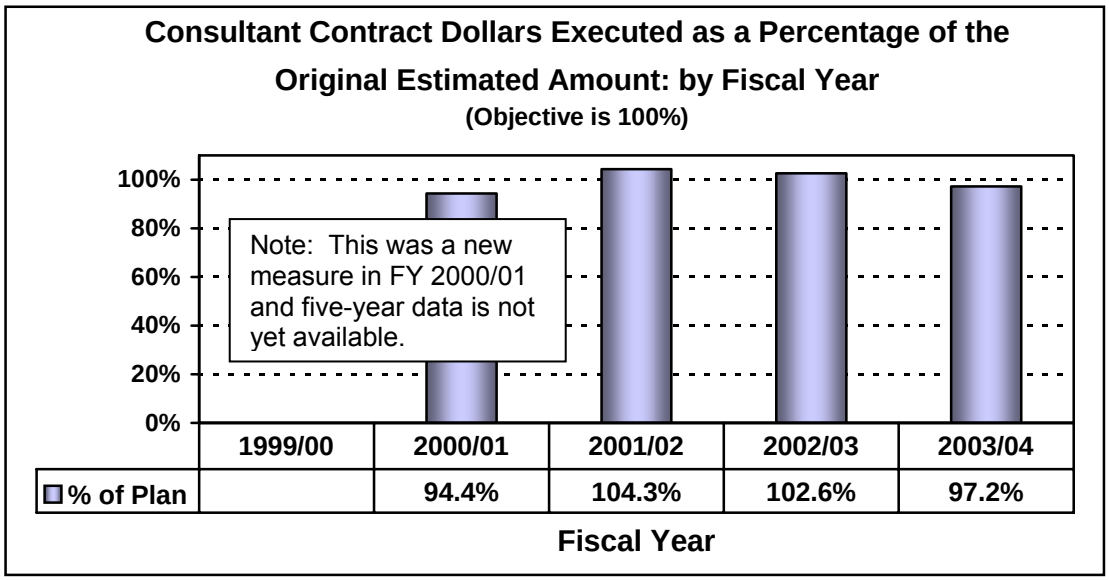
Five-Year Statewide Consultant Contract Data

	Fiscal Year				
	1999/00	2000/01	2001/02	2002/03	2003/04
Plan	350	296	345	339	516*
Actual	341	288	338	334	508
% of Plan	97.4%	97.3%	98.0%	98.5%	98.4%
Additions	12	72	47	16	64
Total	353	360	385	350	572

*Note: Construction engineering inspection (CEI) contracts previously were not included in the Consultant Acquisition performance measure since their letting performance was linked to the construction contract letting schedule. As more and more CEI contracts are let as district-wide or "as needed" type contracts, this premise no longer holds true.

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 in FY 2000/01 and five-year data is not available.)

RESULTS: The dollar value of the consultant contracts executed during FY 2003/04 is $487.9 million. This figure is $14.3 million less than the Department's estimate of $502.2 million. Therefore, actual contract dollar amounts are 97.2% of the Department's estimated contract value.

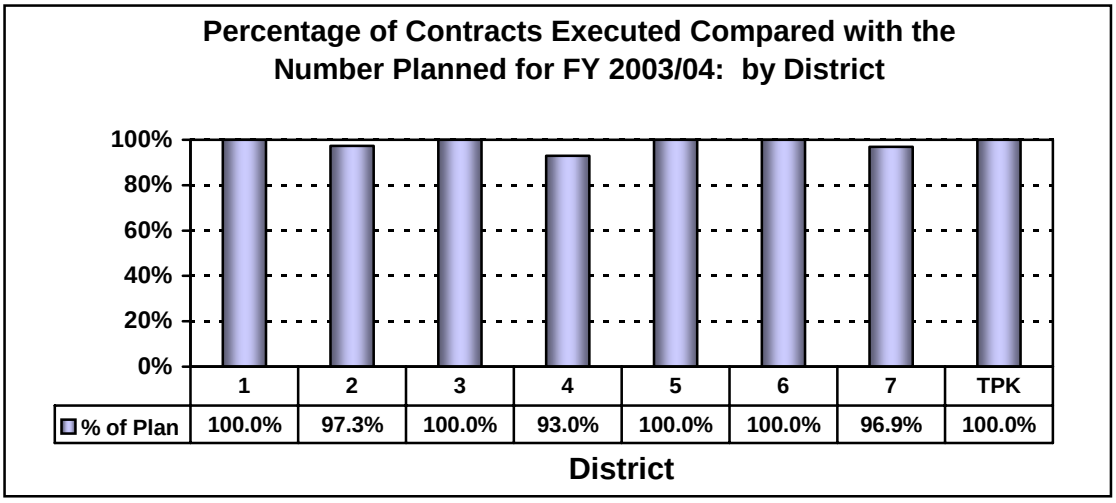


The following table shows the original estimated dollar value of executed consultant contracts and the negotiated dollar value of those contracts for each of the last five fiscal years. These numbers make up the chart presented above. (Note: As stated above, this is a new measure and historical data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

Statewide Consultant Contract Dollars – Estimate vs. Actual

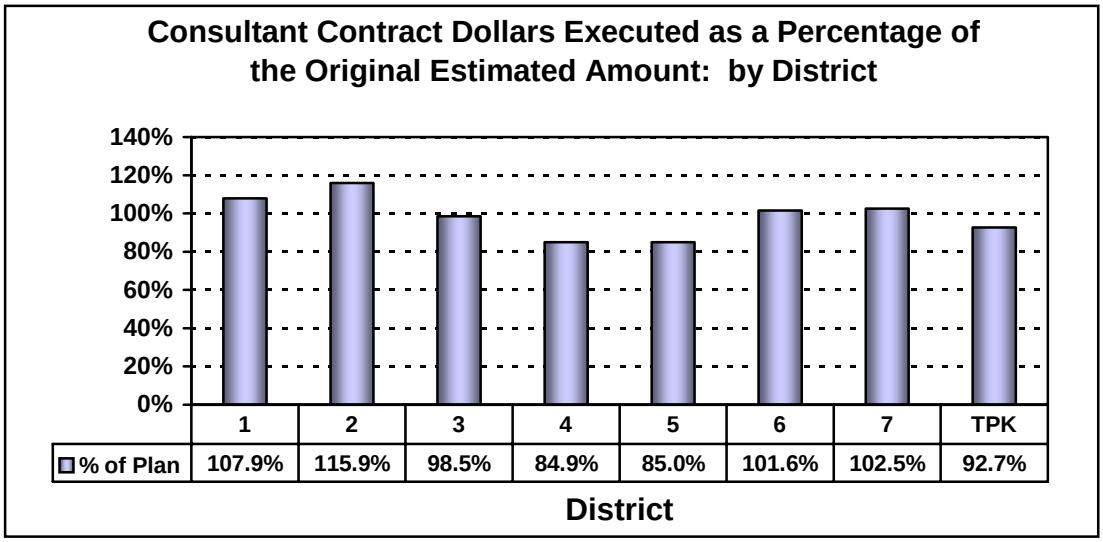
	Fiscal Year				
	1999/00	2000/01	2001/02	2002/03	2003/04
Estimate		$245.5	$263.2	$331.1	$502.2
Actual		$231.8	$274.6	$339.6	$487.9
% of Plan		94.4%	104.3%	102.6%	97.2%

District detail information regarding consultant contracts is presented below.



District Consultant Contract Data for FY 2003/04

	District							
	1	2	3	4	5	6	7	TPK
Plan	77	73	65	57	53	70	64	57
Actual	77	71	65	53	53	70	62	57
% of Plan	100.0%	97.3%	100.0%	93.0%	100.0%	100.0%	96.9%	100.0%
Additions	0	21	4	0	5	14	5	15
Total	77	92	69	53	58	84	67	72



District Consultant Contract Dollars – Estimate vs. Actual

	District							
	1	2	3	4	5	6	7	TPK
Estimate	$35.3	$56.6	$46.5	$59.5	$78.9	$49.1	$76.6	$99.7
Actual	$38.1	$65.6	$45.8	$50.5	$67.1	$49.9	$78.5	$92.4
% of Plan	107.9%	115.9%	98.5%	84.9%	85.0%	101.6%	102.5%	92.7%

The Casitas project in District 7 represented the culmination of one of FDOT's most successful residential rehabilitation projects. It was implemented in Ybor City as part of mitigation for the I-4 widening project.

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, with the exception of design-build and some Turnpike Enterprise contracts, until all right of way parcels needed for the project are acquired and certified as "clear" (ready for construction to proceed). On design-build and some Turnpike Enterprise contracts, the right of way necessary for construction of the project must be certified as "clear" prior to the start of construction activities, not the contract letting.

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 land that will be needed for planned future roads or for widening existing roads *now*, rather than *later,* when its value has appreciated, is cost effective. 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 business 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.

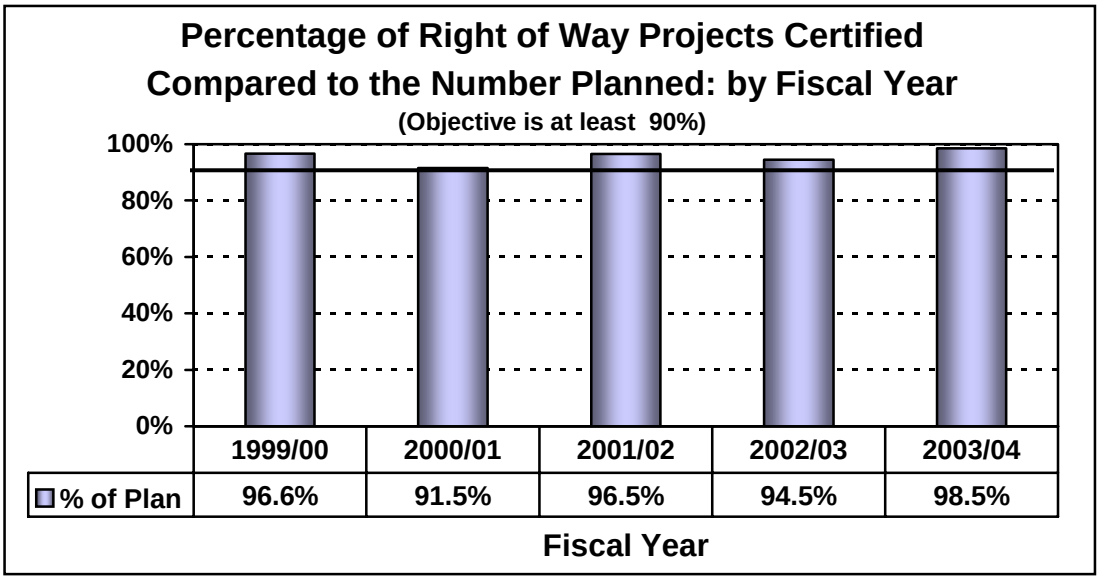
PRIMARY MEASURE: The number of projects certified compared to the number of projects scheduled for certification, expressed as a percentage.

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 98.5% of its plan, having certified right of way on 64 of 65 projects planned for the year. Two projects planned for certification in future years were advanced to certification in FY 2003/04. Twenty one projects not in the current or future plans were added and certified during the year.

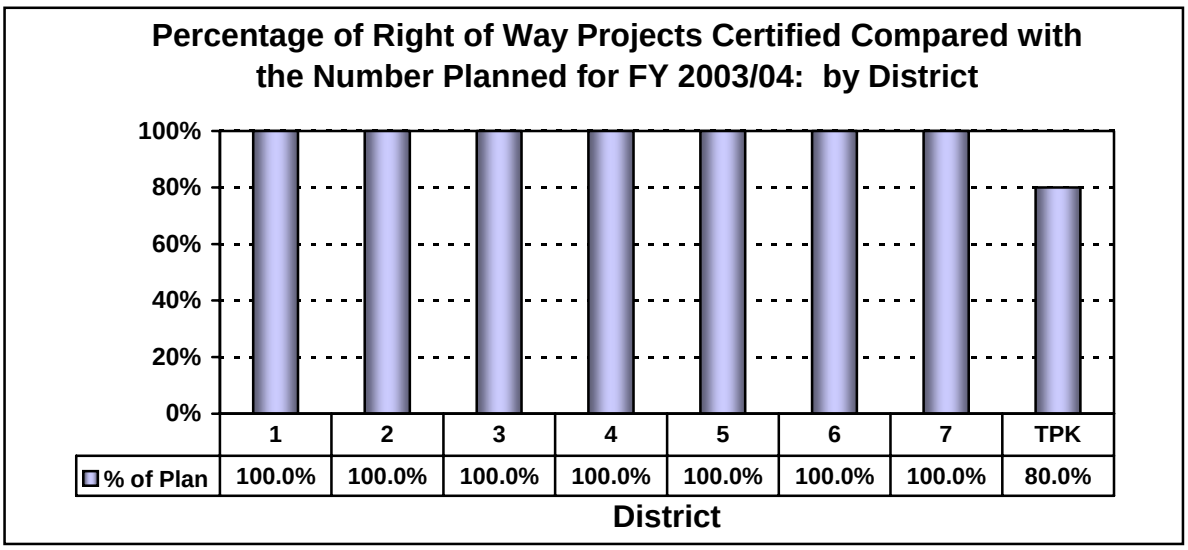
Additional Comments: The plan for FY 2003/04 (65 projects) was about 11% smaller than the plan for FY 2002/03 (73 projects). Department achievement of plan was four percentage points higher (from 94.5% to 98.5%) in FY 2003/04 than in FY 2002/03.



Five-Year Statewide Right of Way Certification Data

	Fiscal Year				
	1999/00	2000/01	2001/02	2002/03	2003/04
Plan	59	71	85	73	65
Actual	57	65	82	69	64
% of Plan	96.6%	91.5%	96.5%	94.5%	98.5%
Advanced	5	3	8	2	2
Additions	16	17	12	9	21
Total	78	85	102	80	87

District Right of Way Certification Information:



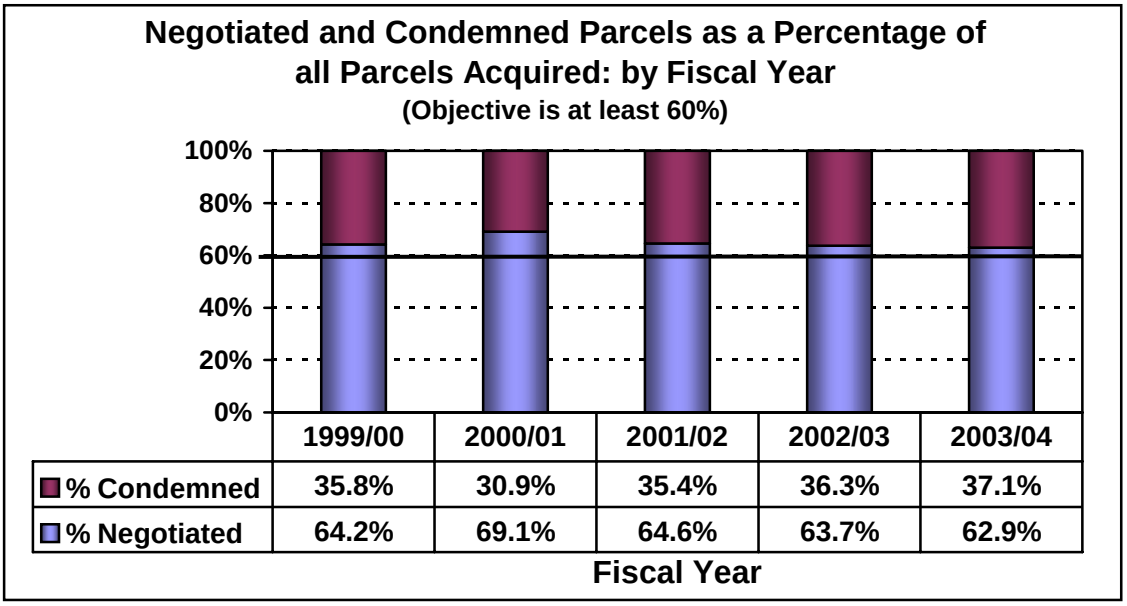
District Right of Way Certification Data for FY 2003/04

	District							
	1	2	3	4	5	6	7	TPK
Plan	5	11	20	6	7	4	7	5
Actual	5	11	20	6	7	4	7	4
% of Plan	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	80.0%
Advanced	0	2	0	0	0	0	0	0
Additions	5	1	4	1	0	5	3	2
Total	10	14	24	7	7	9	10	6

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.

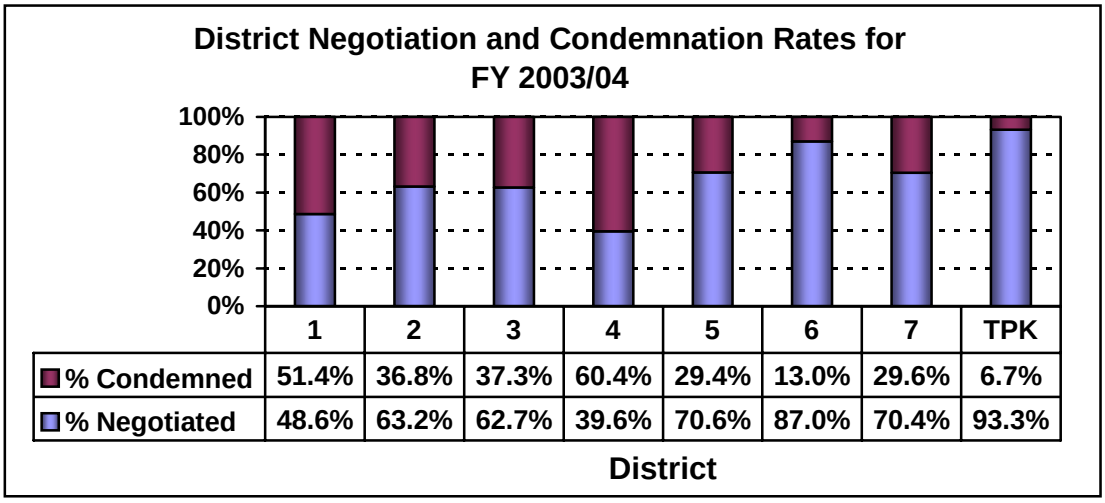
RESULTS: The Department was successful in negotiating the sale of 62.9% of the parcels it acquired during the year. This is almost three percentage points higher than the Department's objective of at least 60%, but slightly lower than in FY 2002/03.



Five-Year Statewide ROW Negotiation and Condemnation Trend Data

	Fiscal Year				
	1999/00	2000/01	2001/02	2002/03	2003/04
# Negotiated	1,029	1,363	1,558	1,133	955
# Condemned	574	610	854	645	564
Total Parcels	1,603	1,973	2,412	1,778	1,519
% Negotiated	64.2%	69.1%	64.6%	63.7%	62.9%
% Condemned	35.8%	30.9%	35.4%	36.3%	37.1%

District ROW Negotiation and Condemnation Data:

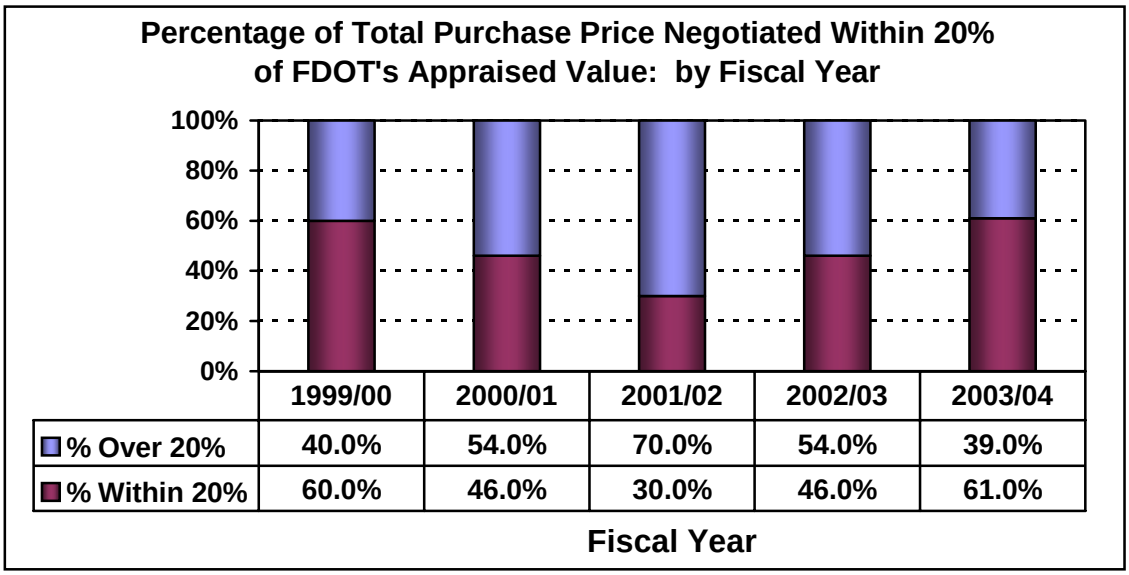


District ROW Negotiation and Condemnation Data for FY 2003/04

	District							
	1	2	3	4	5	6	7	TPK
# Negotiated	71	141	210	72	218	60	169	14
# Condemned	75	82	125	110	91	9	71	1
Total Parcels	146	223	335	182	309	69	240	15
% Negotiated	48.6%	63.2%	62.7%	39.6%	70.6%	87.0%	70.4%	93.3%
% Condemned	51.4%	36.8%	37.3%	60.4%	29.4%	13.0%	29.6%	6.7%

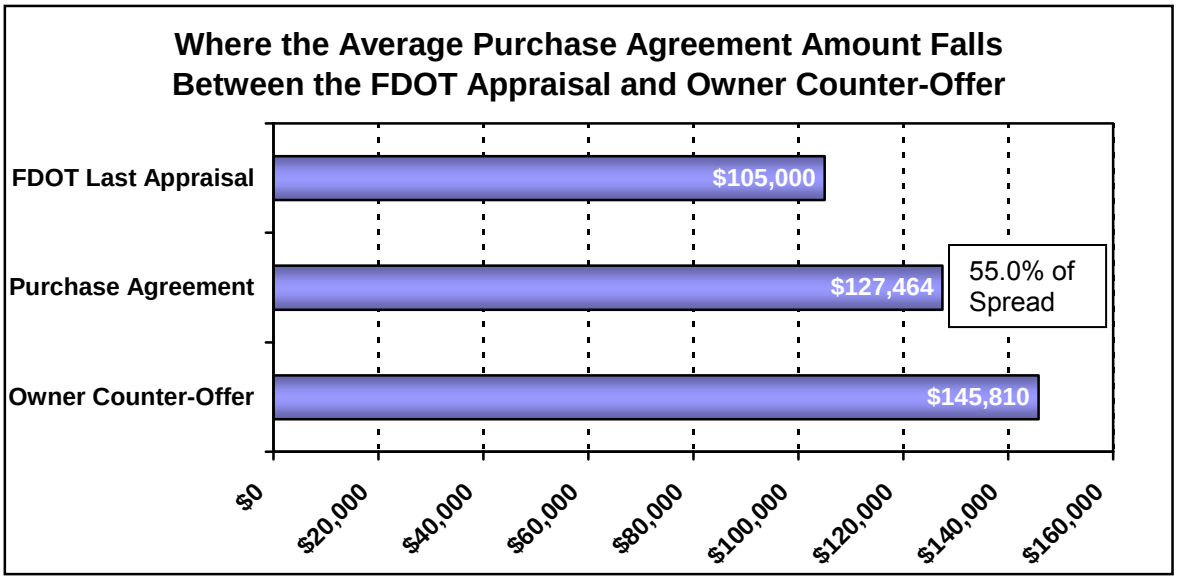
SECONDARY MEASURE: Of the total dollar amount expended for parcels acquired through negotiation, the percentage of that total amount used to purchase parcels within 20 percent of the appraised value. (This measure does not include donated parcels.)

RESULTS: For 820 parcels acquired by negotiation during FY 2003/04, 61% of the $104.5 million expended acquired parcels at a price within 20% of the department's appraised value. The FY 2003/04 percentage is 15 points higher (46% to 61%) than in FY 2002/03.



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 the 820 negotiated parcels was 55.0% of the spread between FDOT's last appraisal and the property owner's counter-offer.



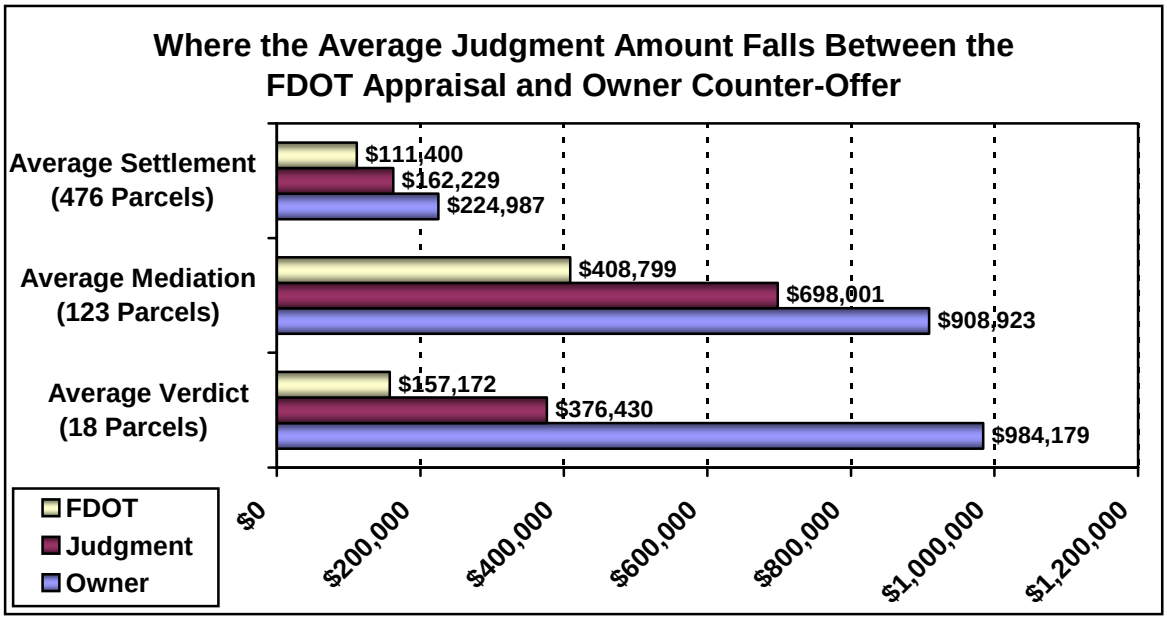
SECONDARY MEASURE: For litigated (condemned) parcels, the following chart shows where the average judgment amount falls between the average of FDOT's last appraisal and the average property owner's counter-offer amount for those cases resolved through a settlement, mediation, or a court verdict.

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 2003/04:

- For the average settlement, the final judgment was 44.8% of the spread;
- For the average mediation, the final judgment was 57.8% of the spread;
- For the average verdict, the final judgment was 26.5% of the spread.

Comparing with last year's results:

- For the average settlement, final judgments in FY 2003/04 were 4.2 percentage points closer to the Department's appraised value than in FY 2002/03 when the average was 49.0% of the spread.
- For the average mediation, final judgments in FY 2003/04 were 2.6 percentage points closer to the landowners' counter offer than in FY 2002/03 when the average was 55.2% of the spread.
- For the average verdict, final judgments in FY 2003/04 were 38.2 percentage points closer to the Department's appraised value than in FY 2002/03 when the average was 64.7% of the spread.



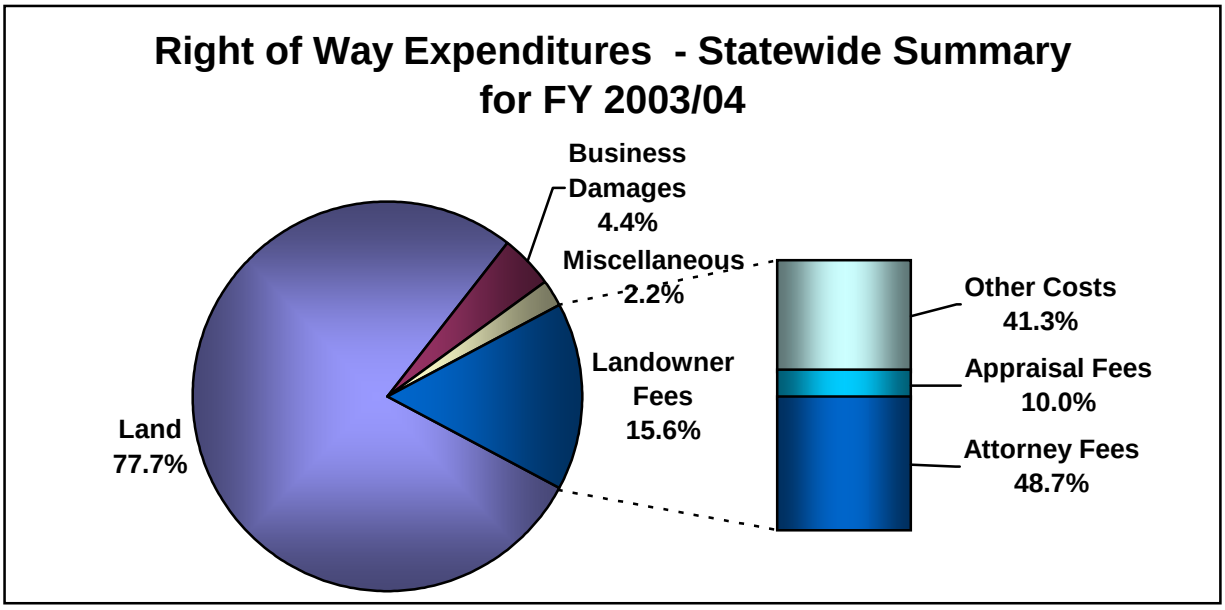
"Settlement" is a final judgment wherein all interests in a parcel are resolved prior to trial and outside mediation.
"Mediation" is a settlement achieved during a formal session mediated by an approved third party mediator.
"Verdict" is a final judgment following a trial.

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, yet, cost-effective manner.

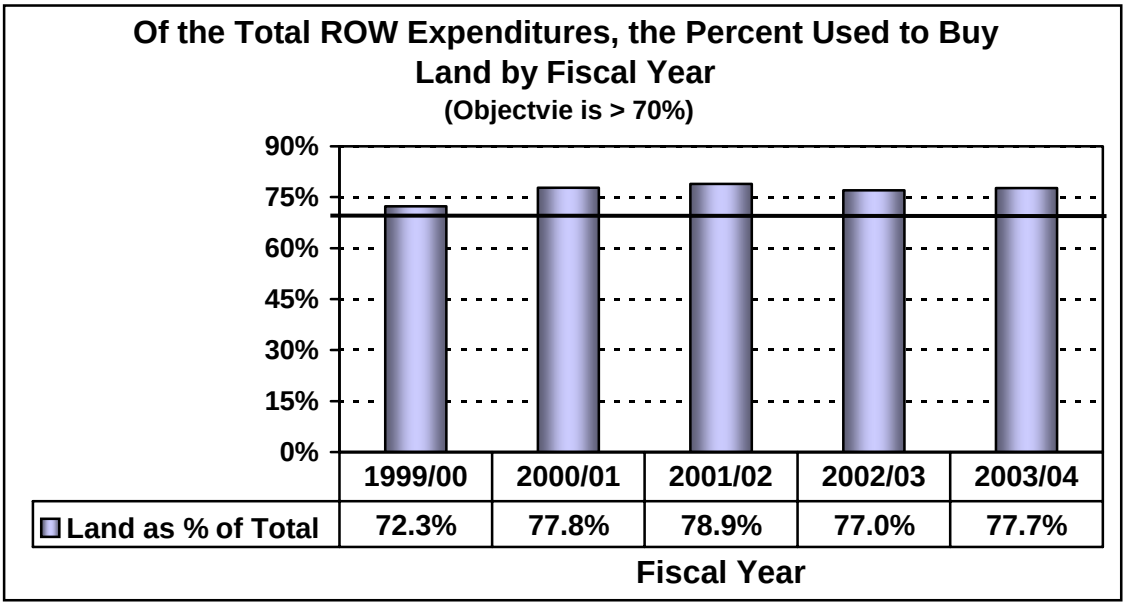
RESULTS: Right of way expenditures totaled $435.8 million during FY 2003/04. Of that total, 77.7% (or $338.8 million) purchased land compared to 77.0% in FY 2002/03. 15.6% (or $67.9 million) paid landowners' fees and costs, 48.7% (or $33.1 million) of that being paid to landowners' attorneys.

Right of Way Expenditure Data Compared to Expenditure Data from FY 2003/04

ROW Expenditures Statewide	FY 2002/03		FY 2003/04		Change	
	$	%	$	%	$	%
Land	$341.4	77.0%	$338.8	77.7%	-$2.6	0.7%
Business Damages	$28.8	6.5%	$19.3	4.4%	-$9.5	-2.1%
Landowner Fees	$66.0	14.9%	$67.9	15.6%	$1.9	0.7%
Miscellaneous	$7.1	1.6%	$9.8	2.2%	$2.7	0.6%
Total	$443.3	100.0%	$435.8	100.0%	-$7.5	-1.7%



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



SR 87 curb and gutter work in District Three.

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, Central 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.

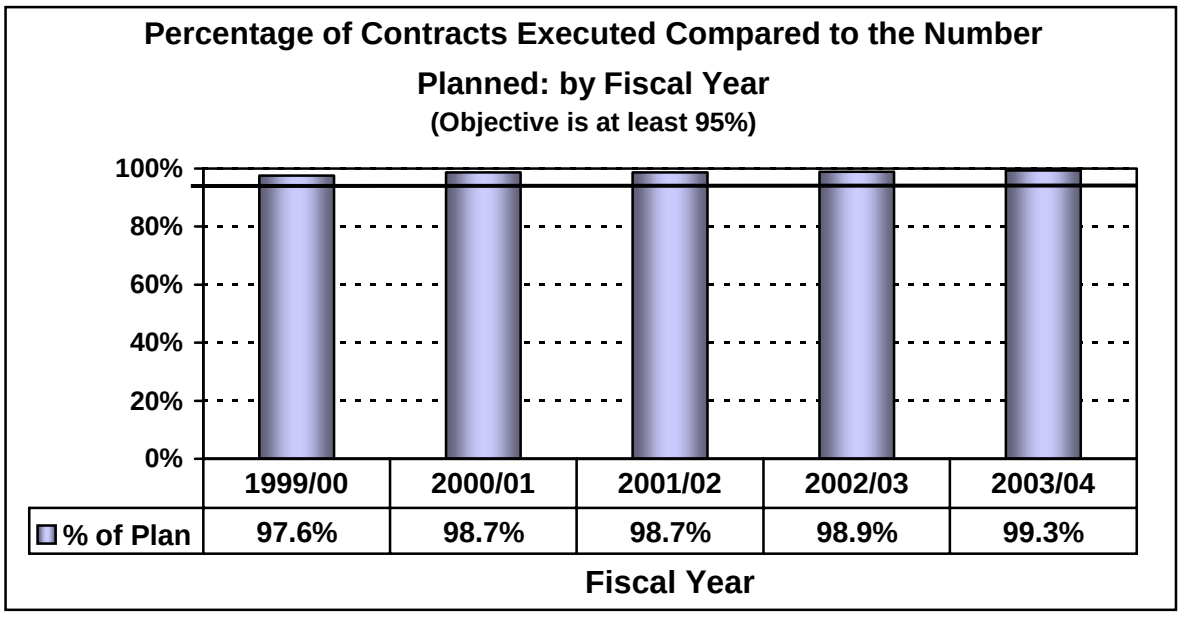
PURPOSE: The construction phase results in the final, tangible product of the Department. The construction program comprises about 43% of total dollars in the work program. The public's foremost concern is "Is the Department building the projects it committed to build, and is it doing so in the time promised?" The following measure and data 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 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 2003/04, the Department achieved 99.3% of its plan, having executed 453 of the 456 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.



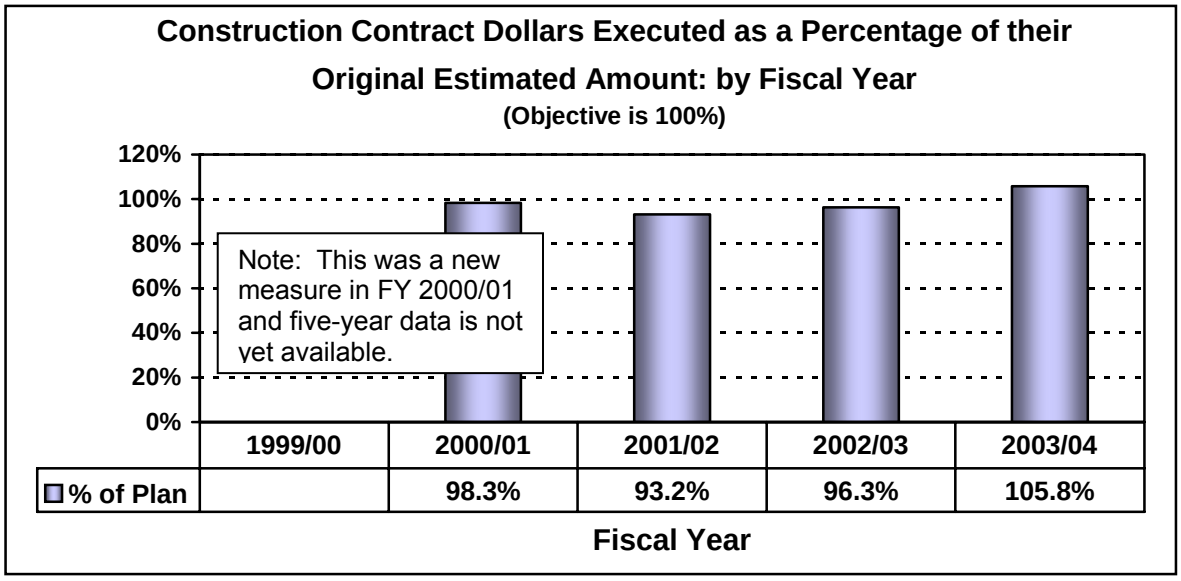
Five-Year Statewide Construction Contract Data

	Fiscal Year				
	1999/00	2000/01	2001/02	2002/03	2003/04
Plan	499	475	530	463	456
Actual	487	469	523	458	453
% of Plan	97.6%	98.7%	98.7%	98.9%	99.3%
Advanced FY	6	2	0	0	0
Additions	48	66	60	52	60
Total	541	537	583	510	513

Additional Comments: The construction contract letting plan for FY 2003/04 was 1.5% smaller than the plan for FY 2002/03. The Department's achievement of plan in FY 2003/04 increased by four-tenths of a percentage point over the previous year's.

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. If the percentage tracks too far below 100%, then the Department is overestimating project amounts, which ties up dollars in its financial plan that could be allocated toward other projects or for other purposes. (Note: This was a new measure in FY 2000/01 and five-year data is not yet available.)

RESULTS: The 453 projects let during the year were estimated to cost a total of $2,124.0 million, and were let at an actual cost of $2,246.9 million, or at 105.8% of their estimated cost. The total dollar volume let during FY 2003/04 ($2,333.4 million, including additions) was $808.6 million more than the total amount let in FY 2002/03 ($1,524.8 million), for an increase of over 53%.

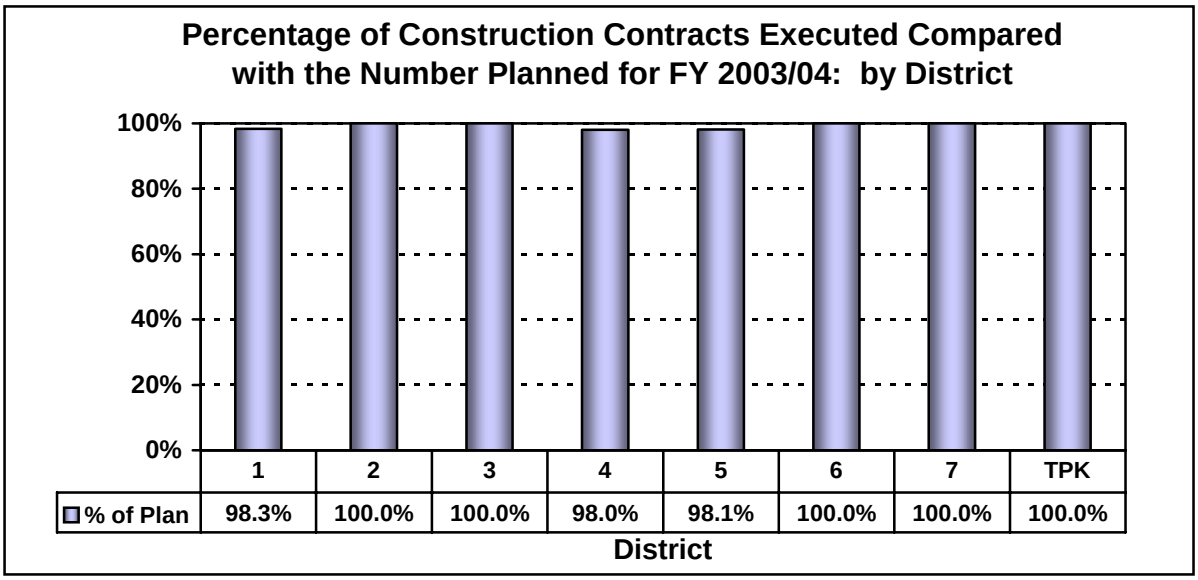


The following table shows the original estimated dollar value of executed construction contracts and the actual executed dollar value of those contracts for each of the last five fiscal years. These numbers make up the previous chart. (Note: As stated above, this was a new measure in FY 2000/01 and historical data is not yet available.)

Statewide Construction Contract Dollars – Estimate vs. Actual

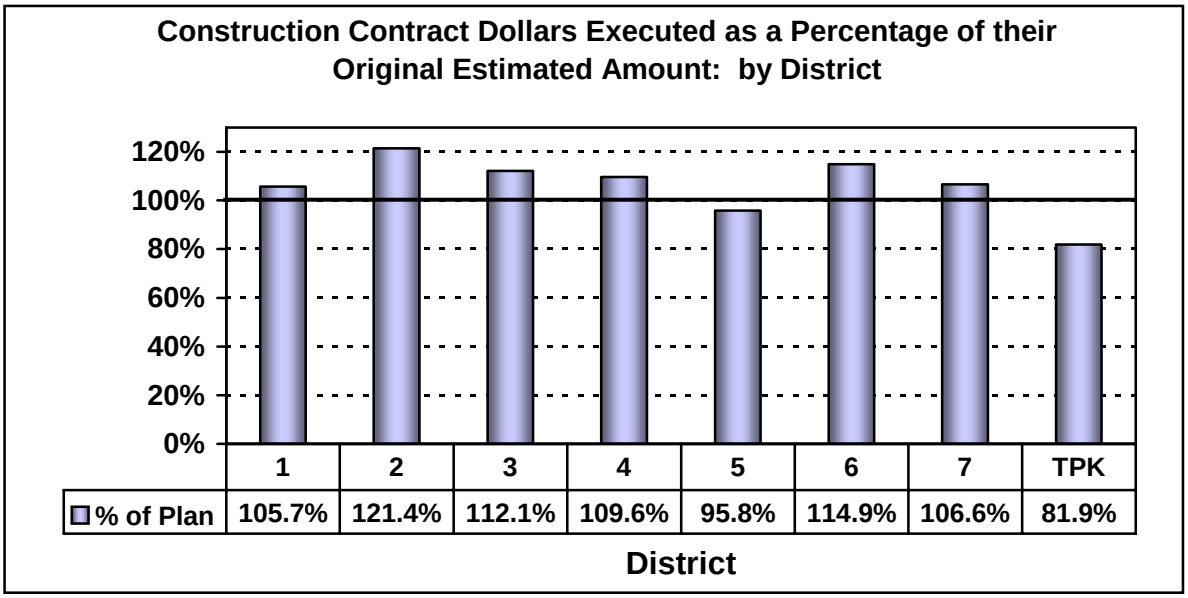
	Fiscal Year				
	1999/00	2000/01	2001/02	2002/03	2003/04
Estimate		$1,443.7	$2,184.1	$1,487.4	$2,124.0
Actual		$1,419.0	$2,035.8	$1,432.5	$2,246.9
% of Plan		98.3%	93.2%	96.3%	105.8%

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



District Construction Contract Data for FY 2003/04

	District							
	1	2	3	4	5	6	7	TPK
Plan	58	81	45	50	53	73	48	48
Actual	57	81	45	49	52	73	48	48
% of Plan	98.3%	100.0%	100.0%	98.0%	98.1%	100.0%	100.0%	100.0%
Advanced FY	0	0	0	0	0	0	0	0
Additions	11	6	10	3	3	14	10	3
Total	68	87	55	52	55	87	58	51



District Construction Contract Dollars: - Estimate vs. Actual for FY 2003/04

	District							
	1	2	3	4	5	6	7	TPK
Estimate	$127.4	$288.9	$159.8	$435.5	$410.2	$168.2	$330.4	$203.6
Actual	$134.6	$350.6	$179.1	$477.4	$392.9	$193.3	$352.2	$166.8
% of Plan	105.7%	121.4%	112.1%	109.6%	95.8%	114.9%	106.6%	81.9%

Interstates 95 and 10 Interchange concept (Jacksonville).

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.

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.

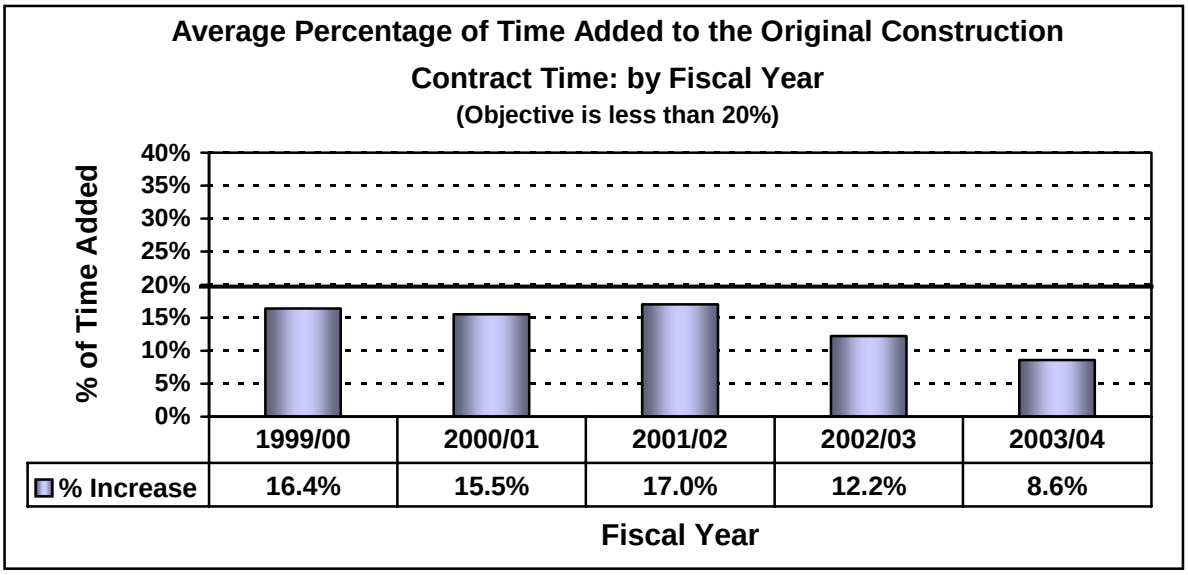
PRIMARY MEASURE: For all construction contracts completed during the Fiscal Year, the original contract time is measured against the actual days used by the contractor to complete the project. This analysis excludes days that have been added to a contract due to inclement weather, since weather days are out of the control of the Department. (Note: This measure was revised in 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. Another change was made in FY 2002/03. With the inception of a new contract management system, the Department now has the ability to track contract information on construction contracts let in the district offices. Therefore, the results starting in FY 2002/03 include information on both Central Office and district-let contracts.)

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 contract time adjustments 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. (The definition of "Completed" being: 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 407 construction contracts completed during FY 2003/04, the original contract time increased an average of 8.6% 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 3.6 percentage points lower (8.6%, down from 12.2%) in FY 2003/04 than in FY 2002/03.

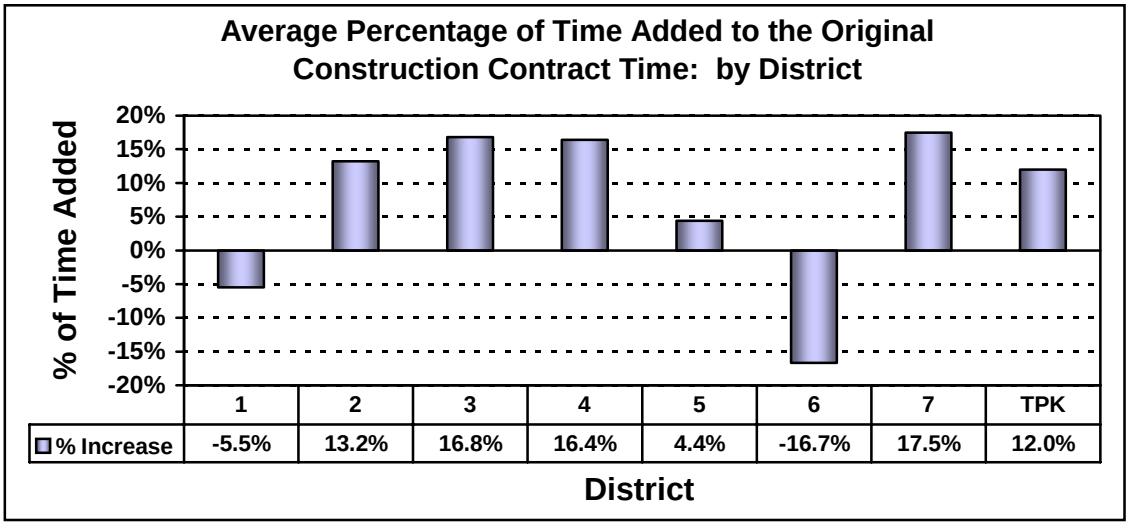


The following table shows the aggregate of original construction contract time, as established by the Department in the contract document, for all projects completed during the fiscal year compared against the final aggregate contract time (original number of contract days plus any additional days the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

Five Year Construction Contract Time Data

	Fiscal Year				
	1999/00	2000/01	2001/02	2002/03	2003/04
Original Days	72,583	84,261	80,525	100,060	95,073
Additional Days	11,897	13,040	13,726	12,235	8,143
Total Days	84,480	97,301	94,251	112,295	103,216
% Increase in Time	16.4%	15.5%	17.0%	12.2%	8.6%
# of Contracts	346	362	323	475	407

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

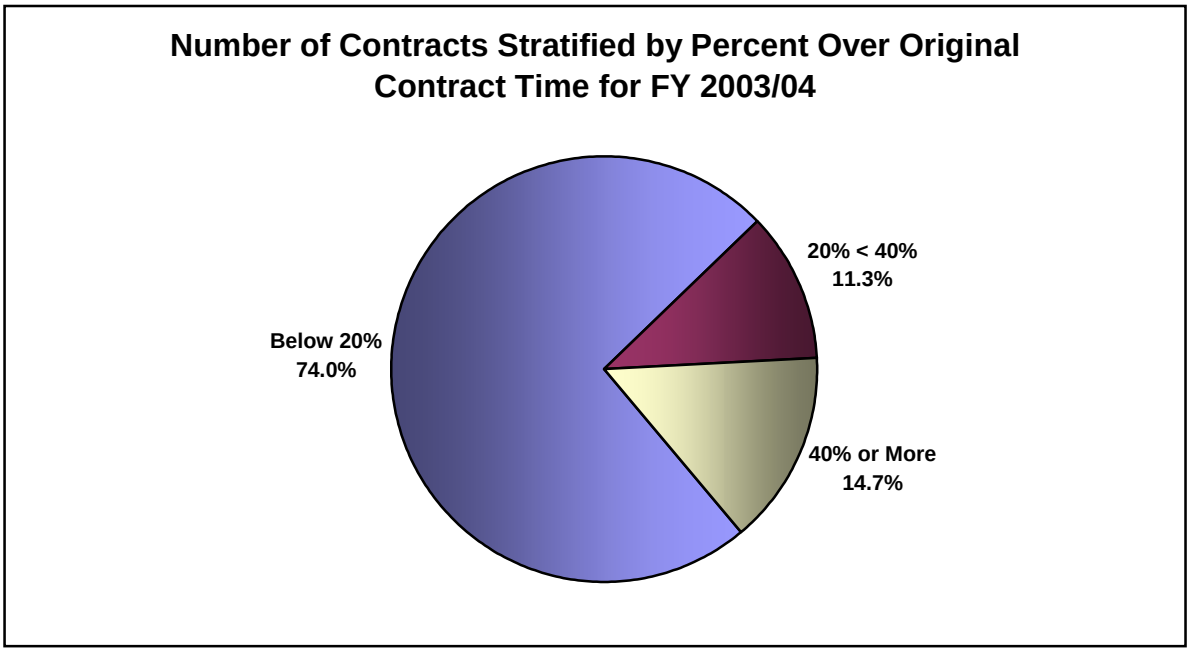


District Construction Contract Time Data for FY 2003/04

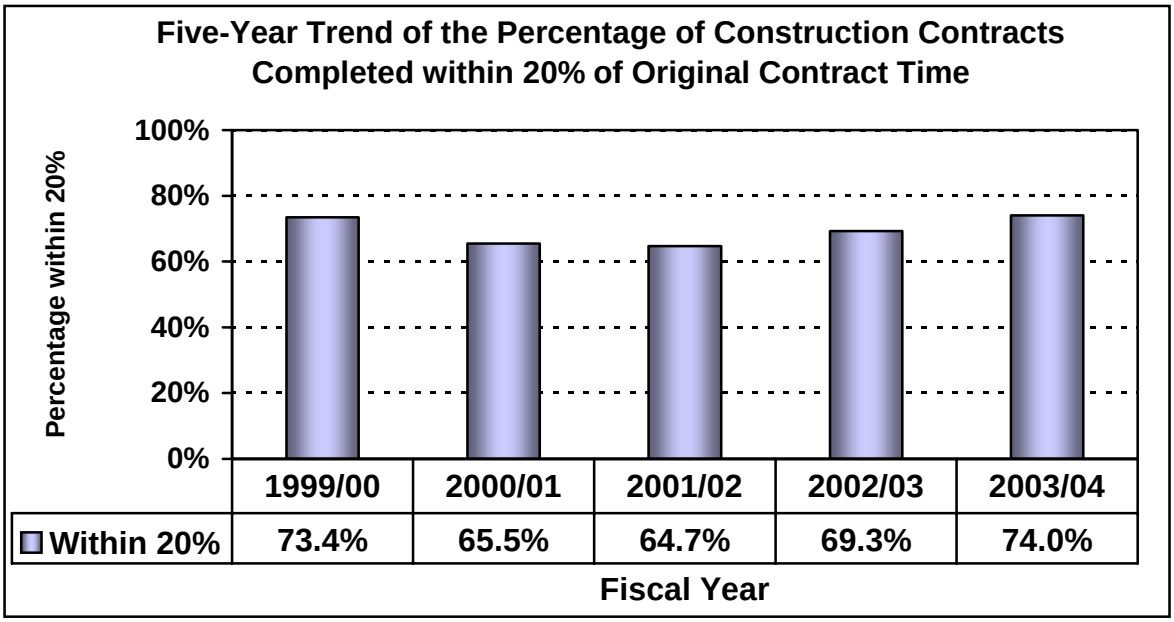
	District							
	1	2	3	4	5	6	7	TPK
Original Days	11,230	13,449	17,778	17,933	9,321	9,753	7,443	8,166
Additional Days	(618)	1,775	2,982	2,934	414	(1,625)	1,300	981
Total Days	10,612	15,224	20,760	20,867	9,735	8,128	8,743	9,147
% Increase in Time	-5.5%	13.2%	16.8%	16.4%	4.4%	-16.7%	17.5%	12.0%
# of Contracts	49	68	79	54	52	40	40	25

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.

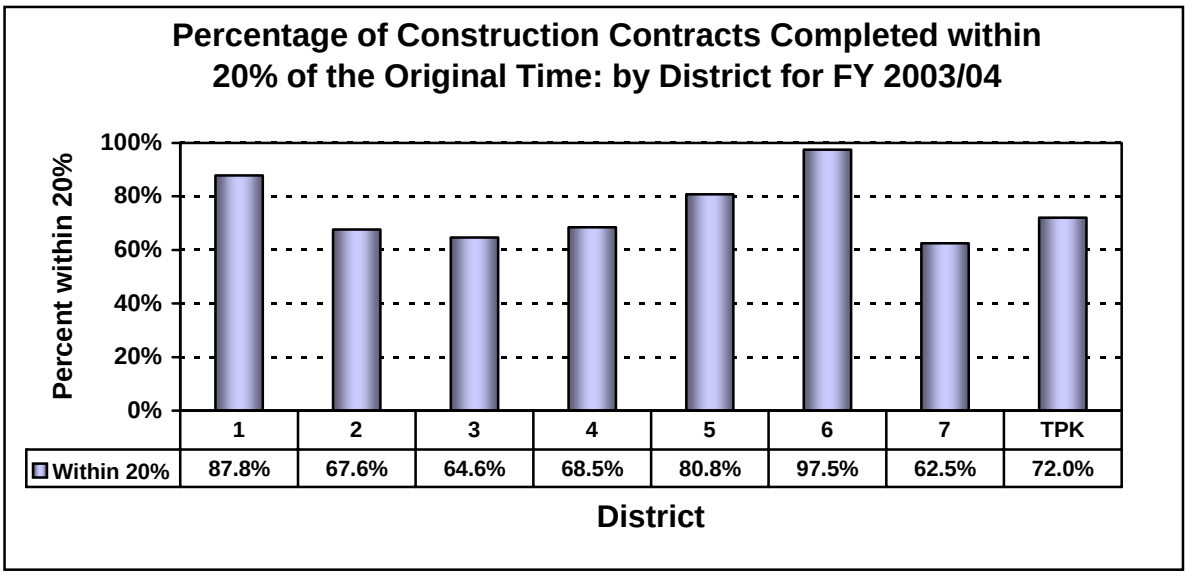
RESULTS: Of the 407 construction contracts completed during FY 2003/04, 301 of them, or 74.0% of the contracts, overran their original contract time by less than 20% as a result of additional days granted and used (excluding weather days); on 11.3%, the original contract time increased by at least 20% but less than 40%; and on 14.7% of all contracts completed, the original contract time increased by 40% or more.



% Over Original Time	# of Contracts	% of Total
Below 20%	301	74.0%
20% < 40%	46	11.3%
40% or More	60	14.7%
Total	407	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 2003/04

	District							
	1	2	3	4	5	6	7	TPK
# of Contracts	49	68	79	54	52	40	40	25
# Under 20%	43	46	51	37	42	39	25	18
Percent under 20%	87.8%	67.6%	64.6%	68.5%	80.8%	97.5%	62.5%	72.0%

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.

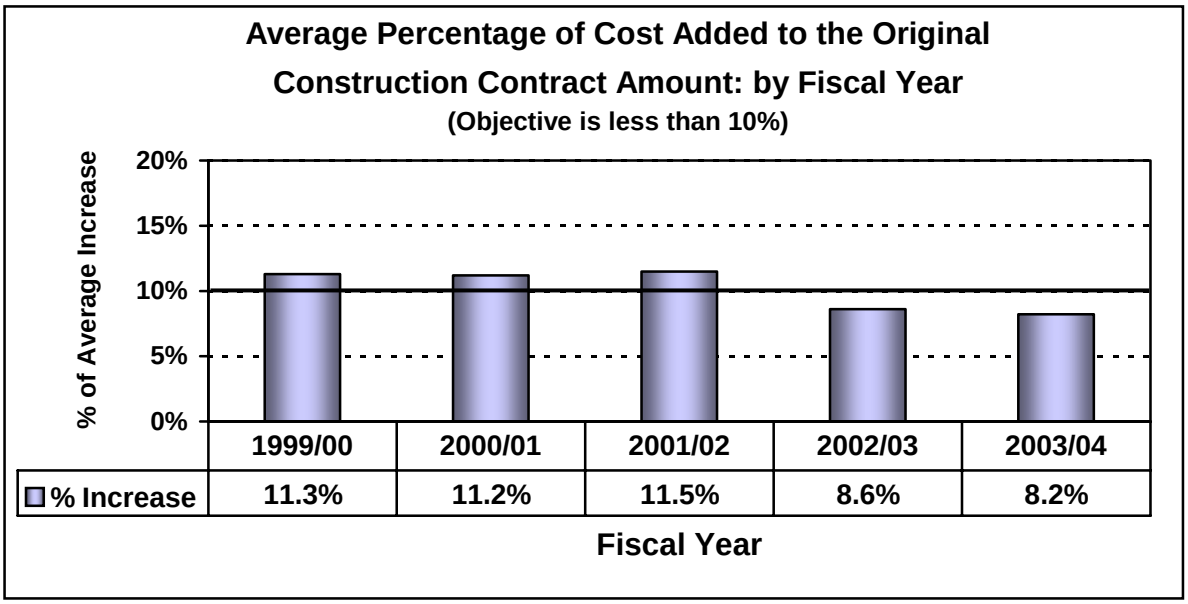
PRIMARY MEASURE: The original contract amount compared against the final amount paid on all construction contracts completed during the Fiscal Year. (Note: This measure was revised in FY 2000/01. Prior to that point, not all cost adjustments made through minor overruns/underruns were included in this analysis due to contract management processes. These costs are now being captured and are reflected in the data. Another change was made in FY 2002/03. With the inception of a new contract management system, the Department now has the ability to track contract information on construction contracts let in the district offices. Therefore, the results from FY 2002/03 forward include information on both Central Office and district-let contracts.)

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 contract cost adjustments 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. (The definition of "Completed" being: 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 407 construction contracts completed during FY 2003/04, the total original contract amount of $1,387.0 million increased by 8.2% due to cost adjustments, for a total final contract amount of $1,500.5 million.

Additional Comments: The percentage increase in contract cost on completed contracts was four-tenths of a percentage point lower (8.2%, down from 8.6%) in FY 2003/04 than in FY 2002/03.

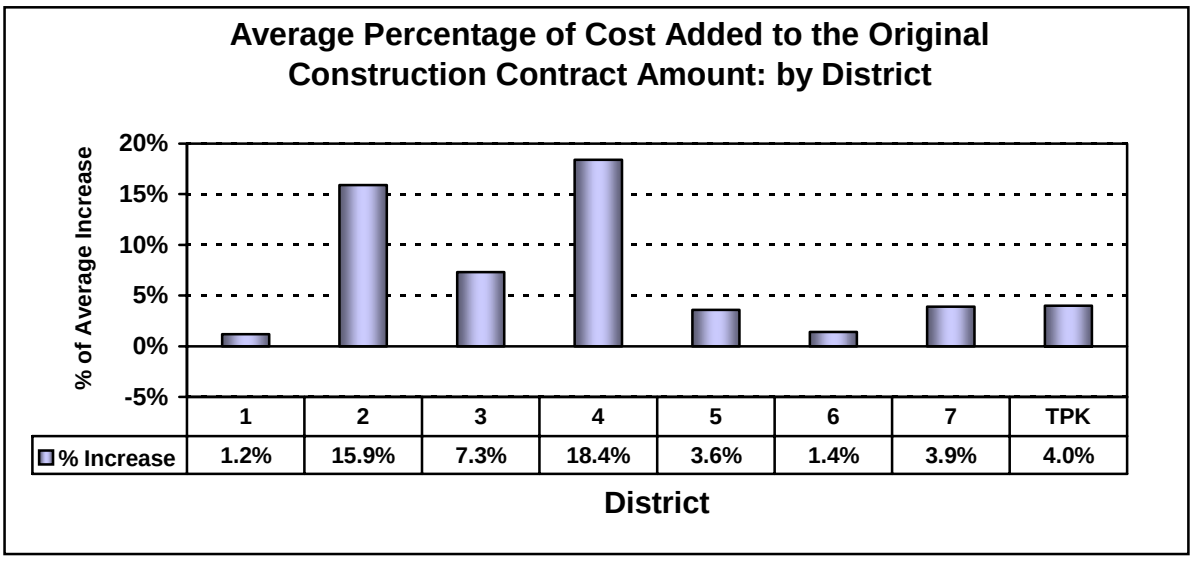


The following table shows the aggregate data of the original construction contract amounts, as established by the contract bid, for all projects completed during the fiscal year compared against the final aggregate contract amount (original contract amount plus any additional money added to the contract 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				
	1999/00	2000/01	2001/02	2002/03	2003/04
Original Amount	$794.7	$1,112.1	$1,112.6	$1,400.8	$1,387.0
Additional Amount	$90.1	$124.8	$127.7	$121.1	$113.6
Total Amount	$884.8	$1,236.9	$1,240.3	$1,522.0	$1,500.5
% Increase in Cost	11.3%	11.2%	11.5%	8.6%	8.2%
# of Contracts	346	362	323	475	407

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

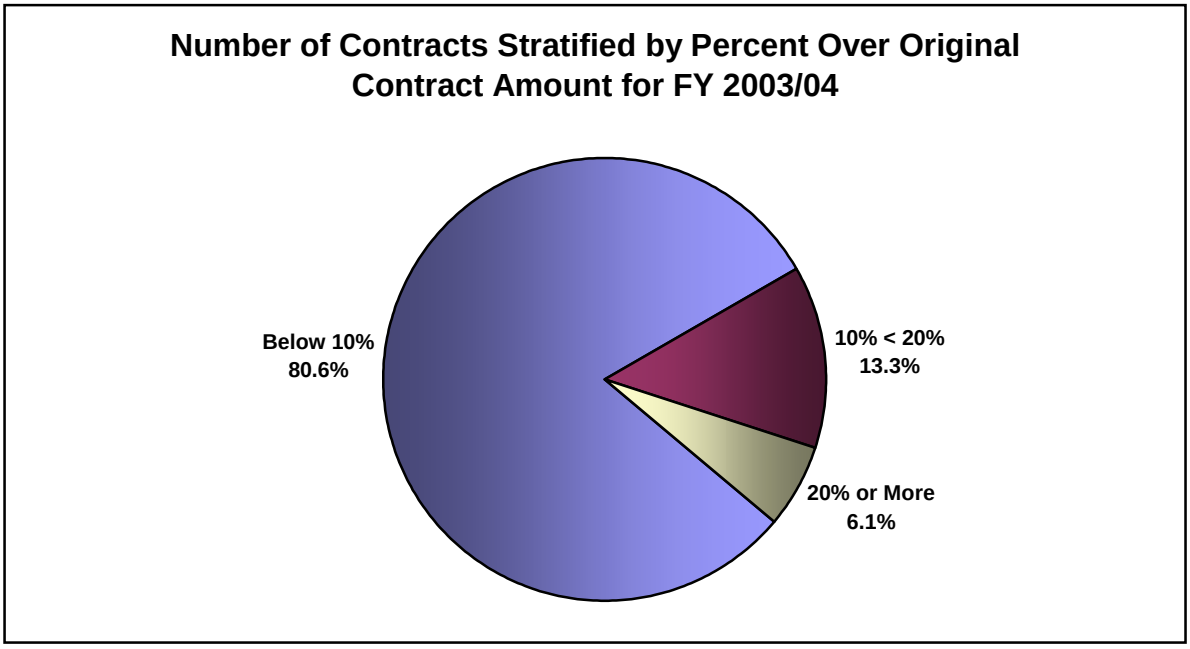


District Construction Contract Cost Data for FY 2003/04

($ in millions)	District							
	1	2	3	4	5	6	7	TPK
Original Amount	$157.9	$186.5	$231.7	$255.9	$129.1	$136.9	$101.8	$187.1
Additional Amount	$1.8	$29.6	$17.0	$47.2	$4.6	$1.9	$4.0	$7.5
Total Amount	$159.7	$216.2	$248.7	$303.1	$133.7	$138.8	$105.7	$194.6
% Increase in Cost	1.2%	15.9%	7.3%	18.4%	3.6%	1.4%	3.9%	4.0%
# of Contracts	49	68	79	54	52	40	40	25

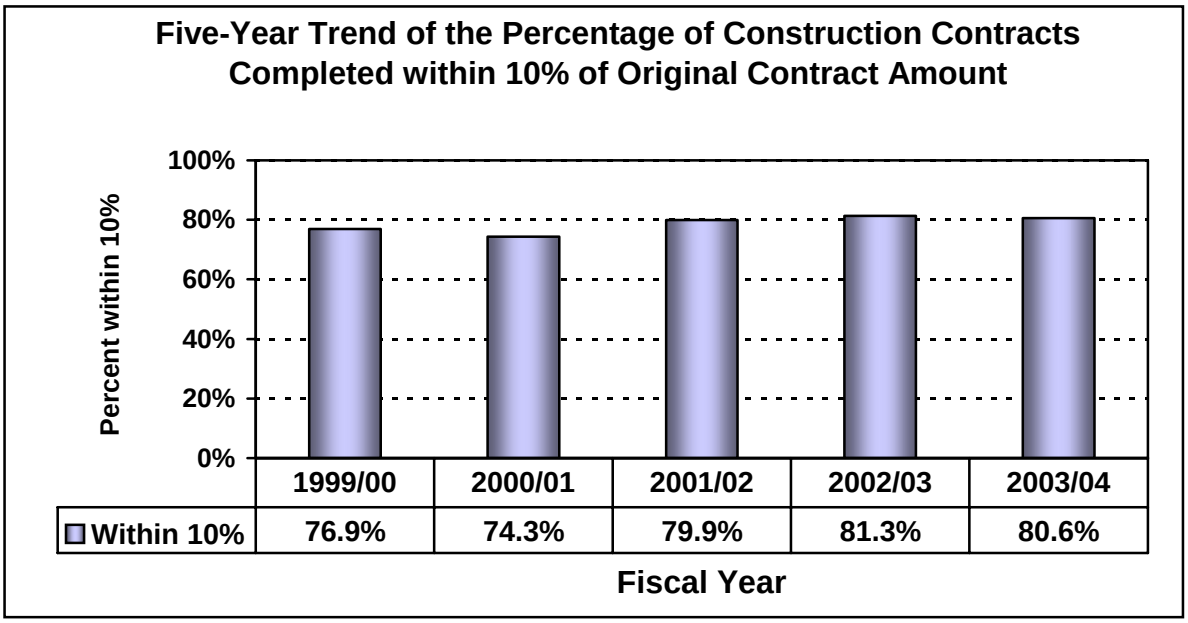
SECONDARY MEASURE: The chart and table below illustrate the number and percentage of construction contracts completed during the fiscal year, stratified by percentage increase over original contract amount: less than 10% over original amount; 10% to less than 20% over original amount; and 20% or more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

RESULT: Of the 407 construction contracts completed during FY 2003/04, on 328 of them, or 80.6%, the original contract amount increased by less than 10% as a result of supplemental agreements and minor cost adjustments; on 13.3%, the original contract amount increased by at least 10% but less than 20%; and on 6.1% of all contracts completed, the original contract amount increased by 20% or more.

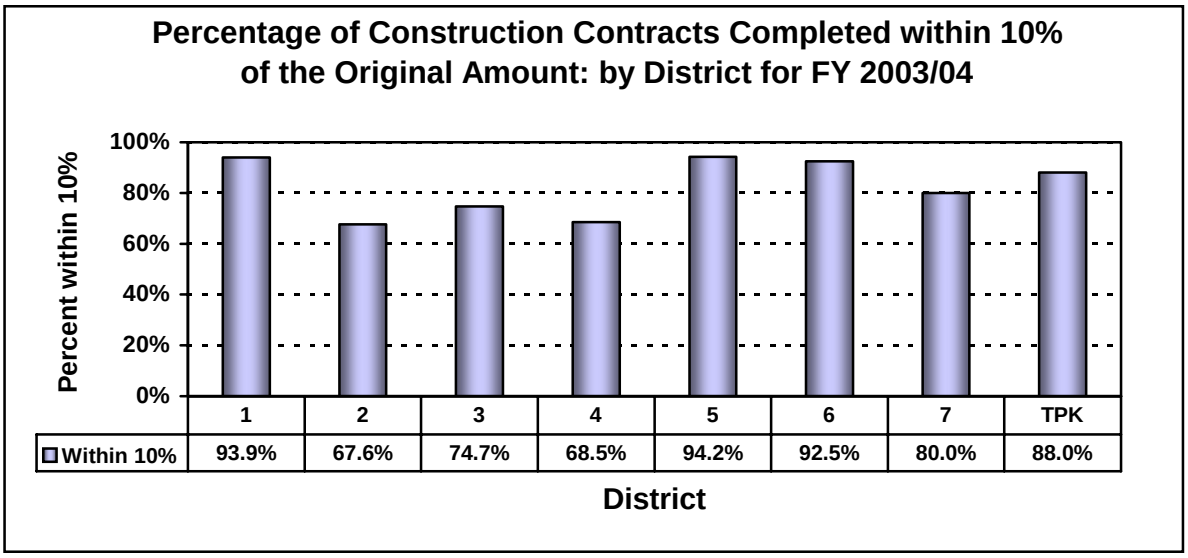


% Over Original Amount	# of Contracts	% of Total
Below 10%	328	80.6%
10% < 20%	54	13.3%
20% or More	25	6.1%
Total	407	100.0%

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 2002/03.



Contracts Completed Within 10% of Original Amount
District Detail for FY 2003/04

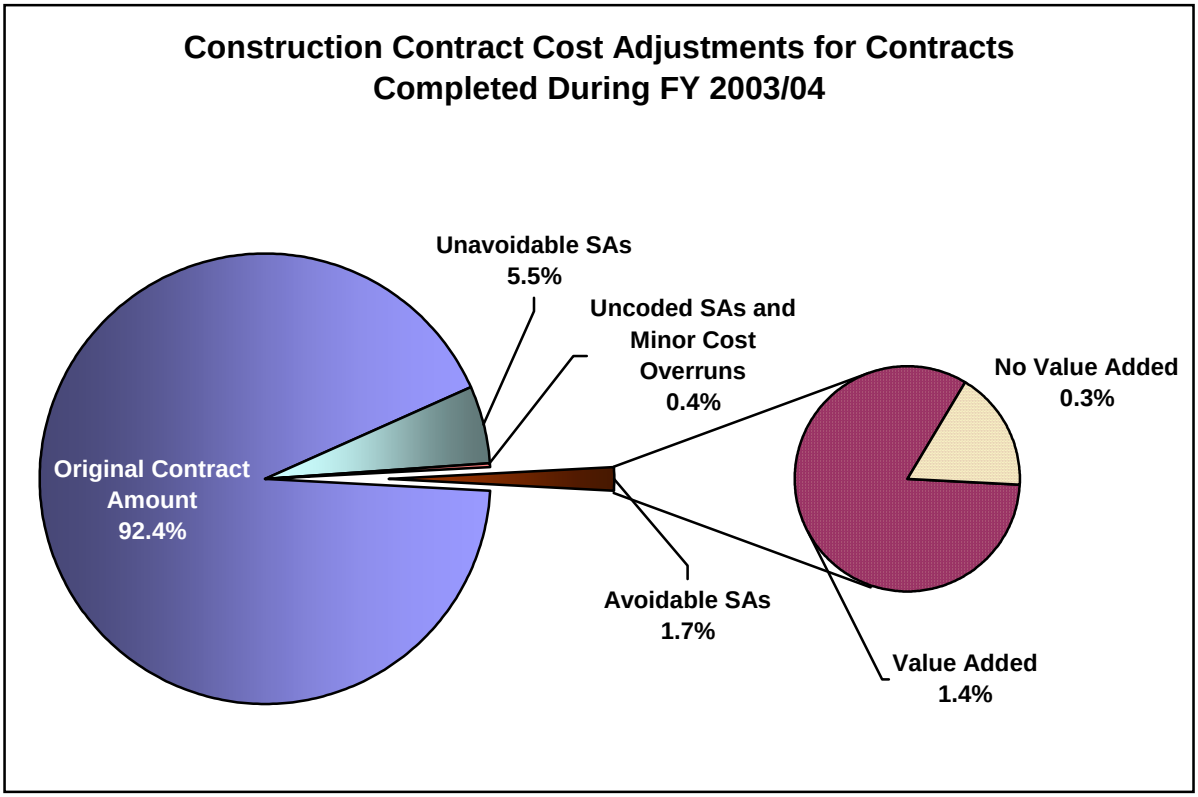
	District							
	1	2	3	4	5	6	7	TPK
# of Contracts	49	68	79	54	52	40	40	25
# Under 10%	46	46	59	37	49	37	32	22
Percent under 10%	93.9%	67.6%	74.7%	68.5%	94.2%	92.5%	80.0%	88.0%

Analysis of Cost Adjustments Due to Supplemental Agreements (SAs)

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 94 percent of cost adjustments to the construction contracts closed out in FY 2003/04. Minor cost overruns make up the remaining six 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 when 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 monetary 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 to reflect 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 2003/04 of $1,500.5 million, a total of $24.8 million (or 1.7%) was deemed avoidable (should have been foreseen) supplemental agreements. Of the $24.8 million avoidable supplemental agreement amount, $20.5 million (or 1.4%) added value to the projects completed, and $4.3 million (or 0.3%) did not add value to the projects.

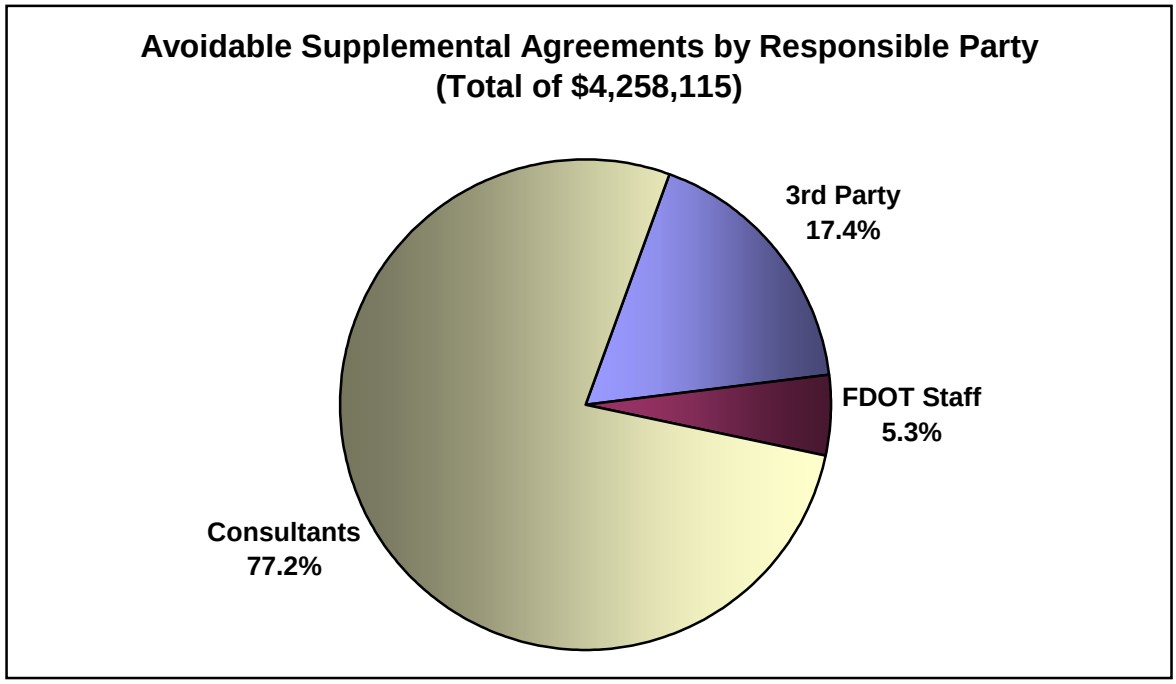


	Amount	%
Original Contract Amount	$1,386,972,420	92.4%
Unavoidable SAs	$82,510,761	5.5%
Avoidable SAs	$24,794,114	1.7%
Uncoded SAs	$186,539	0.0%
Minor Cost Overruns	$6,064,498	0.4%
Total Final Amount Paid	$1,500,528,332	100.0%

Avoidable SAs		
Value Added	$20,535,999	1.4%
No Value Added	$4,258,115	0.3%
Total	$24,794,114	1.7%

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 2003/04, $4,258,115 (or 0.3%) 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."



Responsible Party	Amount	%
3rd Party	$742,179	17.43%
Consultants	$3,288,981	77.24%
FDOT Staff	$226,955	5.33%
Total Avoidable SA Amount	$4,258,115	100.00%

[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

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

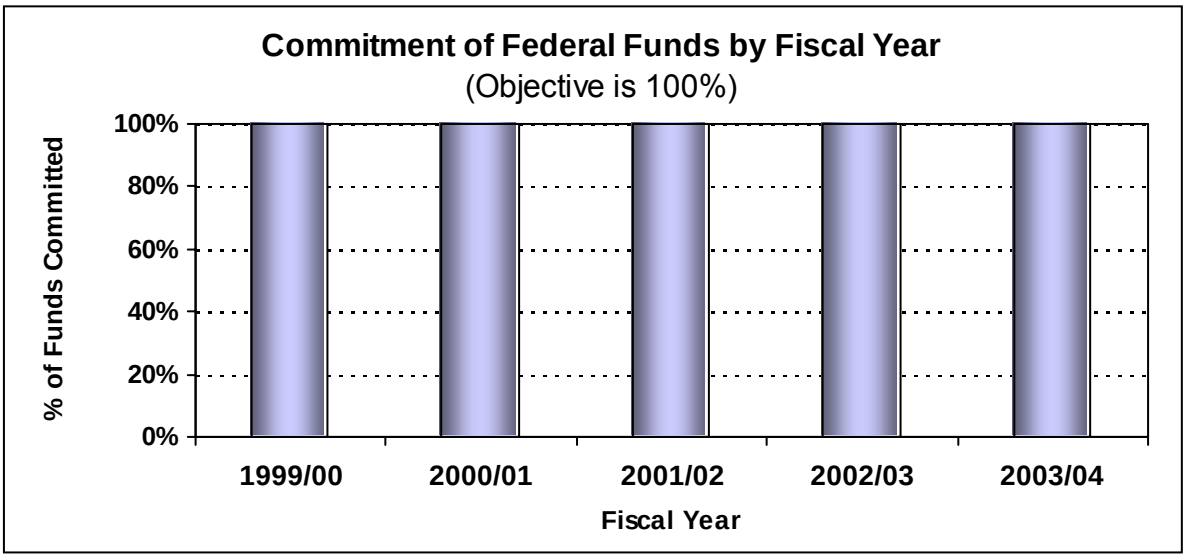
PURPOSE: Federal funding must be committed to projects within a specified time period, otherwise, unused funds are forfeited, pooled, and "redistributed" to states that have exhausted their federal funds and have the ability to use additional funds. With transportation needs that far exceed available 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 (September 30th), 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 Federal Aid Management Office within the Office of Work Program Development.

RESULTS: The Department is on track to commit 100% ($1,149.4 million) of the federal funds subject to forfeiture at federal fiscal year end (September 30, 2004) if not committed. The Department requested an additional $150.0 million in redistributed federal funds. The Department received $43.7 million out of $973.8 million in redistributed funds.



	Fiscal Year				
	1999/00	2000/01	2001/02	2002/03	2003/04
Planned Commitments	$1,201.8	$1,281.1	$1,272.4	$1,128.3	$1,149.4
Actual Commitments	$1,201.8	$1,281.1	$1,272.4	$1,128.3	$1,149.4
% of Plan	100.0%	100.0%	100.0%	100.0%	100.0%

4b. MANAGEMENT OF ADMINISTRATIVE COSTS

BACKGROUND: Administrative Costs include direct support to the production functions of the Department -- senior management (Central Office and Districts), legal and audit staff, public information and government liaison staff, comptroller's office, budget staff, personnel and purchasing staff, procurement 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 the Division of Administrative Hearings; refunds; transfers; and legislative relief bills.

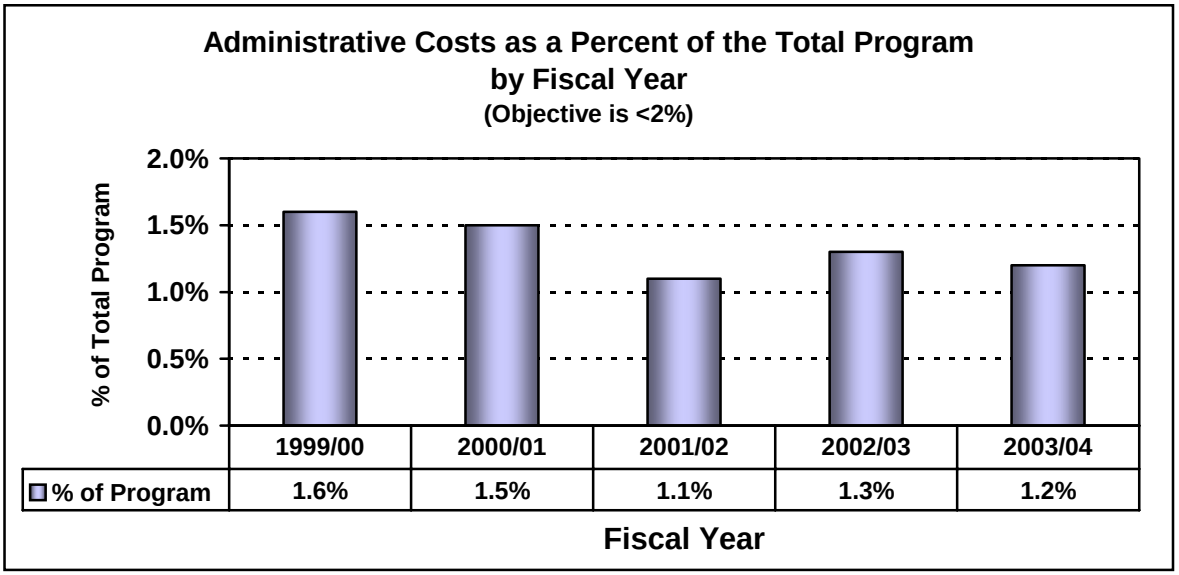
PURPOSE: The Department is one of few state agencies that produce a tangible product -- a transportation system composed of roads, bridges, and other ancillary facilities. The Florida taxpayer, who funds construction and maintenance of the state transportation system, has a legitimate expectation that 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. Therefore, 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.

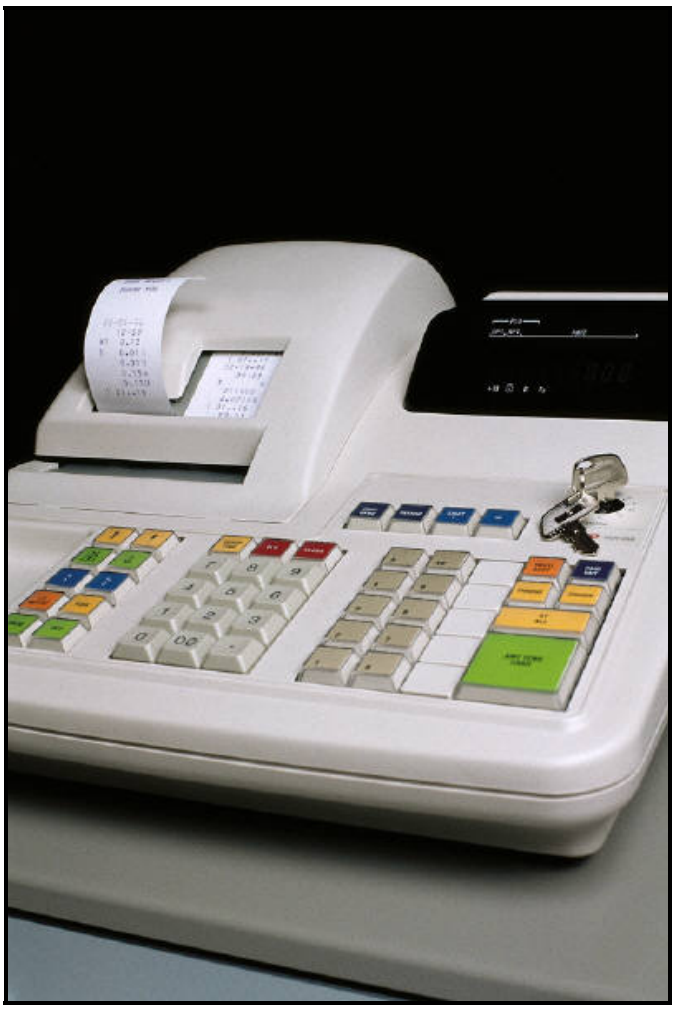
METHODOLOGY: This measure tracks administrative costs as a percent of the total program (product, product support, operations, maintenance, and administration) and by actual dollar amounts. The measure allows evaluators to assess the reasonableness of administrative costs over time, and where increases 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 the administrative cost data.

RESULTS: Administrative costs were 1.2% of the total program for FY 2003/04, or $68.1 million out of a total program of $5.5 billion. Based on actual dollar amounts of administrative costs, there was a 12.2% increase (from $60.7 million to $68.1 million) in administrative costs in FY 2003/04 compared to FY 2002/03.



Five Year Administrative Cost Data

	Fiscal Year				
	1999/00	2000/01	2001/02	2002/03	2003/04
Administrative Costs	$63.7	$66.9	$60.0	$60.7	$68.1
Total Program	$4,021.2	$4,580.6	$5,602.1	$4,800.0	$5,506.1
% of Total Program	1.6%	1.5%	1.1%	1.3%	1.2%



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: This measure is composed of three parts that assess the Department's performance in cash management. Actual cash receipts are compared against forecasted cash receipts, showing the resulting variance. Actual cash disbursements are compared against forecasted cash disbursements, showing the resulting variance. The third part measures the lowest annual cash balance 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. The Department monitors the cash balance daily and strives to keep it within $200 to $400 million, but this range is just a guideline.

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 are collected from the Department's Office of Comptroller, Financial Management Office and analyzed.

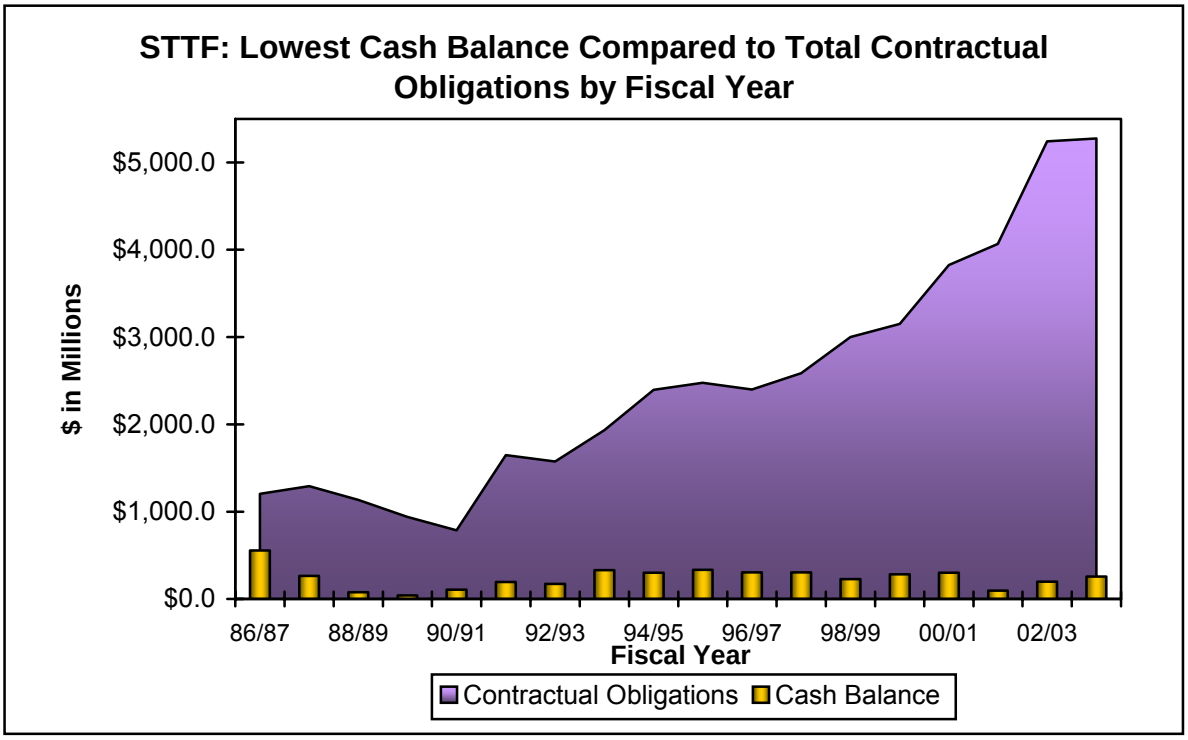
RESULTS: Actual cash receipts of $4,898.2 million for FY 2003/04 were 1.3% lower ($62.6 million) than the Department's August 2003 forecasted receipts of $4,960.8 million. Actual cash disbursements of $4,924.8 million for FY 2003/04 were 0.9% lower ($44.1 million) than the Department's August 2003 forecasted disbursements of $4,968.9 million. For FY 2003/04, the Department's lowest end-of-month cash balance was $256.9 million or 4.9% of its total outstanding contractual obligations of $5,276.2 million.

State Transportation Trust Fund

Cash Receipts	
Forecast of August 2003	$4,960.8
2003/04 Actual	$4,898.2
$ Variance	-$62.6
% Variance	-1.3%

Cash Disbursements	
Forecast of August 2003	$4,968.9
2003/04 Actual	$4,924.8
$ Variance	-$44.1
% Variance	-0.9%

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%
2002/03	$199.0	$5,241.7	3.8%
2003/04	$256.9	$5,276.2	4.9%

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 seven and one half percent of federal fund receipts with small business concerns owned and controlled by socially and economically disadvantaged individuals. The Department plans to obtain this expenditure through continuation of its 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 minority businesses. 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.

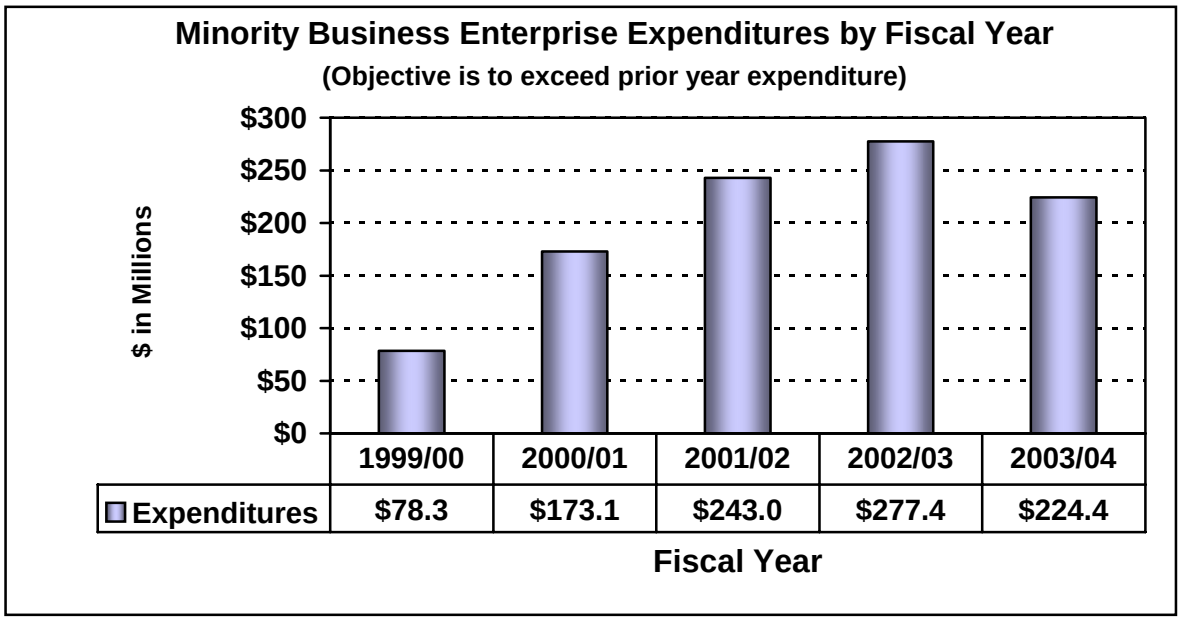
PURPOSE: The Department strives to improve economic opportunities for the state's women and minority owned businesses by ensuring equity in the execution of contracting provisions.

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 MBE expenditure level for FY 2003/04 was $224.4 million which is $53.0 million, or 19.1%, less than last year's expenditure of $277.4 million.



Five Year Statewide Minority Business Enterprise Expenditure Data

	Fiscal Year				
	1999/00	2000/01	2001/02	2002/03	2003/04
$ Goal	$85,398,751	$78,313,603	$173,064,642	$243,011,412	$277,412,951
Actual	$78,313,603	$173,064,642	$243,011,412	$277,412,951	$224,362,213
% over objective	-8.3%	121.0%	40.4%	14.2%	-19.1%

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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.

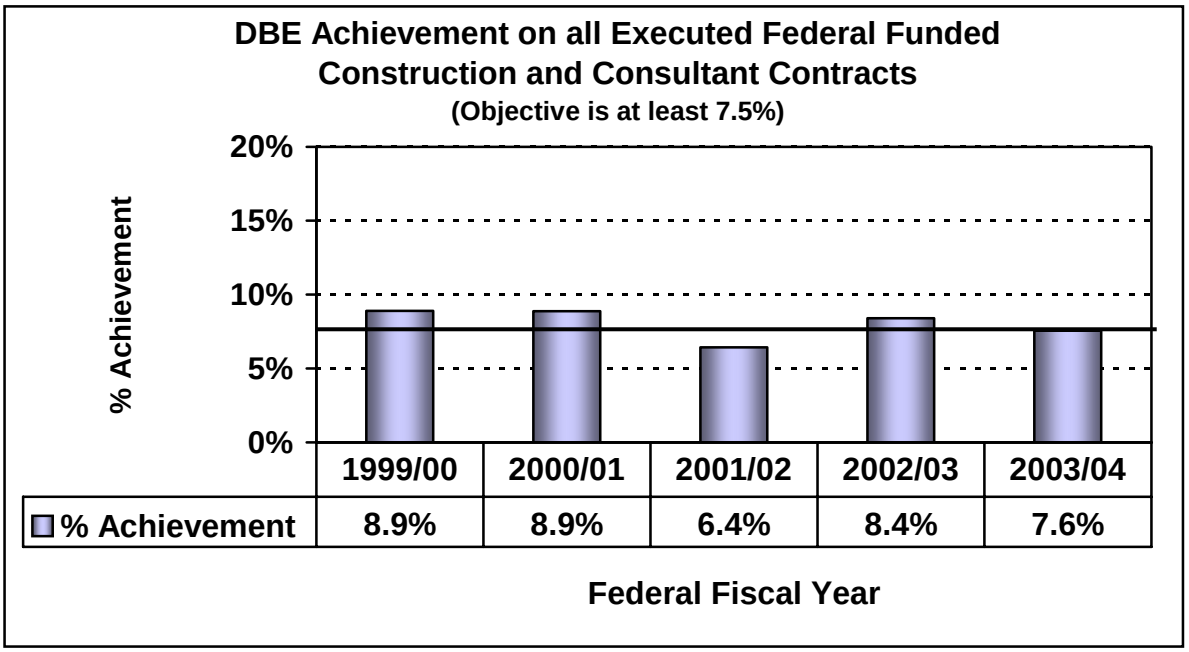
SECONDARY MEASURE**:** The dollar volume of Disadvantaged Business Enterprise participation as a percentage of total federal funded construction and consultant contract amount.

OBJECTIVE: The Department has set a goal of seven and one half 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.

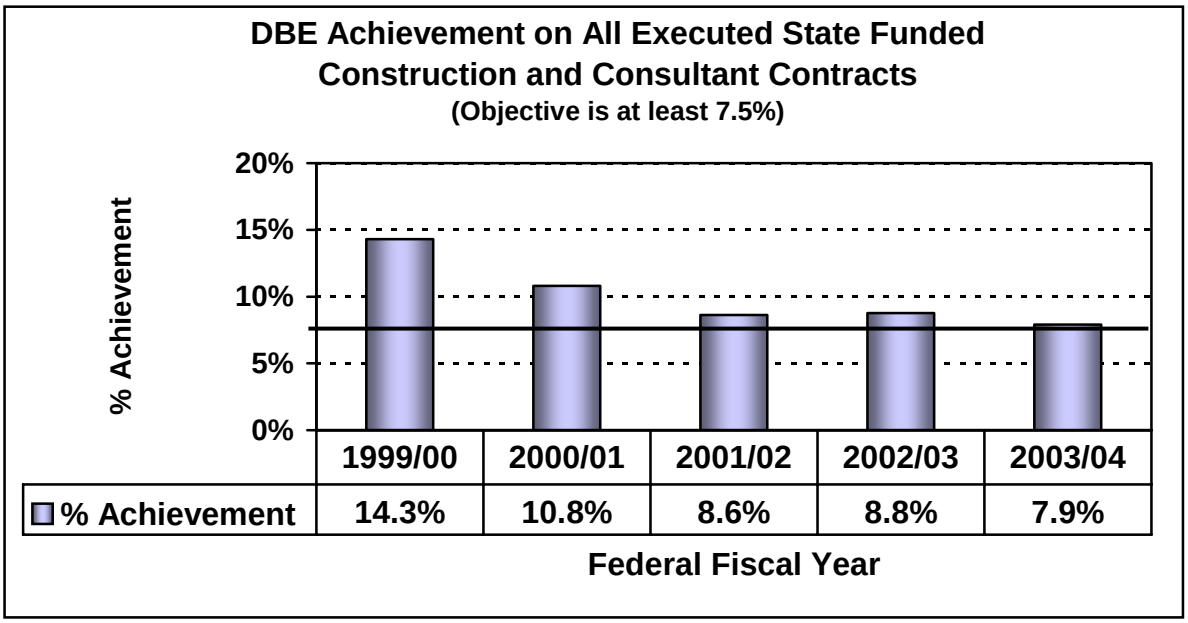
METHODOLOGY: The Department's Equal Opportunity Office is responsible for tracking disadvantaged business program data. Data is submitted by contractors illustrating their level of commitment to using disadvantaged businesses on each project. The data is then compiled and reported. Note: Since the DBE program is a federal program, results are presented by federal fiscal year (FFY), which begins October 1st and ends September 30th of each year. The charts below include data through August 31, 2004.

RESULTS: For all construction and consultant contracts financed in part by federal funds through the end of the federal fiscal year, DBE participation is 7.6%, just over the 7.5% objective. For all construction and consultant contracts that are 100% state funded, DBE participation is 7.9%.

Additional Comments: Through the end of September, the DBE participation rate for all construction and consultant contracts financed in part by federal funds is lower in FFY 2003/04 than it was in FFY 2002/03. The DBE participation rate for all *state* funded construction and consultant contracts decreased by eight tenths of a percentage point this year.



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



6. Safety Initiatives

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

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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 106,273 miles of roads, of which 18,718 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).

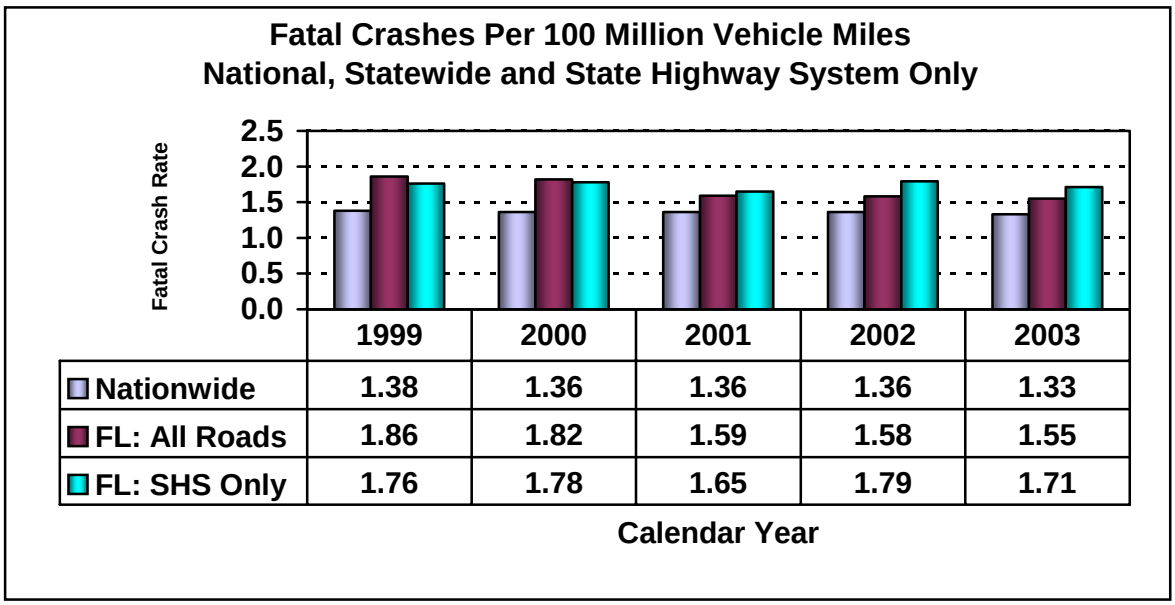
PURPOSE: Safe travel in Florida is the Department's number one goal. There is a defined Safety Program within the Department, but this program alone does not reflect the Department's total commitment to improving safety on the State Highway System. For example, current design standards incorporate safety 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 it from ever achieving a fatality rate equal to or below the national rate.]

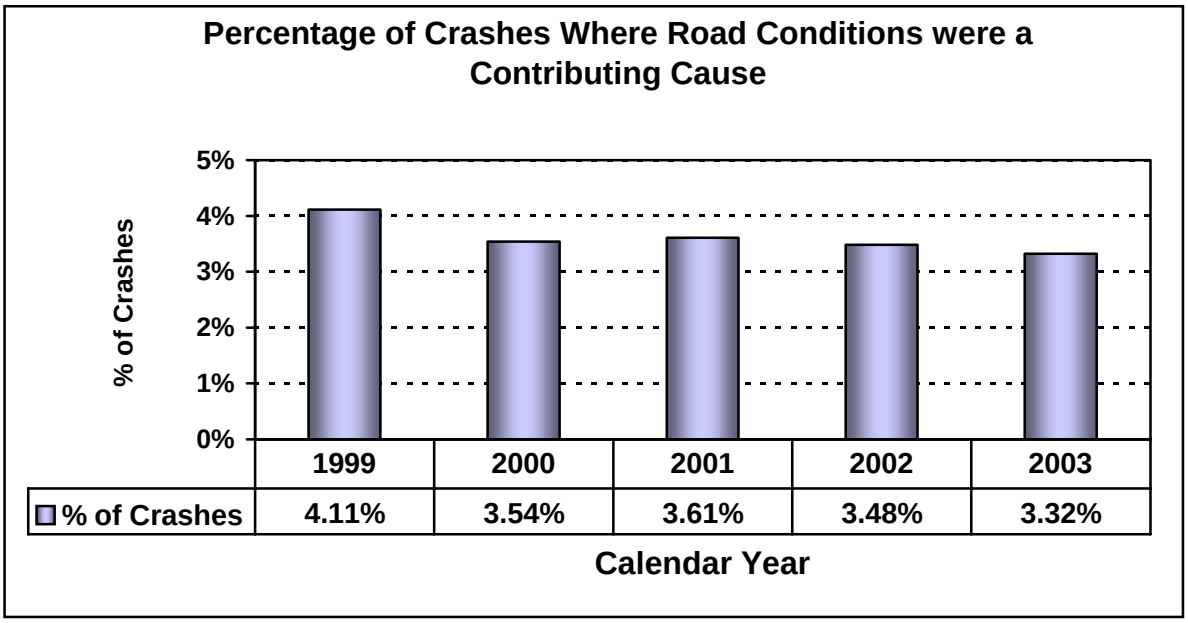
METHODOLOGY: The Department's Safety Office compiles fatal crash statistics, which it receives from the National Highway Traffic Safety Administration, Florida Department of Highway Safety and Motor Vehicles and its own Crash Analysis Reporting System. This data is collected and compared against the national crash statistics.

RESULTS: Florida's 2003 fatal crash rate for all roads (state, county and city) was 1.55 fatal crashes per 100 million vehicle miles traveled (VMT), approximately 1.3% lower than the rate in 2002. Compared to the 2003 national rate of 1.33 fatal crashes per 100 million VMT, Florida's 2003 rate is 16.5% above the national rate. For the State Highway System only, the 2003 fatal crash rate was 1.71 fatal crashes per 100 million VMT, as compared to 1.79 in 2002. The 2003 State Highway System only rate of 1.71 fatal crashes per 100 million VMT is 28.6% over the national rate of 1.33.



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 2003, road conditions were a contributing cause in 3.32% of crashes on the State Highway System, down 4.6% from 2002, when road conditions were a contributing cause in 3.48% 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 June of 2004, Florida has received approximately $13.5 million and awarded 168 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 59 Teams covering 54 counties, through June of 2004. 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 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 countywide CTST is Miami-Dade County, which averages over 45,000 crashes and 300 fatalities per year. Due to many factors, Miami-Dade County has chosen to develop smaller CTSTs and currently has three city based teams and one team for the entire "unincorporated" county area.

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 **www.dot.state.fl.us/safety/ctst/ctst.htm**, or by contacting the FDOT Safety Office at 850-245-1500.

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.

New Safety Initiatives

Under its Strategic Objective 2.2, *Implement the Strategic Highway Safety Plan,* FDOT has initiated implementation of its Strategic Highway Safety Plan (SHSP) to provide focus and direction to a selected number of safety areas for the next three to five years. Five focus areas for which FDOT will place special emphasis were identified and included in the SHSP. Three major strategies for implementation are also provided in the SHSP for each of the following selected five focus areas:

- Keep vehicles in the proper travel lanes and minimize the effects of leaving the travel lanes;
- Improve the safety of intersections;
- Improve access management and conflict point control;
- Improve information and decision support systems; and
- Improve pedestrian and bicycle safety.

Projects are under development in the districts using funds specifically designated by the Executive Board for both FY 2004/05 and 2005/06 to address projects in these focus areas with the potential to reduce fatalities and serious injuries on all public roads in the state. Related to this effort, the Executive Board allocated an additional $45 million for the installation of median guardrail on the Interstate System within one mile of interchanges where median crossover crashes have been occurring. In addition, the Turnpike Enterprise has plans to install median barriers along the entire length of the Turnpike in the near future.

The SHSP also includes a section discussing the FDOT's ongoing and continuing safety efforts, such as the MCSAP Program for commercial motor vehicles, safety belts/child restraints, aggressive driving, impaired driving, motorcycle safety, etc. A final section of the SHSP discusses those safety related programs where the prime responsibility is with other agencies, such as driver licensing, school bus safety, and emergency medical services. The SHSP relays FDOT's commitment to work with those agencies to assist with implementation of their safety-related programs.

FDOT uses various means of identifying safety problems including, but not limited to, the following:

- Five-year trend charts are annually produced showing the total number of fatalities and serious injuries on all public roads in the state plus the fatalities and serious injuries for various subsets, such as fixed object crashes, crashes involving overturns, work zones, heavy truck crashes, older driver and younger driver involvement, and many others. This is used for information and help in identifying needed programs and countermeasures.
- A crash problem matrix is produced annually ranking every Florida county and city with a population over 3,000 as to the respective occurrences of total fatalities and injuries, and fatalities and injuries related to crashes involving alcohol, pedestrians, bicyclists, motorcyclists, speeding, and occupant restraint usage. This matrix is used as a tool in prioritizing grant projects for the Highway Safety Grant Program.
- The FDOT Crash Analysis Reporting (CAR) System annually makes available to the districts (and others) high crash listings of segments and intersections on the State Highway System. This information is used to develop safety improvement projects using designated safety funds under the FDOT's Highway Safety Improvement Program.

All of the above are used to help identify safety problems so that FDOT can best utilize its safety resources. Also, Section 334.063 requires that all FDOT projects include an analysis of crashes during project development, which can be done using the FDOT's CAR System. All projects are designed and constructed to a reasonable margin of safety using the FDOT Plans Preparation Manual and the FDOT Standard Indexes, among others, which are based on accepted national standards such as the AASHTO Policy on Geometric Design and the FHWA Manual on Uniform Traffic Control Devices. This includes comprehensive strategies to manage motor vehicle, pedestrian and bicycle traffic during construction to best ensure the safety of road users and workers. Law enforcement patrols are used to control speeding and aggressive driving in the work zones.

7. Turnpike Enterprise

7a. Management of Toll Facility Operational Costs
7b. Toll Revenue Variance
7c. SunPass Participation

House Bill 261, passed during the 2002 Florida Legislative Session, changed Florida's Turnpike District into the Turnpike Enterprise. The change allows the Department of Transportation to leverage the financial capabilities of the state's largest revenue producing asset. It also allows the Enterprise to use private-sector best practices to improve the cost-effectiveness and timeliness of project delivery, increase revenues, improve the quality of services to customers, and expand the capability of the Turnpike's capital program. Florida's Turnpike Enterprise will be able to operate like a business, yet at the same time, by remaining a public sector entity, the Enterprise will ensure that Florida's Turnpike will continue to operate in the public interest. [Note: With the exception of the Toll Facility Operational Costs measure, the Turnpike Enterprise performance measures were new to the Performance and Production Review last year. Historical data is not available.]

The future of electronic toll collection- open road tolling.

7a. MANAGEMENT OF TOLL FACILITY OPERATIONAL COSTS

BACKGROUND: The collection of tolls on Florida's Turnpike and eight Department owned or operated toll facilities across the state of Florida is the responsibility of the Turnpike Enterprise. By far, the largest and highest revenue-producing toll facility is the Florida Turnpike. Net toll revenues (i.e., gross toll revenue less operating and maintenance expenses) are used to pay debt service on bonds issued for construction or improvement of a facility. 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.

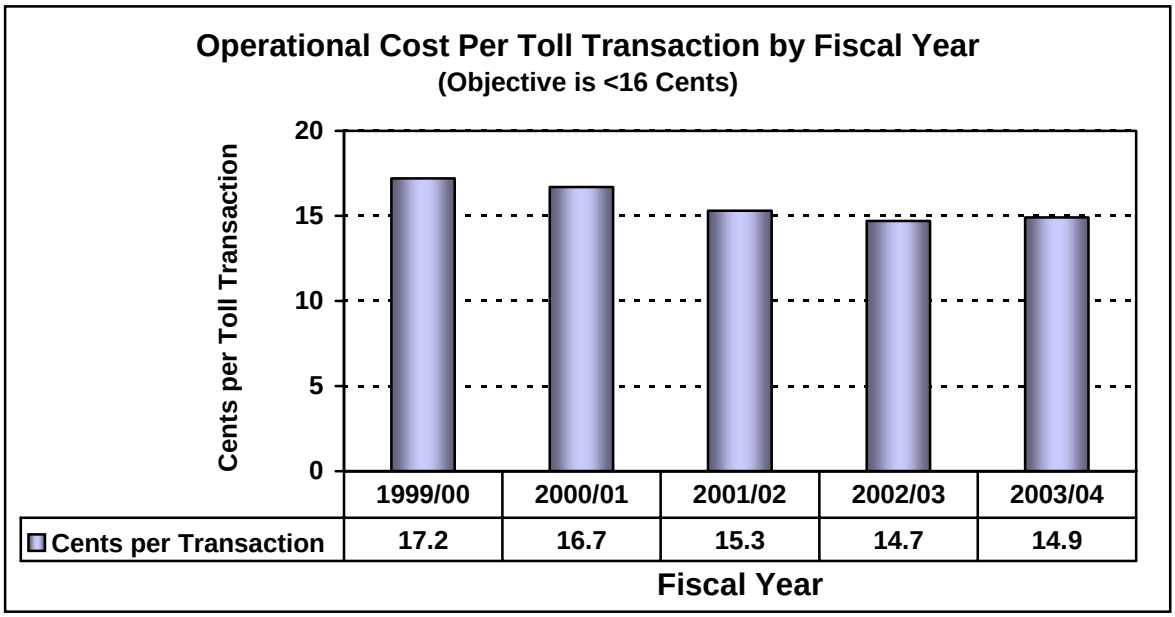
PURPOSE: Tolls are fees paid by facility users who have an expectation that the maximum amount of revenue collected be used to pay off the debt or for other transportation improvements, therefore, toll collection costs should be contained and carefully managed.

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

OBJECTIVE: The objective of the Turnpike Enterprise is to keep the amount of each toll transaction that is dedicated towards covering the toll operational costs at a level below 16 cents per transaction.

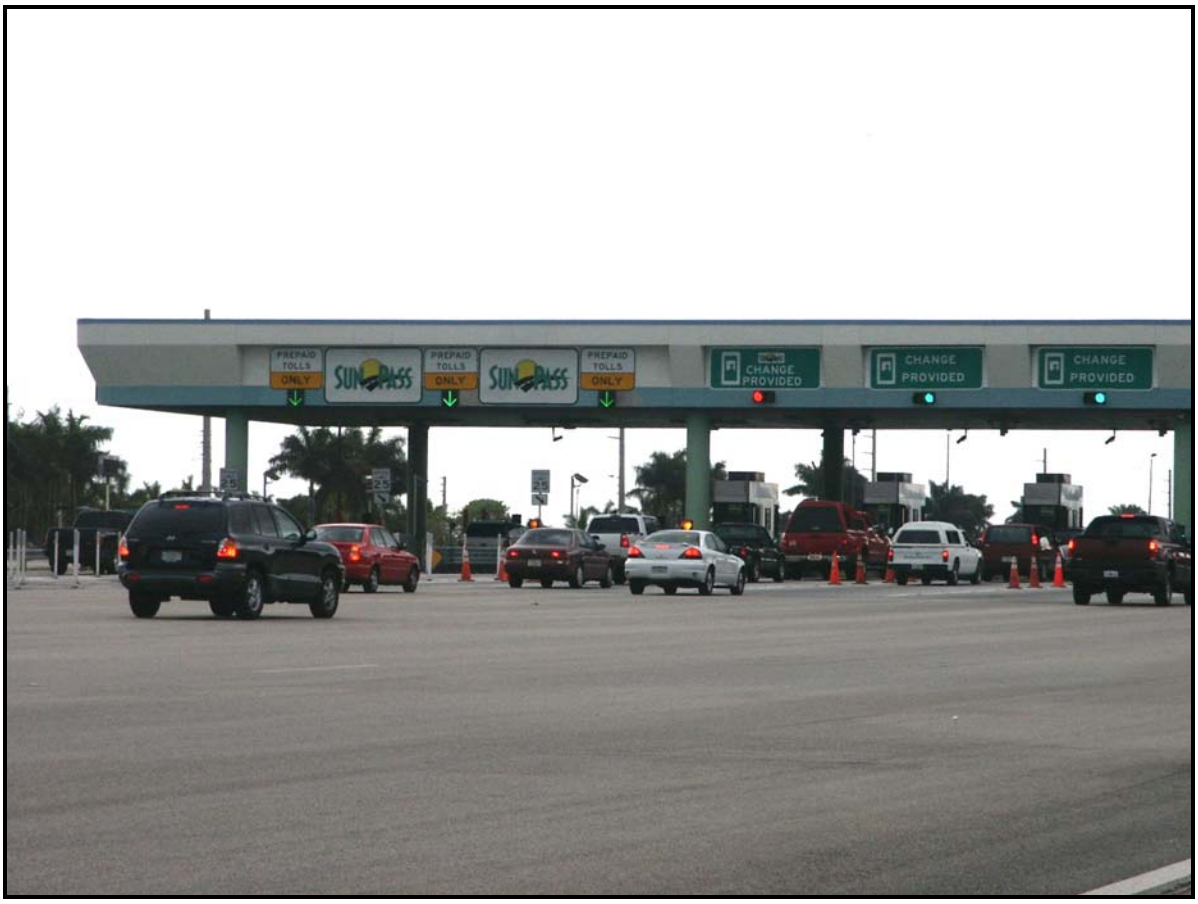
METHODOLOGY: This measure provides the "cost per transaction" by dividing total operational costs (for toll collectors, supervisors, management) by the number of toll transactions from all toll facilities owned or managed by the Turnpike Enterprise. Data is collected from the Turnpike Enterprise, the Office of Comptroller, and the Financial Development Office. The cost per transaction is monitored over time to provide the basis for measuring improved efficiency. [Note: In FY 2002/03, the Turnpike Enterprise added two new categories of costs to its cost of operation. These include credit card fees paid to SunPass banks and certain information technology costs associated with toll collection.]

RESULTS: For FY 2003/04, the Department's cost to operate toll facilities was 14.9¢ per toll transaction. The cost to operate toll facilities for FY 2003/04 was 0.2¢ higher per toll transaction than in FY 2002/03 (14.9¢ up from 14.7¢).



Five Year Toll Transaction Data

Operational Costs and $ in millions	Fiscal Year				
	1999/00	2000/01	2001/02	2002/03	2003/04
Operational Costs	$90.6	$98.2	$86.3	$91.4	$101.4
# of Toll Transactions	527.4	586.3	563.8	620.2	680.0
Cost Per Transaction	$0.172	$0.167	$0.153	$0.147	$0.149



Triple SunPass toll facility.

7b. TOLL REVENUE VARIANCE

BACKGROUND: Toll revenues are dictated by the number of vehicles traveling on the road and the amount of toll they pay. The term *indicated revenue* refers to the amount of money that should be collected from all vehicles that utilize a Turnpike Enterprise managed toll facility. Vehicles are counted by automated systems as they pass through a toll plaza using sophisticated technology. However, due to the diverse and complex nature of the toll collection process, *indicated revenue* may sometimes be different than *actual revenue* collected and deposited in the bank. The difference is defined as *revenue variance*.

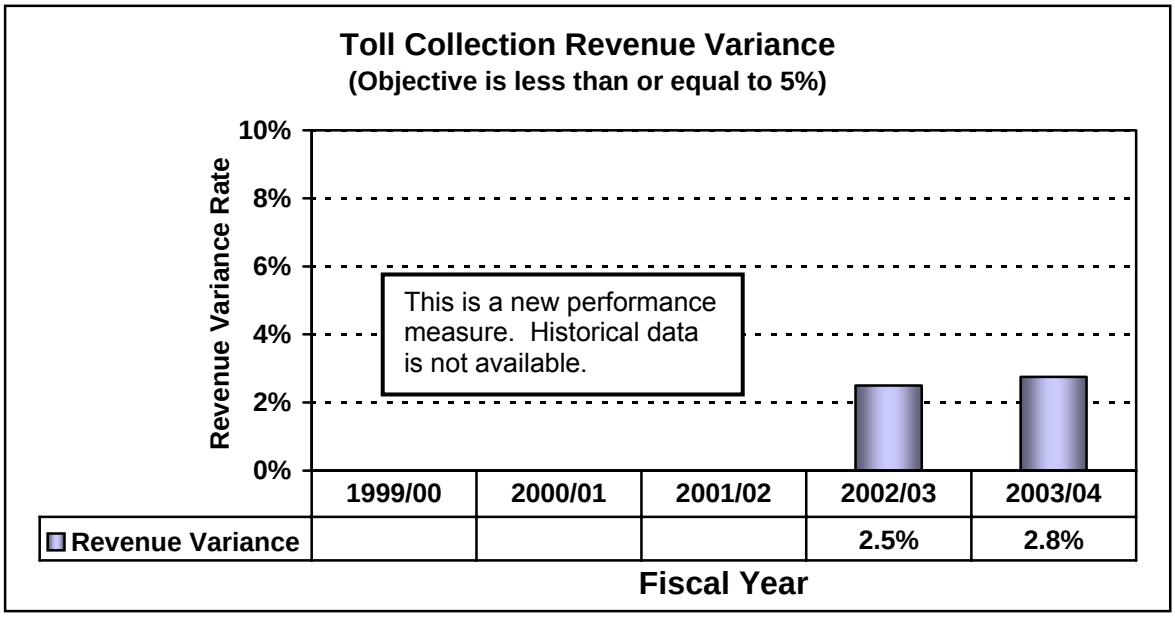
PURPOSE: Revenue loss is a part of every business. The biggest challenge is to control and mitigate such loss using the most efficient and cost effective methods. The toll industry is no exception to this norm. The revenue variance measure provides Turnpike Enterprise management with the opportunity to monitor and reconcile traffic and revenue. Prompt analysis of revenue variance allows management to identify areas of improvements in toll collection to ensure the integrity of revenues and to safeguard bondholder interest.

PRIMARY MEASURE: The revenue variance expressed as a percentage of indicated revenue for all toll facilities owned and managed by the Turnpike Enterprise.

OBJECTIVE: The objective of the Turnpike Enterprise is to keep the average revenue variance from all Turnpike Enterprise managed toll facilities at the lowest possible rate in order to minimize revenue loss (no greater than five percent of the indicated revenue).

METHODOLOGY: Revenue variance is an outcome based measure and addresses the effectiveness of the Turnpike Enterprise in managing revenue loss. During FY 2002/03, the Turnpike Enterprise developed a new computer program to capture and report revenue variance. No complete system-wide reporting structure was available in the past. The accuracy of these reports was then verified by an independent audit firm. These reports will assist managers in promptly identifying and addressing problem areas. The revenue variance is obtained by subtracting the actual revenue collected from the total revenue that should have been collected (indicated revenue). This amount is then divided by the indicated revenue and multiplied by 100.

RESULTS: For FY 2003/04, the average revenue variance for all Turnpike Enterprise managed toll facilities was 2.8 percent. This translates to a collection efficiency rate of 97.2 percent.




SUNPASS®

7c. SUNPASS PARTICIPATION

BACKGROUND: SunPass is a statewide prepaid toll program being implemented by the Department of Transportation on most of Florida's toll roads. The innovative system incorporates the latest technology in prepaid toll programs, saving commuters time and money, while creating more efficient, less congested highways. Dedicated SunPass lanes can process up to 1,800 vehicles per hour, about 300 percent more than a manual lane with a toll attendant. A small pocket sized device called a transponder is attached inside the windshield of the vehicle which communicates with special toll plaza antennas. As the vehicle passes through the toll plaza, the equipment electronically deducts the toll charge from the customer's prepaid account.

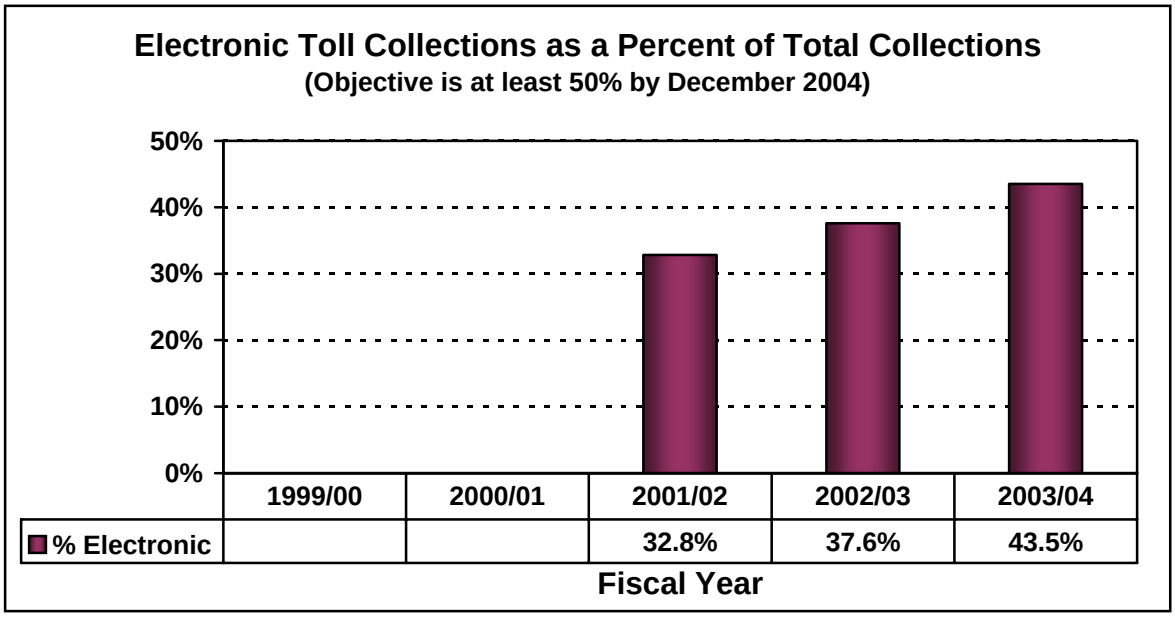
PURPOSE: The success of the Turnpike Enterprise will largely depend on continuing advancements in SunPass operations and efforts to increase participation levels. Increasing SunPass usage accomplishes three things: 1) fewer vehicles stop to pay a toll, thereby reducing delays and congestion and improving overall roadway capacity and operations for all customers; 2) improving capacity results in the savings of hundreds of millions of dollars that otherwise would be spent on adding new toll lanes at existing plazas; and 3) the Enterprise will be better positioned for the next generation of toll collection. The future includes scenarios that rely on exclusive use of electronic toll collection.

PRIMARY MEASURE: The number of SunPass transactions expressed as a percentage of the number of total transactions from all Turnpike Enterprise owned or managed facilities.

OBJECTIVE: The objective of the Turnpike Enterprise is to increase the percentage of SunPass transactions from the 25 percent level in June 2001 to at least 50 percent by December of 2004.

METHODOLOGY: The Turnpike Enterprise collects data on the number of toll transactions at each of the toll facilities it owns and manages. SunPass participation data had been collected at SunPass dedicated lanes only until this past year when efforts were initiated to collect this data from mixed use lanes as well. The number of SunPass transactions is divided by the number of total transactions from all Turnpike Enterprise managed facilities to determine the percentage of transactions by SunPass users.

RESULTS: For FY 2003/04, the percentage of all transactions attributed to SunPass usage on all toll facilities either owned or managed by the Turnpike Enterprise is 43.5 percent.



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8. Intelligent Transportation Systems

(Future Measures)

In order to better accommodate the State's rapid growth in population, tourism, and commerce, the Florida Department of Transportation is committed to developing and deploying sophisticated, fully-integrated, statewide Intelligent Transportation Systems (ITS) in a cost-efficient manner. ITS represent the application of real-time information systems and advanced technologies as transportation management tools to improve the movement of people, goods, and services. SunGuide is the name given to the State of Florida's intelligent transportation system. Instead of just building new roads and expanding existing ones, ITS will utilize advanced technologies to remedy safety and mobility problems. ITS is currently evolving in Florida, and thus the capability to report actual performance at this time is limited by the availability of consistent statewide data. However, as deployment and integration proliferates in the future, ITS performance and measured benefits will be able to be more effectively documented and reported herein. The Department, in partnership with ITS Florida, is currently developing outcome based performance measures of the ITS program for inclusion in future reports.

The new District Six SunGuide Operations Center.

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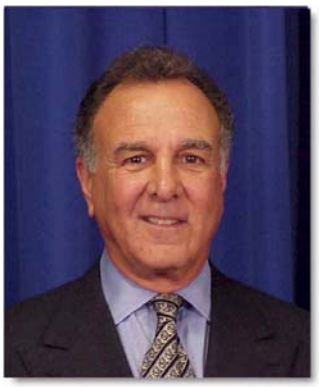

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