

Annual Performance and Production Review of the Department of Transportation Fiscal Year 2006/07



September 26, 2007

FLORIDA TRANSPORTATION COMMISSION

James W. Holton, Chairman
Janet Watermeier, Vice Chairman
Sidney Calloway, Secretary
Gabriel Bustamante
Marshall M. Criser, III
Martha "Marty" Lanahan
Marcos Marchena
Bart R. Pullum
David A. Straz, Jr.



Charlie Crist
Governor

September 26, 2007

Honorable Charlie Crist, Governor
State of Florida
The Capitol
Tallahassee, Florida

Dear Governor Crist:

At our public meeting on September 13, 2007, the Florida Transportation Commission conducted the *Performance and Production Review of the Department of Transportation for Fiscal Year 2006/07*. Secretary Kopelousos, all seven district secretaries (or their representative) and the Turnpike Enterprise Executive Director were present and participated in the review.

Production achievements for FY 2007 resulted in beginning construction on 344 lane miles of additional roadway to the State Highway System (SHS). The Department also let to contract 2,317 lane miles of roadway to be resurfaced on the SHS. The Department will also resurface an additional 1,394 lane miles of roadway as part of its capacity improvement program. The Department was successful in beginning construction on 132 bridge repair and 7 bridge replacement projects. Over 94 percent of bridges were rated as excellent or good, with less than 1 percent being rated poor. There were no bridges deemed to be unsafe. All bridges deemed structurally deficient have been programmed to be repaired or replaced within the next 6 years to cure those deficiencies.

By the end of the fiscal year, the Department closed out 394 construction projects with a total dollar value of \$1.6 billion and let over \$3 billion in new projects. The health of the SHS improved in the area of Pavement Condition, where 83.5 percent of lane miles were rated either excellent or good, an improvement over last year's rating of 82.1 percent.

The Department's performance in FY 2007 improved over that of FY 2006. The Department made significant strides in meeting one of the two production goals associated with the Local Agency Program (LAP). The LAP program establishes contracts with other governmental agencies to develop, design, acquire right-of-way, and construct transportation facilities and to reimburse governmental agencies for services provided to the traveling public. The Department is held accountable to ensure that Certified Local Agencies comply with all applicable Federal statutes, rules and regulations. Local governments must be LAP-certified before entering into a LAP Agreement. Though one of the measures was not met, there was significant improvement demonstrating the Department's on-going commitment to this program.

Although the Department will add 344 lane miles of additional roadway to the SHS, this fell short of the plan of adding 390 miles. Due to rising costs, the scope of some projects had to be reduced in order to award a contract within budgetary constraints. In some cases, projects were split between two fiscal years to reduce the size of the projects, which in turn would garner more bids and generate more competitive

bids. This resulted in fewer lane miles being added, but resulted in those staged projects moving into production, thus avoiding further delays and cost increases.

In the area of Toll Revenue Variance, the Department's "Toll Abuse, No Excuse" enhanced enforcement efforts resulted in a significant decline in the rate of violations. The FY 2007 variance rate was 3.6 percent, a significant reduction from the 5.2 percent variance in FY 2006. However, the increased violation enforcement efforts, along with increased insurance and other operating costs, pushed the cost to collect a toll transaction to 16.6 cents per transaction, above the goal of no greater than 16 cents per transaction. The Commission recognizes that the Turnpike Enterprise is in a transition between conventional cash collection and electronic toll collection methods and that a base cost of cash collection efforts must be borne to provide safe passage, even as the number of cash customers declines.

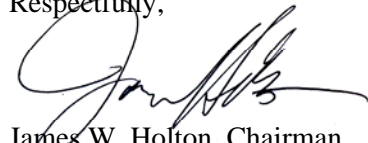
In the area of construction time and cost adjustments the Department's performance has not met the more stringent goals established in FY 2005. We recognize, however, that changes in contract management practices take time to implement and generate results. We are seeing some results of these efforts in that nearly 85 percent of contracts are being completed within 10 percent of original cost estimate. This is very near the goal of 90 percent and the Department's best performance in 5 years.

The Department met or exceeded approximately 67 percent of the new, more challenging primary measure objectives established in FY 2005. The *primary* measures assess major Departmental functions, measure an end product or outcome, and are, to the greatest extent possible, within the Department's control.

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

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

Respectfully,



James W. Holton, Chairman
Florida Transportation Commission

cc: Stephanie Kopelousos, Secretary of Transportation
Honorable Carey Baker, Chair, Senate Committee on Transportation
Honorable Mike Fasano, Chair, Senate Committee on Transportation and Economic Development
Appropriations
Honorable Dean Cannon, Chair, House Economic Expansion and Infrastructure Council
Honorable Ray Sansom, Chair, Policy and Budget Council



Florida Department of Transportation

CHARLIE CRIST
GOVERNOR

605 Suwannee Street
Tallahassee, FL 32399-0450

STEPHANIE C. KOPELOUSOS
SECRETARY

September 14, 2007

The Honorable James W. Holton, Chairman
Florida Transportation Commission
605 Suwannee Street, MS 9
Tallahassee, FL 32399-0450

Dear Chairman Holton:

I truly appreciate the cooperation and sense of teamwork that has flourished between the Florida Transportation Commission, its staff and the Department these past few years and look forward to continuing a strong relationship under the leadership of Governor Charlie Crist. As always, your staff has done an outstanding job working with Department staff in reviewing the data on our performance for Fiscal Year 2006/2007. I appreciate the opportunity to address each of the measures where our goal was not met.

1. Local Agency Program Construction Contracts: Let 80 percent of planned projects

The Department has been working diligently with our local government partners in improving the commitment made to the people of Florida on implementation of these projects. As you are aware, this new measure was added by the commission specifically to focus on delivery of this program; and to ensure that the allocation of federal funds to these projects (typically enhancement projects) is performed in a timely manner. Although the performance for the past fiscal year is below expectations, the marked improvement from past years is a sign that the collaboration is bringing the program in the right direction.

2. Construction Contract Time: 80 percent of the contracts completed within 20 percent of the contract time

This measure was originally created by the commission to replace a previous measure that the Department had consistently achieved related to contract time. As this measure has 'raised the bar,' we have been developing and managing our projects under this new performance goal. The result for the Department this past year (73.9 percent) is an improvement from last year, and demonstrates our continued commitment toward achieving this benchmark, which results in completing projects on time and minimizing impacts to motorists.

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

This measure was also created by the commission to replace a previous measure that the Department had consistently achieved related to keeping contract cost within budget. This measure is extremely important considering the large cost increases we have experienced over the past few years and the tight revenue forecasts that are competing for every dollar that we have. We have once again been developing and managing our projects under this new performance goal and I am glad to see that our results for the past year (84.5 percent) show significant improvement. They are a reflection of our commitment to deliver projects on time and within budget.

4. Number of Lane Miles of Capacity on the SIS: 90 percent of the projects let as compared to plan.

The vast majority of the lane miles that were not constructed as proposed in the plan were with the Turnpike, and primarily due to cost increases and their inability to fund with the bond cap and slightly decreasing toll revenues. Some of the projects that were deferred include:

- Widening of 12 miles of the Polk from two to four lanes – deferred from 2007 to 2008
- Widening of 12 miles of the Turnpike mainline from I-4 to Beulah Road from four to eight lanes -deferred from 2007 to 2008
- Widening of seven (7) miles of the Turnpike mainline in Broward County from Johnson St to Griffin Rd. – deferred from 2007 to 2009

This should account for approximately 45 lane miles in capacity deferred from fiscal year 2007.

5. Public Transit Ridership Growth: Increase transit growth at twice the population growth of Florida (2.4 percent)

The Department's transit goal is to increase transit ridership at twice the level of population growth. This aggressive target indicates a desire on the part of the Department to help local agencies achieve real growth in their transit systems, relative to overall population growth. For the latest federal fiscal year for which data is available (05/06), transit ridership in Florida grew 3.36 percent to an all time high of nearly 248 million trips, compared to population growth in the state of 2.41 percent.

Due to short term fluctuations such as weather conditions, transit ridership trends are best measured over a series of years. For example, Hurricane Wilma struck south Florida on October 24, 2005, shutting down transit service in Broward County for three (3) weeks. Miami-Dade Transit and Palm Tran were also significantly affected, which could account for this reporting year's smaller ridership growth numbers. However over the last five (5) years transit ridership has grown 26 percent, while the state's population has grown 10 percent.

The Department continues to invest in local transit systems, providing resources as well as technical assistance. New Starts projects (rail and bus rapid transit) currently under development will ultimately provide greater transportation options in our congested urban areas, and will add significant transit ridership to the state's total.

6. Actual Cash Receipts/Disbursements compared to Forecast: Plus/Minus 5 percent deviation

The cash receipts were lower than originally projected due to several factors, including:

- Timing of the receipt of Obligating Authority and the subsequent conversion of Advance Construction projects and reimbursement of federal related indirect expenditures
- Reimbursement of hurricane related expenditures: These expenditures have occurred slower than anticipated and resulted in a reimbursement variance of approx. \$242 million
- Slower than normal federal reimbursement of Public Transportation (PTO) related funds.
- Forecast for the Fuel Taxes and Motor Vehicles Fees were based on the March 2006 Revenue Estimating Conference (REC) numbers and we have had two estimates published since the forecast was developed in August 2006.

The disbursements occurred slower than anticipated within the following areas:

- Hurricane related expenditures: Payments of hurricane related invoices were approximately \$340 million less for FY2007 than originally projected.
- PTO expenditures: Disbursements were approximately \$120 million less for FY2007 than originally projected.

During the upcoming forecasting cycle, we will concentrate on revising the PTO rates and work with that office to determine some alternatives to past rate development methods.

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

There are a number of reasons why the cost to collect tolls increased over the prior year. We experienced market increases in existing services, such as insurance premiums, toll collection contracts and toll equipment maintenance contracts; we incurred costs for additional programs (Toll Abuse, No Excuse, insufficient funds process and Uniform Traffic Notice mailouts); and we expanded our current operations for existing and future needs (e.g. Data Center project management, maintenance, call center operations).

Our overall transactions only increased by approximately four percent. As we have significantly more fixed than variable costs, the reduced growth as compared to prior years has a negative impact on our overall cost to collect a toll transaction.

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

The Honorable James W. Holton, Chairman
September 14, 2007
Page 4 of 4

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

Sincerely,

A handwritten signature in black ink, appearing to read "SCKopel", with a long horizontal flourish extending to the right.

Stephanie C. Kopelousos
Secretary

SCK/ktc

16th Annual Performance and Production Review of the Department of Transportation

Fiscal Year 2006/2007



September 26, 2007



Recently opened Okeechobee Road "Depressed Section" project, in District 6. This project centered on adding one additional travel lane in each direction and lowering the road beneath the Florida East Coast Railroad tracks to eliminate the need for vehicles to stop for passing trains.

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Florida's Transportation Commission

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.

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

Commission Officers



James W. Holton, Chairman, Madeira Beach. Self-employed Attorney, Commercial Real Estate Developer and Investor. Owner and President of MHH Enterprises, Inc. Member of the National Marine Merchants Association.

Janet Watermeier, Vice Chair, Cape Coral. President of Watermeier Property Services, an economic development and real estate consulting firm with property management services. She serves on the Southwest Florida Regional Planning Council and the Southwest Florida International Airport Special Management Committee.



Sidney C. Calloway, Secretary, Plantation. Partner in the law firm of Shutts and Bowen, LLP. Member of the Urban League of Broward County, Broward League of Cities and the Port Everglades Trade Association.

Commission Members



Gabriel Bustamante, Coral Gables. Managing Director of RSM McGladrey, a national consulting and business services firm and a partner of McGladrey & Pullen, LLP, a national CPA firm. He serves on the Board of Directors of Century Homebuilders and is a member of the American and Florida Institutes of Certified Public Accountants. He is Treasurer of the Miami Chapter of Legatus International.

Marshall Criser III, Miami. President of AT&T in Florida. Chairman of the Florida Research Consortium and a member of the Florida Council of 100, Enterprise Florida, the board of directors and research foundation of the Florida Chamber of Commerce, and IT Florida. Locally, he serves on the Executive Committee of the Beacon Council and on the board of the United Way of Miami-Dade County.



Martha (Marty) Lanahan, Jacksonville. Area President for Regions Bank. She is an active member of the community and serves as President of the Cultural Council of Jacksonville, President of the Florida Theater Board, President of the River Club Board of Directors, and is on the Board of the Jacksonville Museum of Modern Art.

Commission Members

Marcos Marchena, Orlando. Senior Partner of the law firm of Marchena and Graham, P.A. Member of the University of Central Florida Foundation Board of Directors.



Bart R. Pullum, Navarre. Real Estate Broker. He serves on the Navarre Beach Area Chamber of Commerce Transportation Committee, the Pensacola Junior College Board of Governors and the Navarre Family YMCA Board of Directors.

David A. Straz, Jr., Tampa. Honorary Consulate General of the Republic of Liberia. Trustee of the David A. Straz, Jr. Foundation, a charitable trust supporting private higher education, visual and performing arts, and civic advancement. Serves as Trustee/Director of Marquette University, Lowry Park Zoo Foundation, First Third Bank of Florida, University of Tampa, Metropolitan Opera in New York, and Les Aspin Center for Government in Washington, D.C.





The new I-75/Golden Gate Parkway interchange (mile marker 105) in Collier County (District 1) that opened to traffic on March 13, 2007. This new interchange is providing congestion relief to I-75 east to SR 951 and to the SR 951 interchange.

Purpose of Report

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

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

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

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

Purpose of Report

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

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

The Performance Measures Working Group is comprised of FTC Commissioners and staff, Department Executives, staff of Expressway Authorities, and representatives of Florida Taxwatch, the Florida Transportation Builders Association and the Center for Urban Transportation Research.

The Florida Transportation Commission annually evaluates the Department's ability to meet the production and performance measures established by the Commission. There are 38 performance measures—21 Primary and 17 Secondary measures. The Primary measures assess major Department functions that are within the Department's control. The Secondary measures are important indicators but are intended to be more informational or explanatory in nature.

Changes

Measures the Performance Measures Working Group adopted/revised:

- ♦ Local Agency Program (LAP)—Created two new Primary Measures for Construction Lettings and Consultant Acquisition for LAP projects, separating them from regular Department projects as reported in the past.
- ♦ The Minority Business Enterprise (MBE) program measure was revised from a percentage of total expenditures to a year-over-year increase in expenditures.

Summary of Performance

FY 2006/07 Accomplishments By Florida Department of Transportation





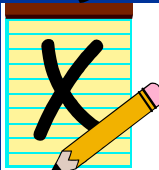
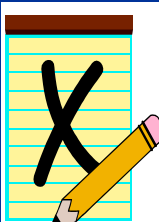
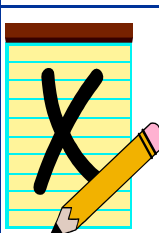

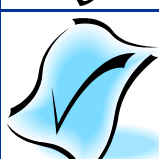
- ◆ 14 of 21 primary measures (66.7%) were met or exceeded;
- ◆ Began construction on 344 lane miles on the State Highway System (SHS), adding less than 1% in size to the system;
- ◆ Let to contract 2,316 miles for resurfacing;
- ◆ Let to contract 1,394 miles of resurfacing as part of the capacity improvement program for a total of 3,710 lanes miles to be resurfaced;
- ◆ Let to contract 132 bridge repair contracts;
- ◆ Let to contract 7 bridge replacement projects; and,
- ◆ Closed out 394 construction projects valued at \$1.605 billion.

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.


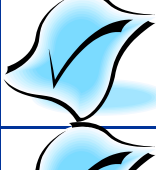
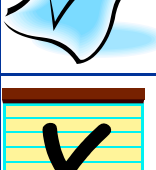
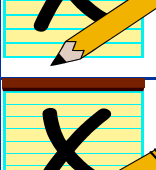
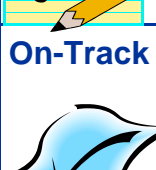
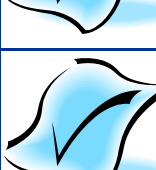
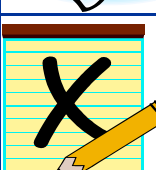


Significant Issues

- ◆ Completion of projects within 10% of original estimated cost and within 20% of original estimated time remains an area needing attention. Corrective actions take time to implement and as this report indicates, those actions implemented in the past seem to be paying off. Although not meeting the measure of 90% of projects completed within 10% of original estimated cost, 84.5% of projects were completed within 10% of original cost estimate, a substantial increase over the 79.5% in FY 05/06 and representing the highest level in 5 years.

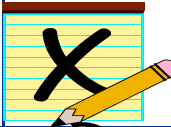


Summary of Performance

Measure	Objective	FY 06/07 Results	Meets Objective
The number of consultant contracts actually executed compared against the number planned. (See page 22)	≥95%	97.1%	
The number of ROW projects certified compared to the number scheduled for certification. (See page 25)	≥90%	95.9%	
The number of construction contracts actually executed compared against the number planned. (See page 31)	≥95%	97.6%	
The number of Local Agency Program (LAP) consultant contracts actually executed compared against the number planned. (See page 36)	≥80%	82.2%	
The number of Local Agency Program (LAP) construction contracts actually executed compared against the number planned. (See page 39)	≥80%	68.8%	
For all construction contracts completed during the year, the percentage of those contracts that were completed within 20% above the original contract time. (See page 43)	≥80%	73.9%	
For all construction contracts completed during the year, the percentage of those contracts that were completed at a cost within 10% above the original contract amount. (See page 47)	≥90%	84.5%	
The percentage of bridge structures on the State Highway System having a condition rating of either excellent or good. (See page 54)	≥90%	94.3%	
The percentage of bridge structures on the State Highway System with posted weight restrictions. (See page 56)	<1%	.13%	

Summary of Performance (cont'd)

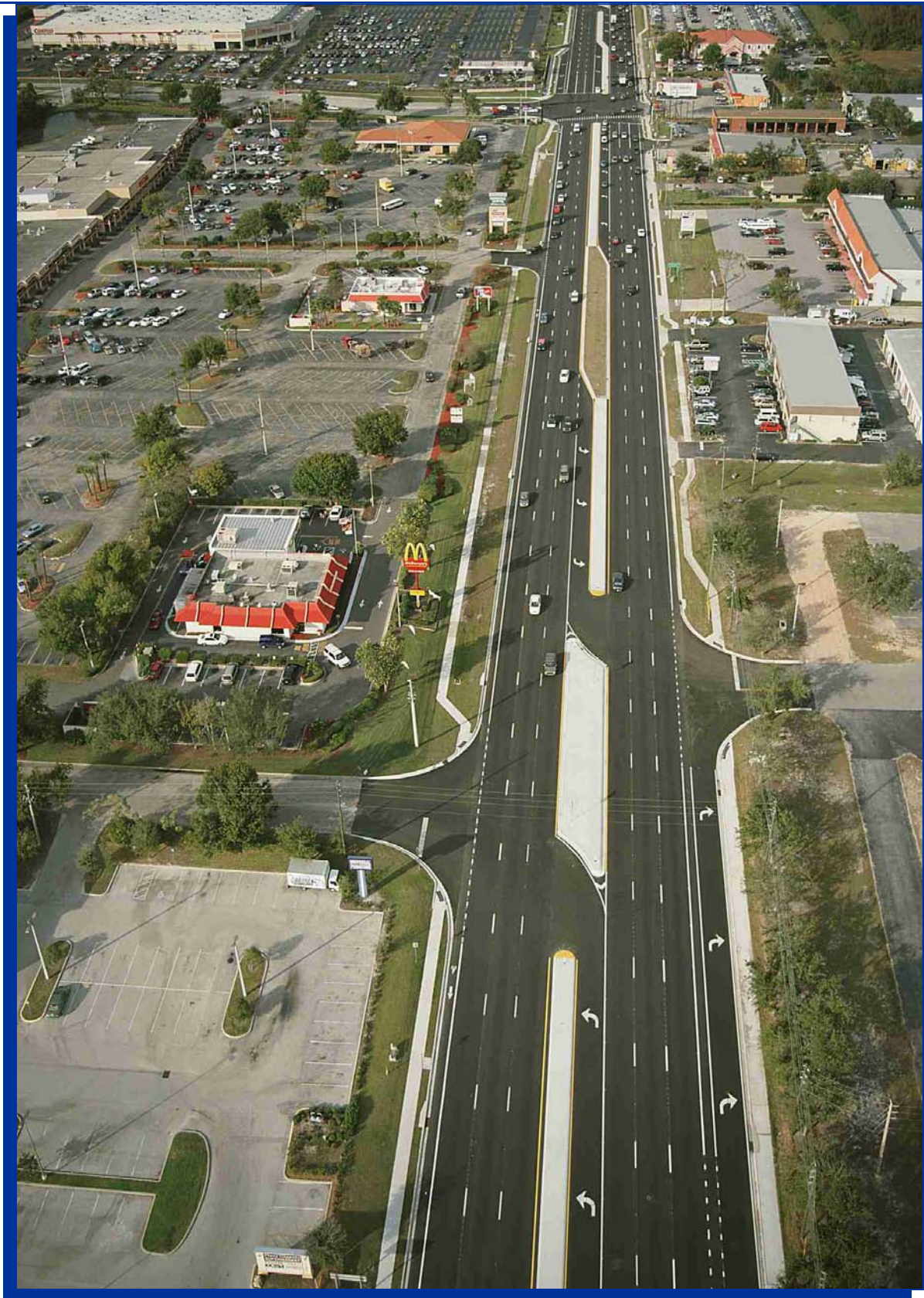
Measure	Objective	FY 06/07 Results	Meets Objective
The percentage of lane miles on the State Highway System having a Pavement Condition Rating of either excellent or good. (See page 59)	$\geq 80\%$	83.5%	
Achieve a Maintenance Rating of at least 80 on the State Highway System. (See page 62)	80	83	
The percentage of flexible capacity funds <u>allocated</u> to the Strategic Intermodal System. (See page 66)	75% by FY 2014/15	75.0%	
The number of lane miles of capacity improvement projects on the State Highway System let compared against the number planned. (See page 68)	$\geq 90\%$	86.2%	
The public transit ridership growth rate compared to the population growth rate. (See page 69)	$\geq 4.81\%$	3.36%	
Of the federal funds subject to forfeiture at the end of the federal fiscal year, the percent that was committed by the Department. (See page 74)	100%	100%	On-Track 
The Department's dollar amount of administrative costs as a percent of the total program. (See page 76)	$< 2\%$	1%	
Cash receipts and disbursements compared against forecasted receipts and disbursements. (See page 77)	+ or — 5%	Receipts: -13% Disbrmts.: -6.4%	
The annual dollar amount of MBE utilization as a percent of total projects/commodities expended. (See page 80)	Annual Increase	Increased by \$16.6 M	

Summary of Performance (concluded)

Measure	Objective	FY 06/07 Results	Meets Objective
Average amount of each toll transaction dedicated to covering operational costs. (See page 86)	<16¢	16.6¢	
The revenue variance expressed as a percentage of indicated revenue. (See page 87)	≤5%	3.7%	
The number of SunPass transactions as a percentage of total transactions. (See page 88)	>75% by FY 07/08	61.9%	On-Track 



Rendering of Turnpike Enterprise Open Road Tolling (ORT) signature gantry now under construction at the Okeechobee mainline plaza in Miami-Dade County.



US 441, Orange Blossom Trail Reconstruction and Widening Project (4 to 6 lanes) from Taft Vineland Road south into Osceola County (District 5).

Key Indicators

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

FIGURE 1—STATE HIGHWAY SYSTEM

SUPPLY VS. DEMAND

- Daily vehicle miles traveled decreased by <400,000 or .001%
- 344 lane miles to be added (.008%)
- Demand continues to outstrip supply

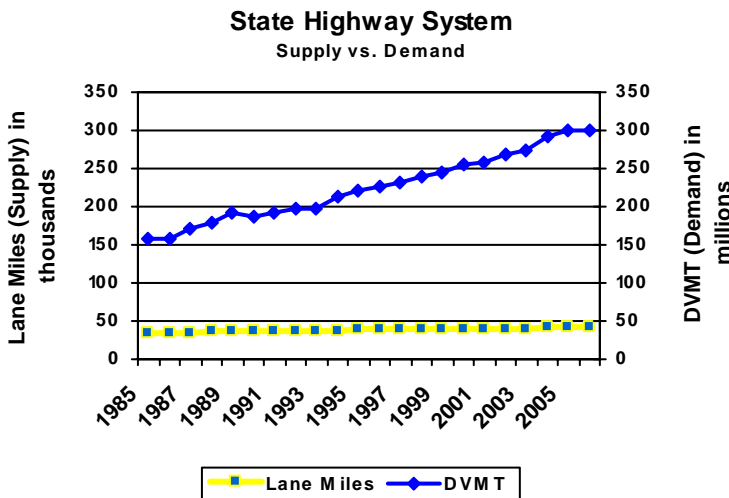


Figure 2

Construction Contract Letting History

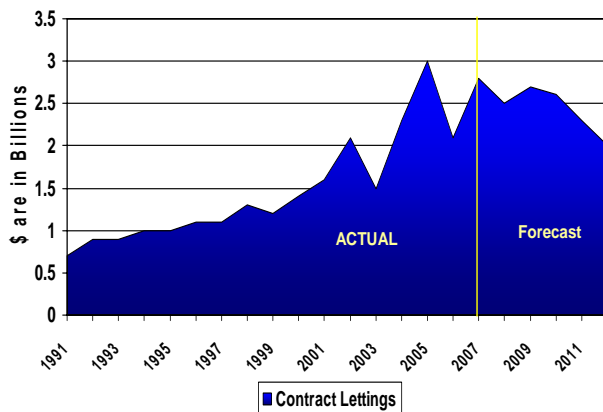


FIGURE 2—CONTRACT LETTINGS

HISTORICAL VS.

FORECAST

- \$658 Million in FY 1991
- \$2.8Billion in FY 2007
- FY's 08 -12 based on no new revenues
- Does not include increased bonding capacity of the Turnpike Enterprise as a result of passage of HB 985

Key Indicators

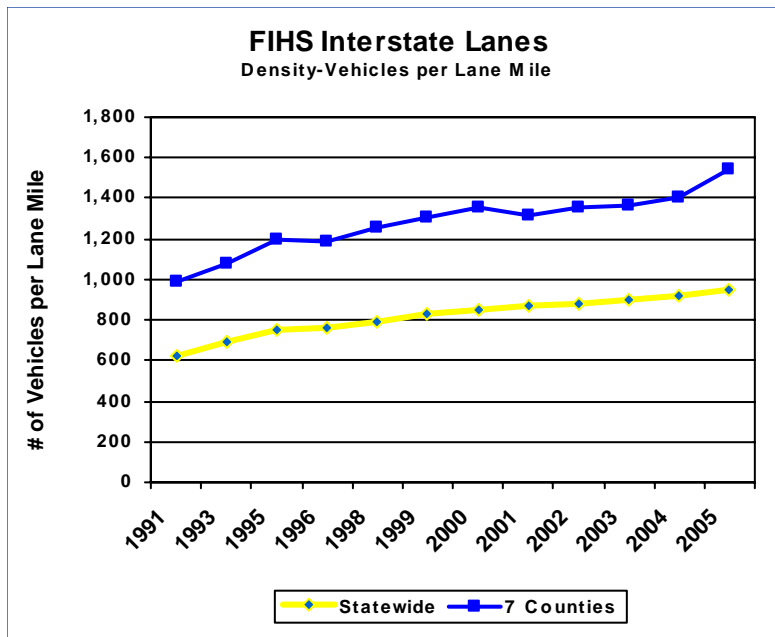


FIGURE 3—FLORIDA INTRASTATE HIGHWAY SYSTEM (FIHS) INTERSTATE LANES

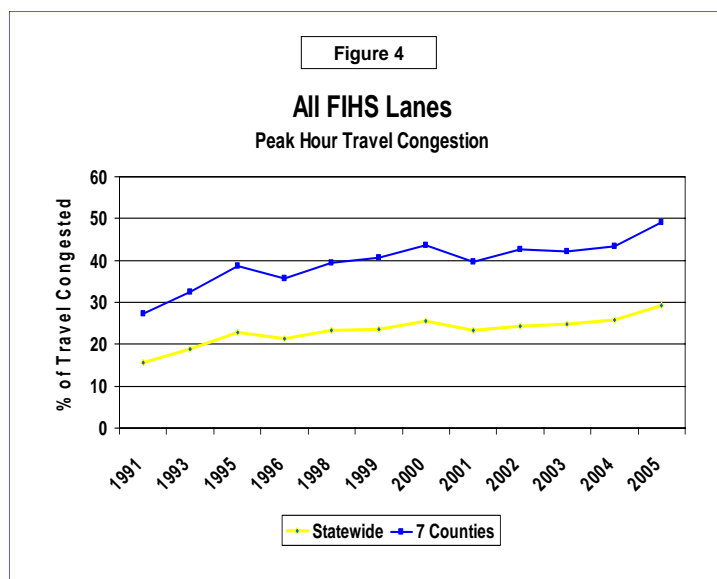
DENSITY-VEHICLES PER LANE MILE

- Growth in vehicles per lane mile during peak hour of travel
- 55% increase since 1991 on Interstate
- 52% on Interstates in Miami-Dade, Broward, Palm Beach, Orange, Hillsborough, Pinellas and Duval Counties

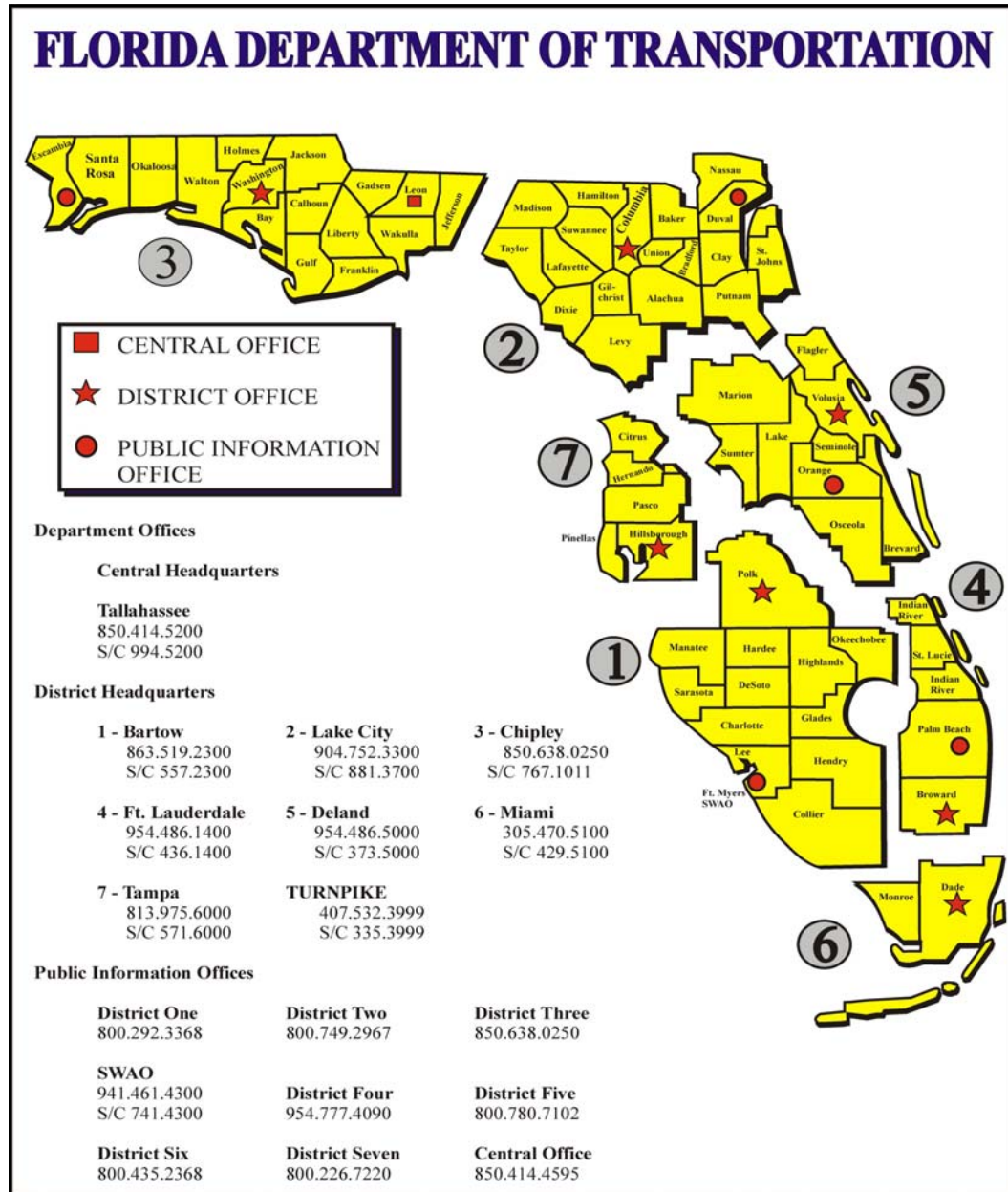
FIGURE 4— ALL FIHS LANES

PEAK HOUR TRAVEL CONGESTION

- Congestion increasing in 7 largest counties faster than statewide
- Metro-Orlando is ninth most congested in nation
- Miami and Tampa-St. Petersburg rank 13th and 20th, respectively



State and District Profiles



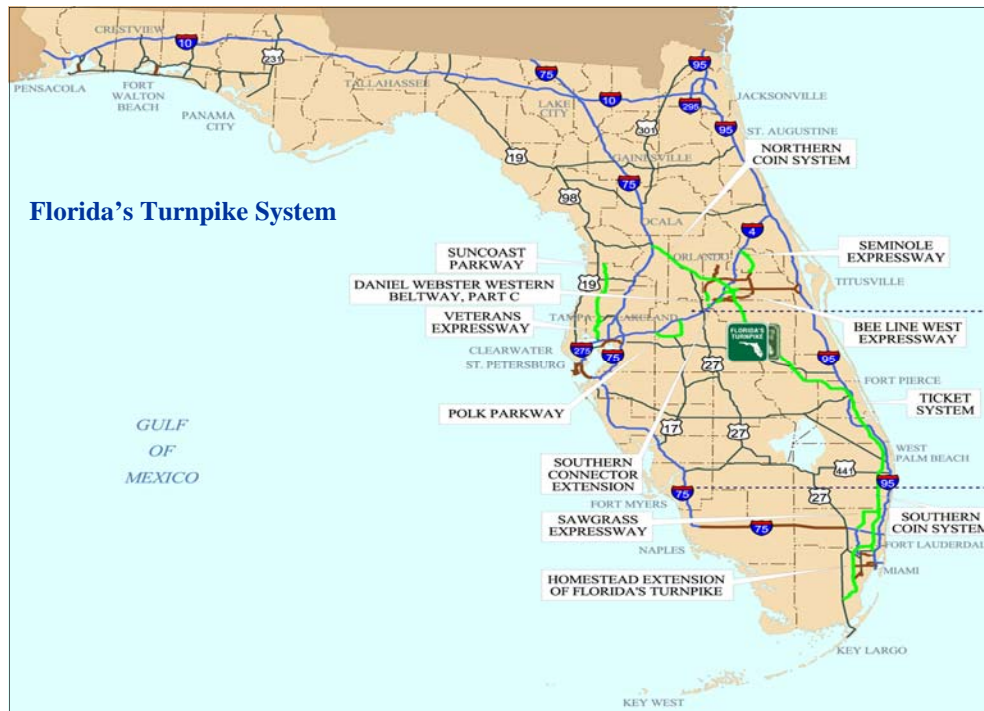
Population (millions)	18.4 (est.)
Square Miles	59,928
Counties	67
SHS Lane Miles	41,916
Bridges, Fixed	6,037
Bridges, Movable	98

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

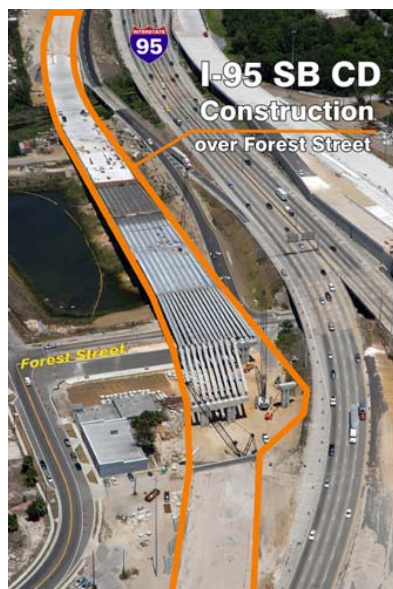
State and District Profiles

	D-1	D-2	D-3	D-4	D-5	D-6	D-7	Turnpike Enterprise
Population (millions)	2.6	1.9	1.4	3.6	3.6	2.5	2.8	-
Square Miles	11,629	11,865	11,378	4,837	8,282	2,989	3,177	-
Counties	12	18	16	5	9	2	5	-
SHS Lane Miles	5,999	8,090	6,570	6,130	7,831	2,927	4,369	1,9709 (1)
Bridges, Fixed	888	1164	777	713	723	426	637	709
Bridges, Movable	15	9	0	38	8	17	11	0
Transit Systems	4	2	4	2	8	2	3	-
Aviation Facilities	169	139	135	98	168	53	68	-
Rail Lines	4	3	4	2	5	2	1	-
Deep-Water Ports	1	2	3	3	1	2	2	-
Tunnel	-	-	-	1	-	-	-	-
Space Port	-	-	-	-	1	-	-	-
Service Plazas	-	-	-	-	-	-	-	8

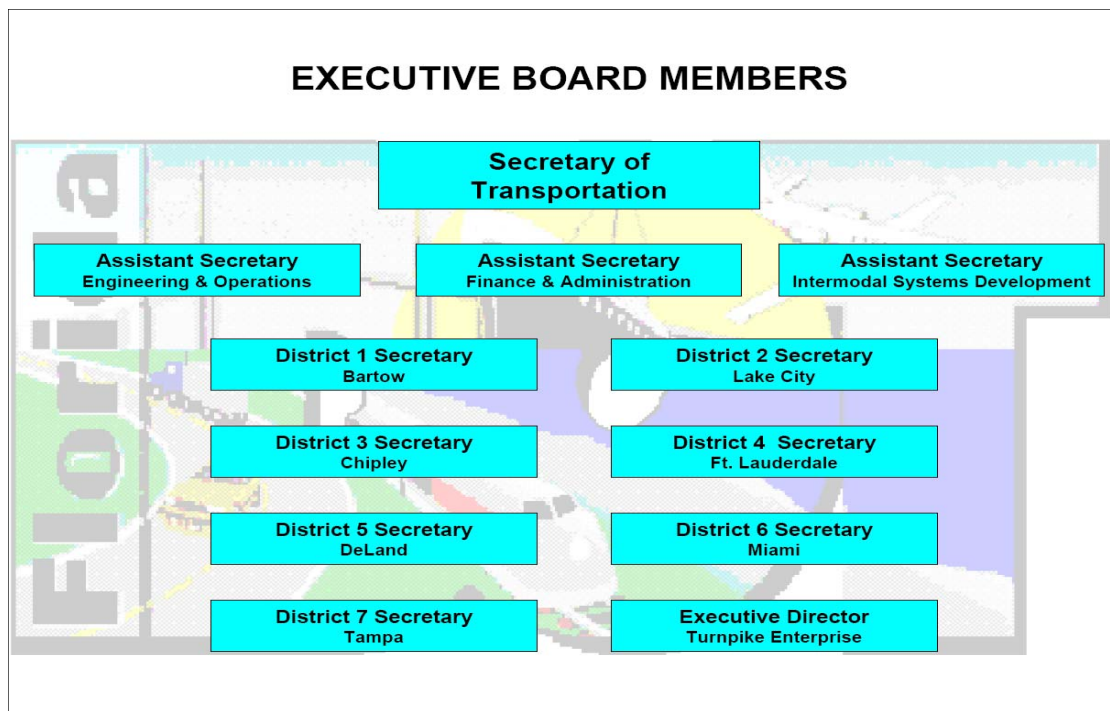
(1) Lane miles of the Turnpike Enterprise are included in the District in which the roadway is located.



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



Reconstructing the I-95/I-10 interchange from Adams Street to Stockton Street, near the Fuller Warren Bridge in Jacksonville.



1. Cost-Effective and Efficient Business Practices: Production

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

Each year the Department develops a detailed plan (Work Program) of the transportation projects it has committed to undertake during the next five-year period. The Department schedules each project by phase (design, right-of-way, construction) and estimates the cost of each phase. The construction phase cannot begin until the Department lets the project (carries out the bidding process) and awards a construction contract to a responsible bidder, the construction firm that will actually build the facility, whether it is a road, bridge or other structure.

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

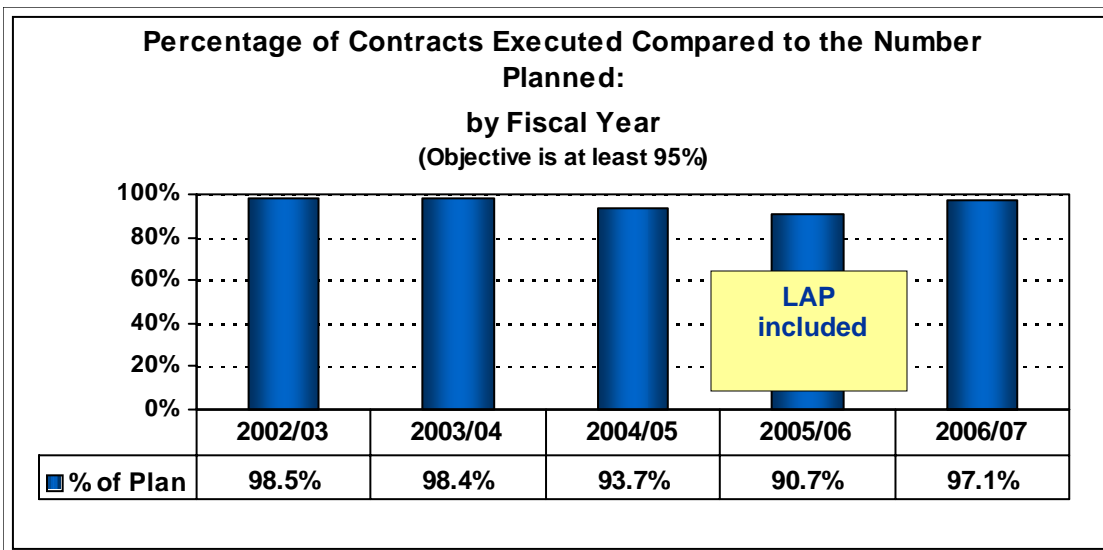
1a. CONSULTANT ACQUISITION

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

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

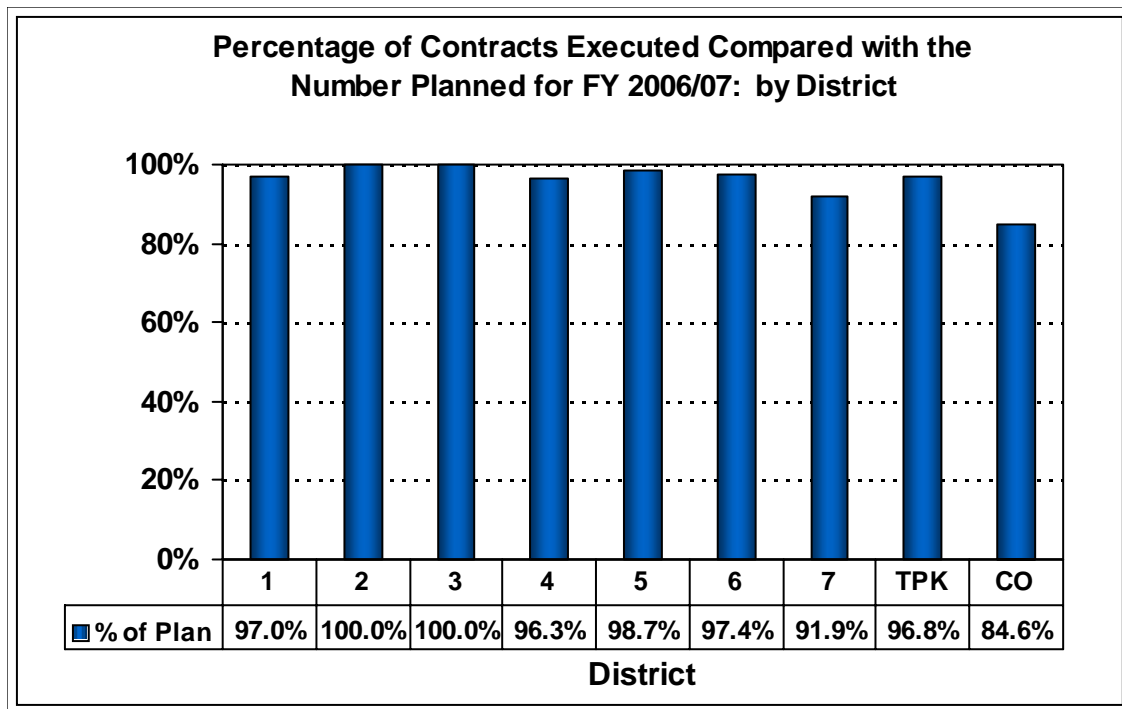
Objective: Not less than 95% of plan.

Results: The Department achieved 97.1% of its plan, executing 690 of 711 contracts planned. The Department also executed an additional 85 contracts not in the plan that are valued at \$40.7 million for a production total of 775 contracts valued at \$734.8 million.



	Fiscal Year				
	2002/03	*2003/04	2004/05	2005/06	2006/07
Plan	339	516	811	869	711
Actual	334	508	760	788	690
% of Plan	98.5%	98.4%	93.7%	90.7%	97.1%
Additions	16	64	86	46	85
Total	350	572	846	834	775

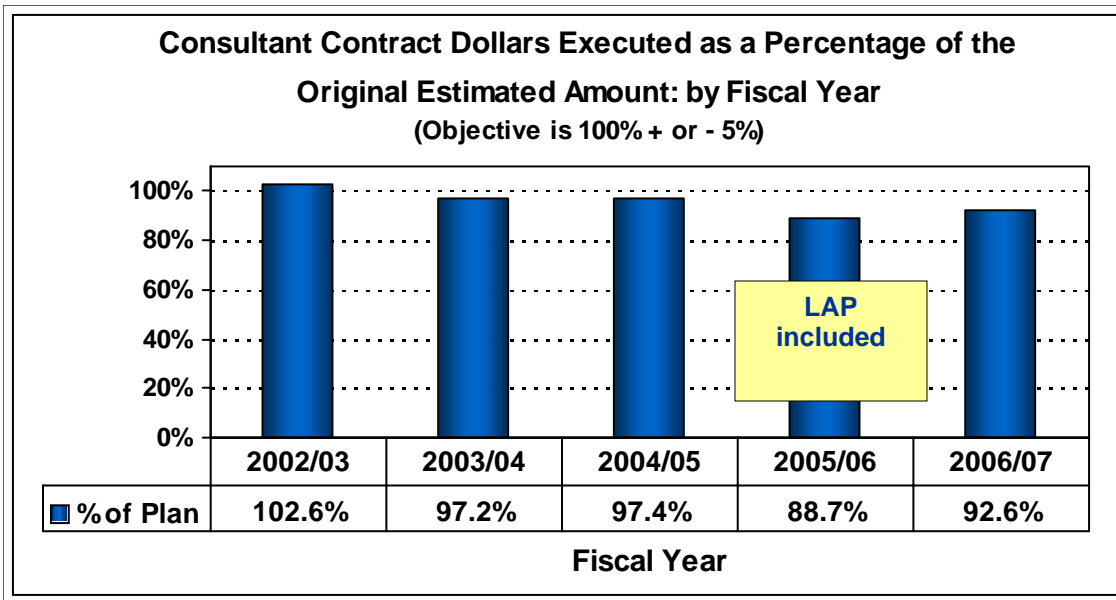
Note: Prior to FY 03/04 Construction Engineering Inspection (CEI) contracts were not included in the Consultant Acquisition performance measure since their letting performance was linked to the construction contract letting schedule. As more CEI contracts are let as district-wide or "as needed" type contracts, this premise no longer holds true.

1a. CONSULTANT ACQUISITION (cont'd)**District specific results:**

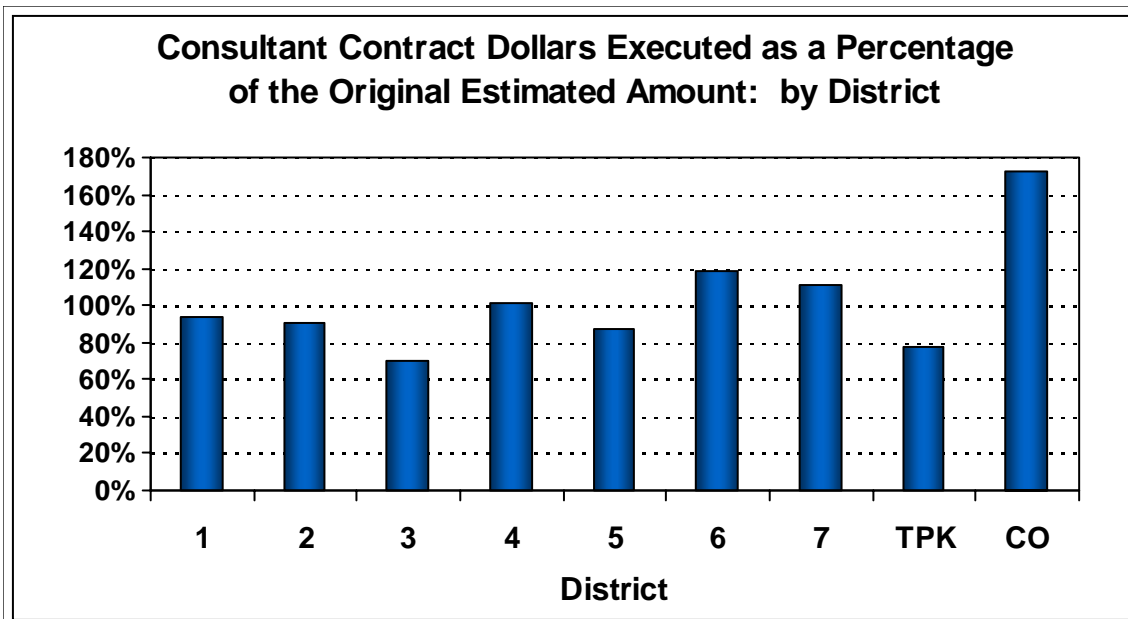
	District								
	1	2	3	4	5	6	7	TPK	CO
Plan	101	84	67	136	76	77	62	95	13
Actual	98	84	67	131	75	75	57	92	11
% of Plan	97.0%	100.0%	100.0%	96.3%	98.7%	97.4%	91.9%	96.8%	84.6%
Additions	0	18	10	0	0	42	8	7	0
Total	98	102	77	131	75	117	65	99	11

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

Results: The Department executed \$694.1 million of consultant contracts, which was \$55.7 million less than the estimate of \$749.8 million, or 92.6% of estimate.

1a. CONSULTANT ACQUISITION (concluded)

	Fiscal Year				
	2002/03	2003/04	2004/05	2005/06	2006/07
Estimate	\$331.1	\$502.2	\$675.6	\$710.5	\$749.8
Actual	\$339.6	\$487.9	\$658.0	\$629.9	\$694.1

District Specific Results:

	District								
	1	2	3	4	5	6	7	TPK	CO
Estimate	\$91.4	\$49.0	\$56.3	\$78.9	\$108.2	\$57.9	\$103.3	\$195.4	\$9.4
Actual	\$85.7	\$44.6	\$39.2	\$80.3	\$94.8	\$68.4	\$114.2	\$150.7	\$16.2
% of Plan	93.8%	91.0%	69.6%	101.8%	87.6%	118.1%	110.6%	77.1%	172.3%

1b. RIGHT-OF-WAY ACQUISITION

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

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

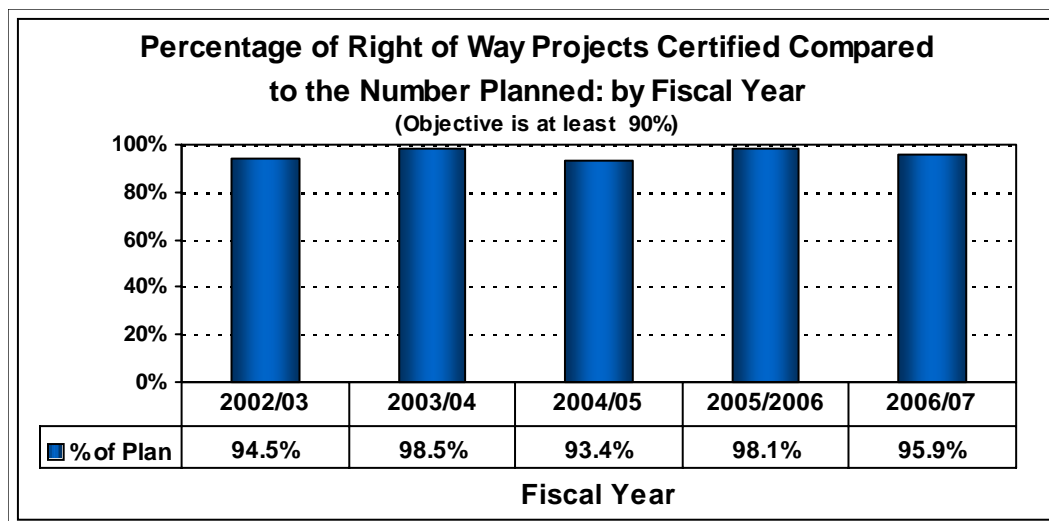
- ◆ Acquire parcels as planned;
- ◆ Acquire parcels based on negotiation versus condemnation;
- ◆ Negotiate parcels within 20% of initial offer;
- ◆ Acquire through condemnations at one-half of contention difference; and
- ◆ Expend more dollars on land than on ancillary costs.

A successful right of way program is one that maximizes cost avoidance strategies during negotiation and condemnation, and completes parcel acquisition in a timely manner, avoiding delays in letting the project to construction. Failure to certify all parcels on schedule for a given project may delay the project and increase project cost.

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

Objective: Not less than 90% of plan.

Results: Department certified 47 of 49 projects or 95.9% of plan. An additional 14 projects not in the plan were also certified.

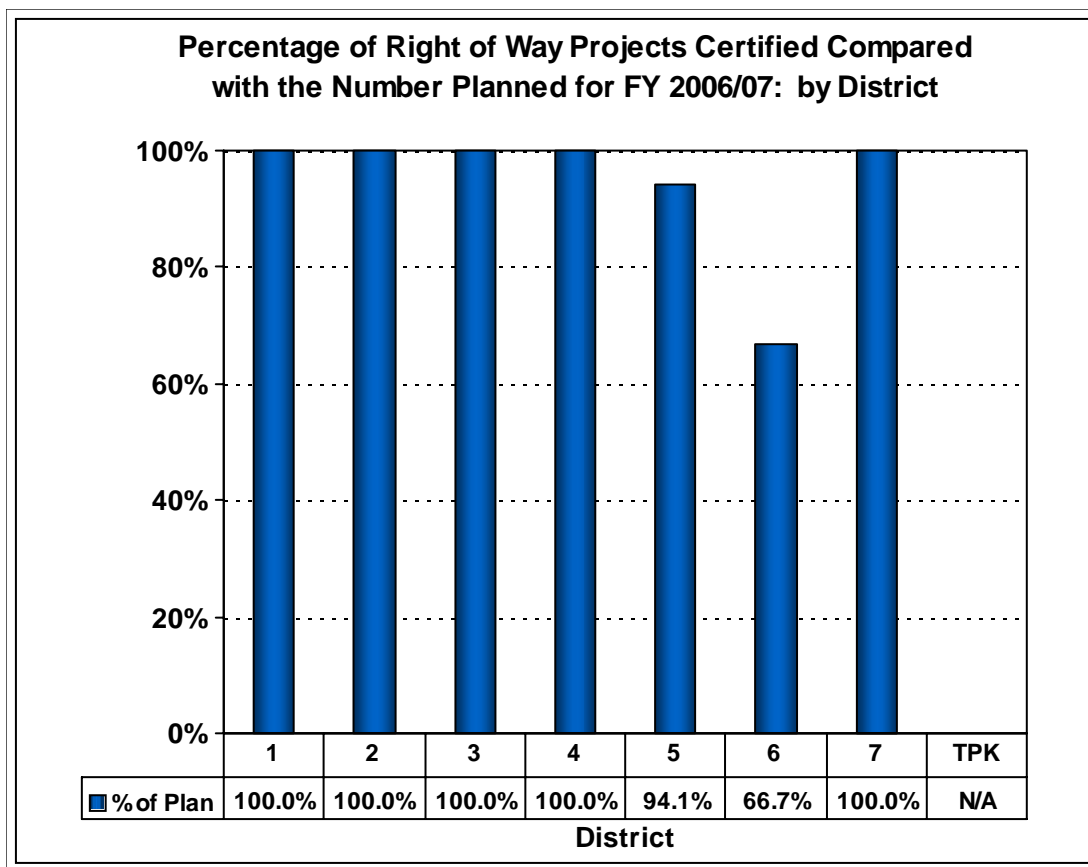


1b. RIGHT-OF-WAY ACQUISITION (cont'd)

Five-Year Statewide Right of Way Certification Data

	Fiscal Year				
	2002/03	2003/04	2004/05	2005/06	2006/07
Plan	73	65	61	52	49
Actual	69	64	57	51	47
% of Plan	94.5%	98.5%	93.4%	98.1%	95.9%
Additions	9	21	9	18	14
Total	78	85	66	69	61

District specific results:

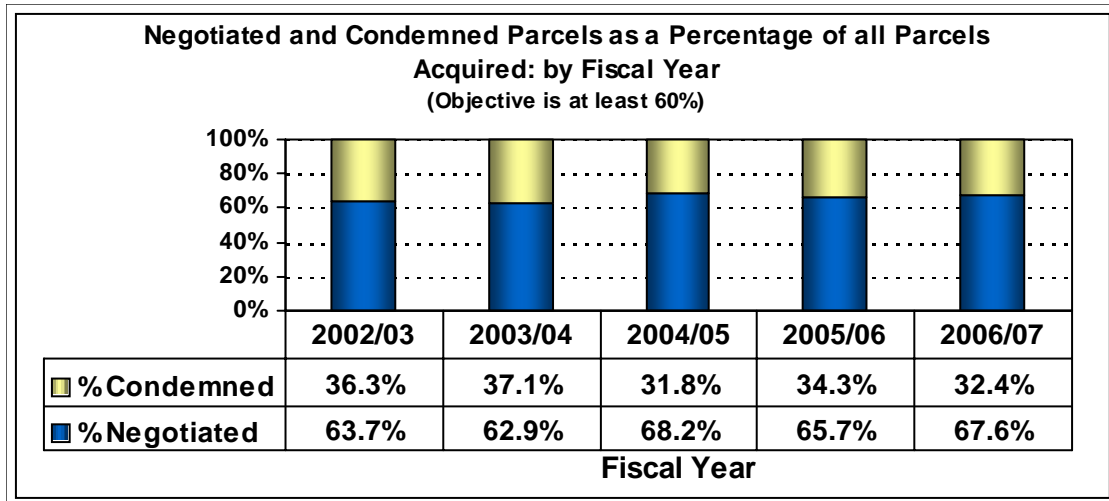


	By District							
	1	2	3	4	5	6	7	TPK
Plan	2	12	7	6	17	3	2	0
Actual	2	12	7	6	16	2	2	0
Additions	1	5	3	0	1	3	1	0
Total	3	17	10	6	17	5	3	0

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

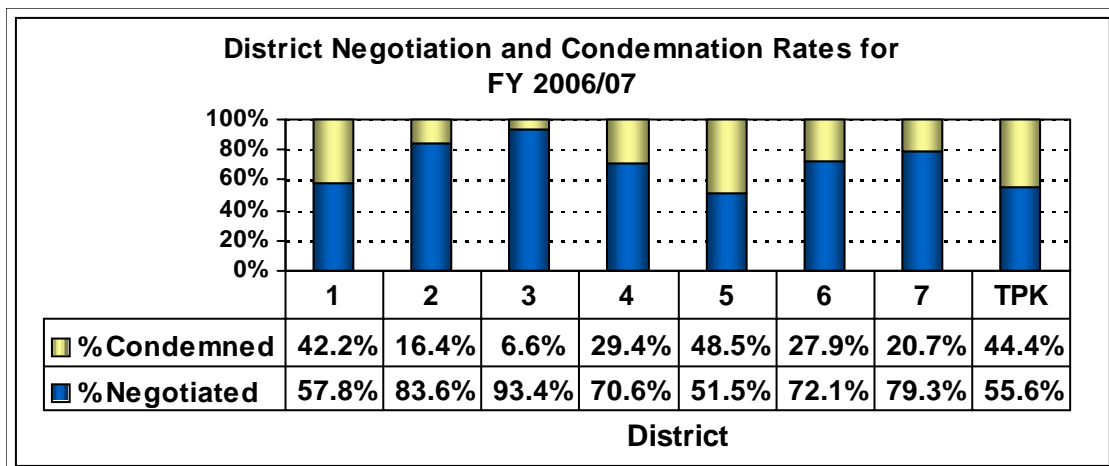
Secondary Measure: Percent of parcels acquired by negotiation, target 60%.

Results: Acquired 67.6% through negotiation.



	Fiscal Year				
	2002/03	2003/04	2004/05	2005/06	2006/07
# Negotiated	1,133	955	925	666	630
# Condemned	645	564	432	347	302
Total Parcels	1,778	1,519	1,357	1,013	932

District specific results:

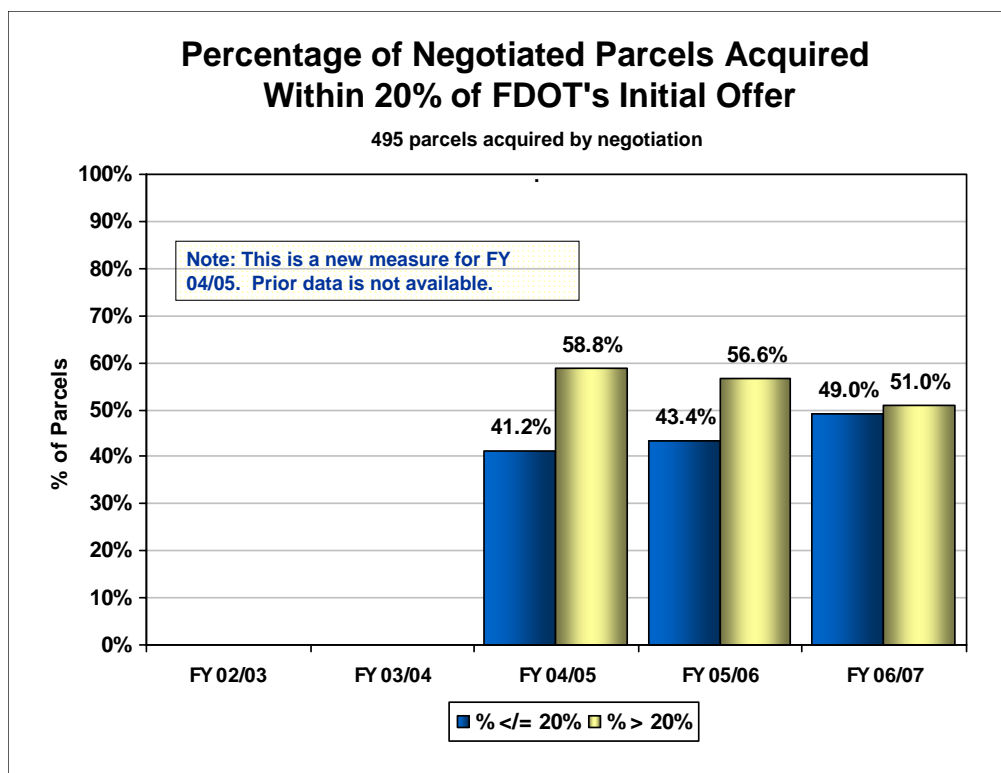


	District							
	1	2	3	4	5	6	7	TPK
# Negotiated	59	107	128	24	190	44	73	5
# Condemned	43	21	9	10	179	17	19	4
Total Parcels	102	128	137	34	369	61	92	9

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

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

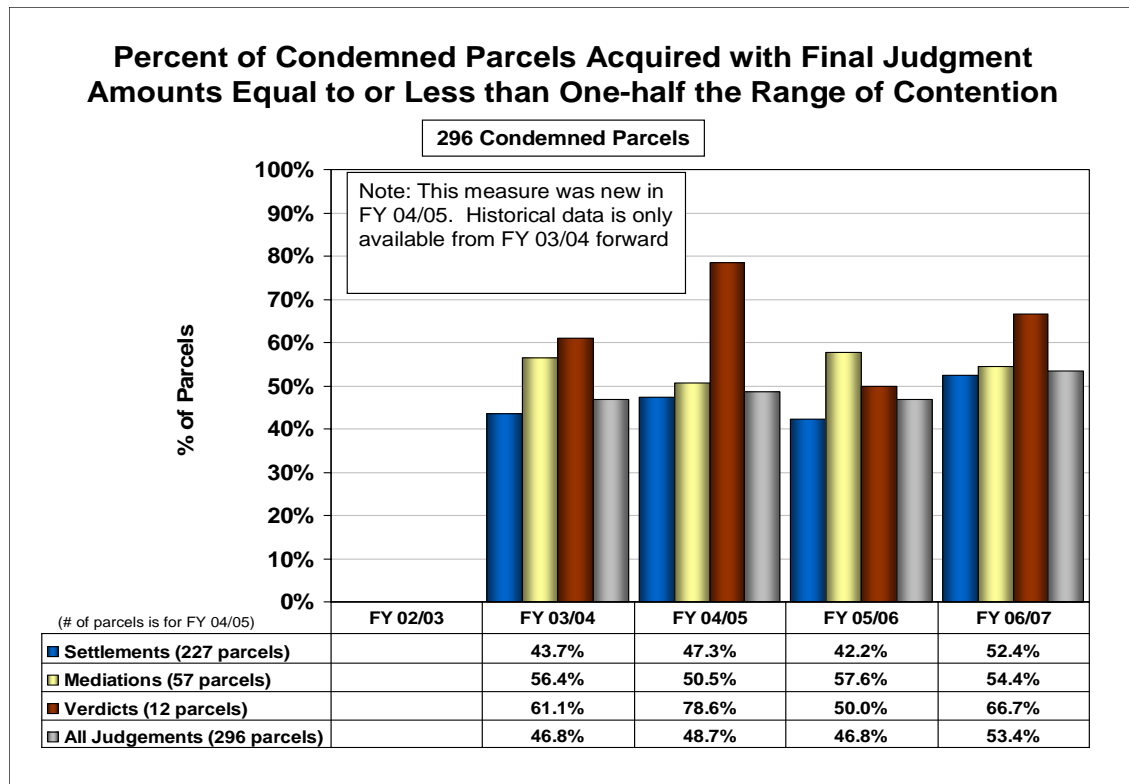
Results: Acquired 49% of parcels within 20% of initial offer.



Secondary Measure: Percentage of condemned parcels acquired equal to or less than one-half of contention difference. This, also, was a new measure for FY 2004/05. Presumably, if the outcome of a final judgment is an even split in the range of contention between the Department and the landowner, then both parties gave and gained something. Thus, a greater percentage of final judgments on the Department side of the range of contention would indicate more successful negotiation on behalf of the state.

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

Results: 53.4% of condemned parcels were acquired with final judgment amounts equal to or less than one-half the range of contention.

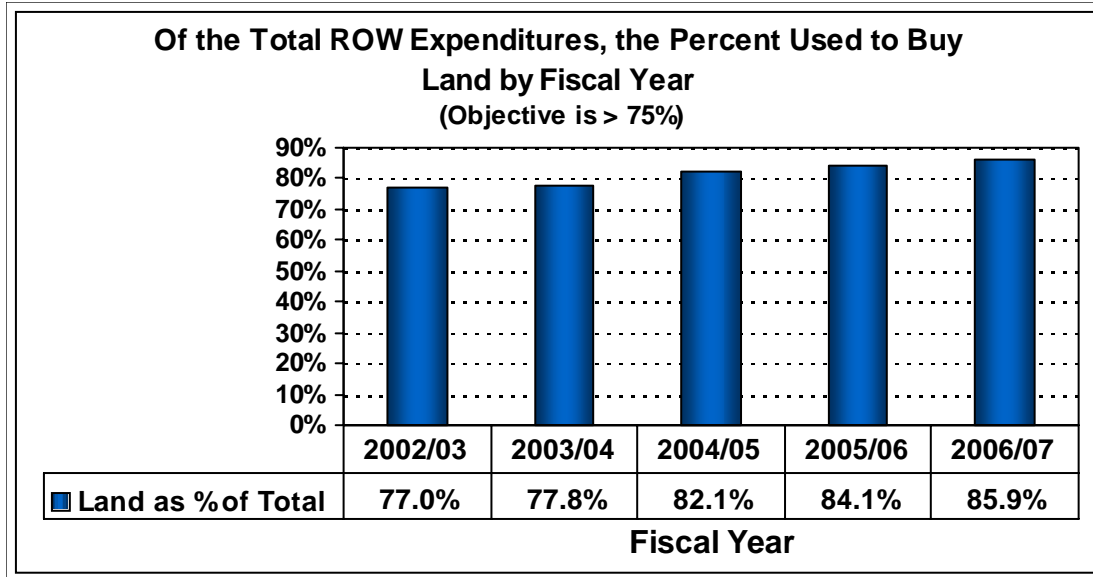


Thomas Drive Flyover on US 98 in Bay County (District 3). This project is phase 1 of a 3 phase project to relieve congestion and improve safety at this busy intersection and to aid in hurricane evacuation.

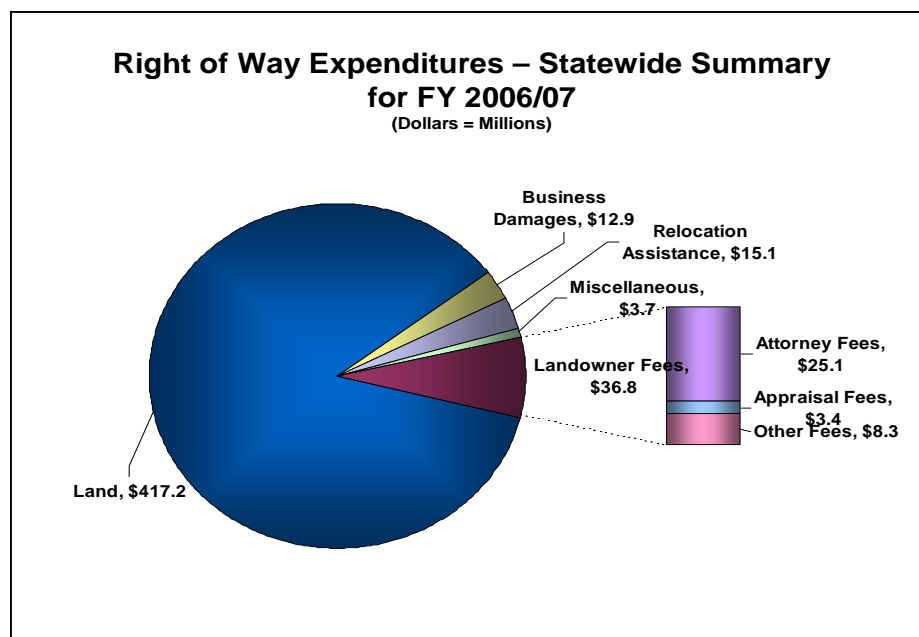
1b. RIGHT-OF-WAY ACQUISITION (concluded)

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

Results: 85.9% of ROW costs were for land.



ROW Expenditures Statewide	FY 2005/06		FY 2006/07		Change	
	\$ (millions)	%	\$ (millions)	%	\$ (millions)	%
Land	\$447.7	84.1%	\$417.2	85.9%	-\$30.5	1.8%
Business Damages	\$11.3	2.1%	\$12.9	2.7%	\$1.6	0.5%
Landowner Fees	\$48.8	9.2%	\$36.8	7.6%	-\$12.0	-1.6%
Relocation Assist.	\$19.6	3.7%	\$15.1	3.1%	-\$4.5	-0.6%
Miscellaneous	\$4.9	0.9%	\$3.7	0.8%	-\$1.2	-0.2%



1c. CONSTRUCTION CONTRACT LETTINGS

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

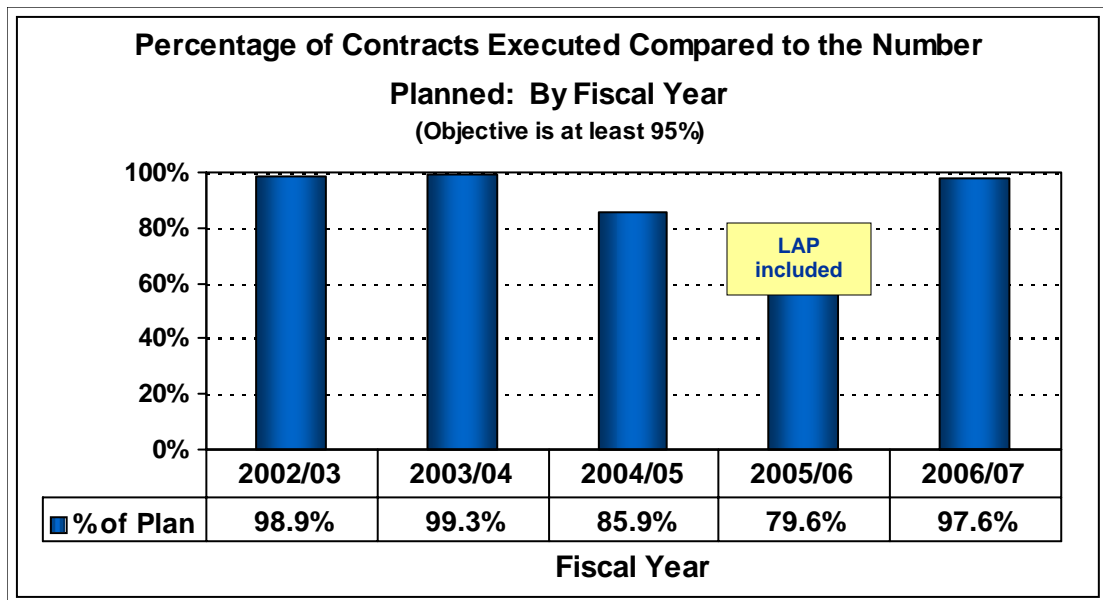
The following performance measures assess the Department’s ability to:

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

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

Objective: No less than 95% of plan.

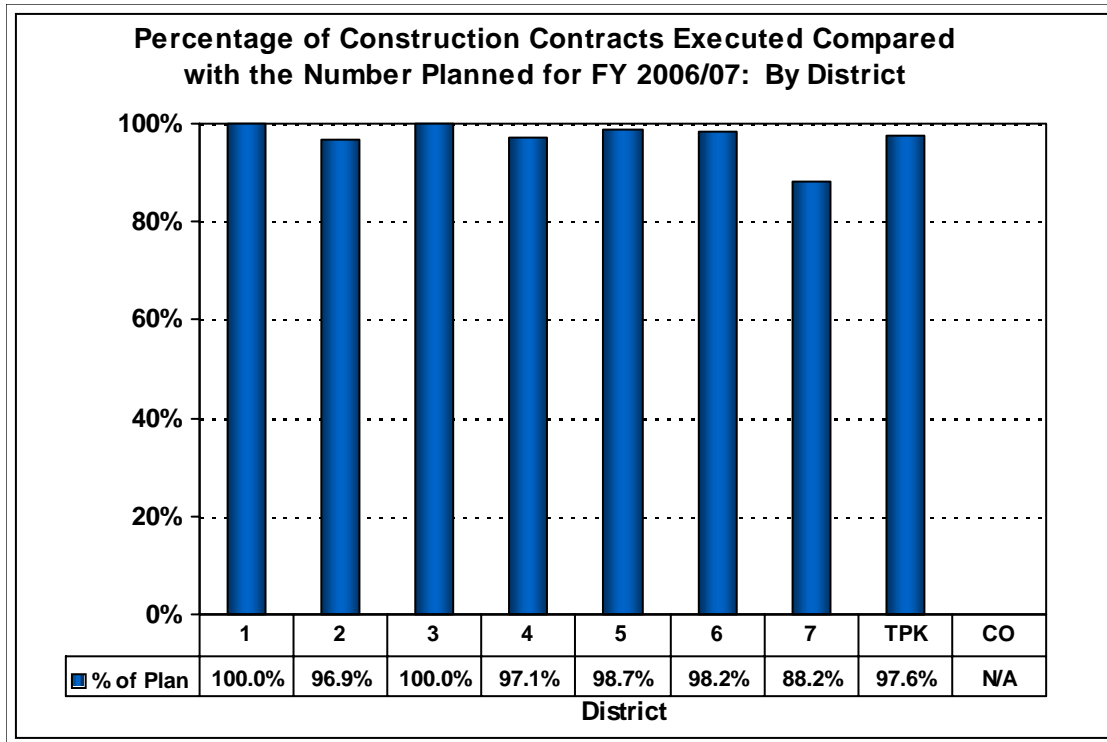
Results: The Department achieved 97.6% of plan; executing 447 of 458 projects planned. The Department added and executed 72 projects that were not planned, but were valued at \$481.8 million. A total of 519 projects, valued at \$3.2 billion, were executed and placed in production.



	Fiscal Year				
	2002/03	2003/04	2004/05	2005/06	2006/07
Plan	463	456	601	668	458
Actual	458	453	516	532	447
Additions	52	60	69	36	72
Total	510	513	585	568	519

1c. CONSTRUCTION CONTRACT LETTINGS (cont'd)

District specific results:



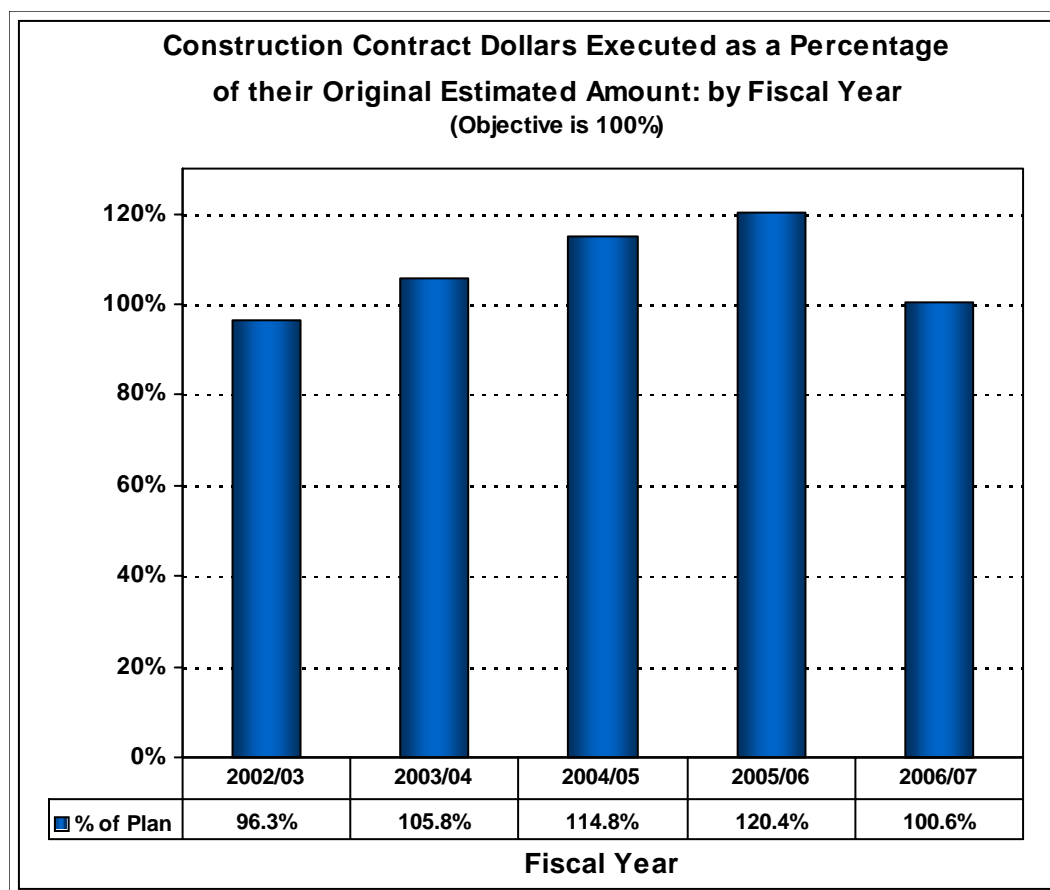
	District								
	1	2	3	4	5	6	7	TPK	CO
Plan	59	64	55	70	78	57	34	41	0
Actual	59	62	55	68	77	56	30	40	0
Additions	22	13	12	8	5	2	10	0	0
Total	81	75	67	76	82	58	40	40	0



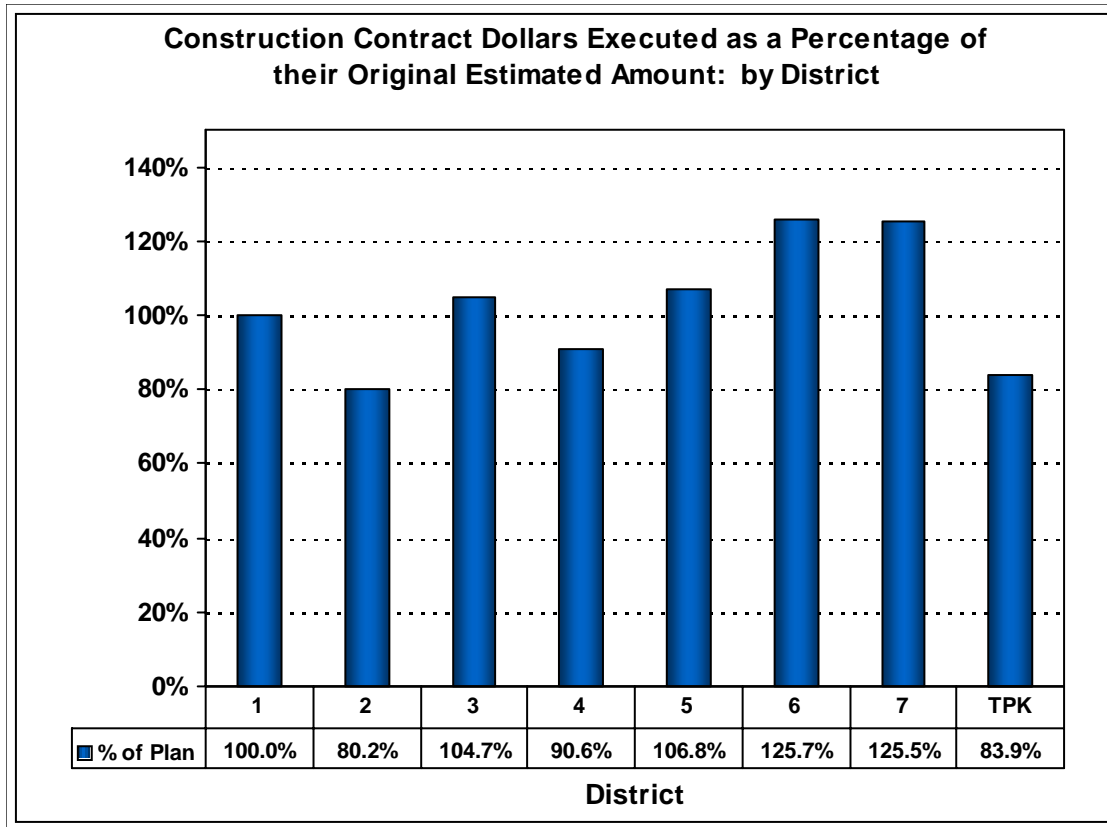
1c. CONSTRUCTION CONTRACT LETTINGS (cont'd)

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

Results: The actual cost of lettings was \$2.749 billion, compared to the estimate of \$2.731 billion, or 100.6% of estimate.



	Fiscal Year				
	2002/03	2003/04	2004/05	2005/06	2006/07
(\$=millions)					
Estimate	\$1,487.4	\$2,124.0	\$2,141.9	\$1,659.0	\$2,731.1
Actual	\$1,432.5	\$2,246.9	\$2,458.3	\$1,997.8	\$2,748.6

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

	District							
(\$=millions)	1	2	3	4	5	6	7	TPK
Estimate	\$563.0	\$309.2	\$115.7	\$287.4	\$342.4	\$396.3	\$218.7	\$498.4
Actual	\$563.0	\$247.9	\$121.1	\$260.4	\$365.7	\$498.0	\$274.4	\$418.1



1d. LOCAL AGENCY PROGRAM (LAP)

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

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

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

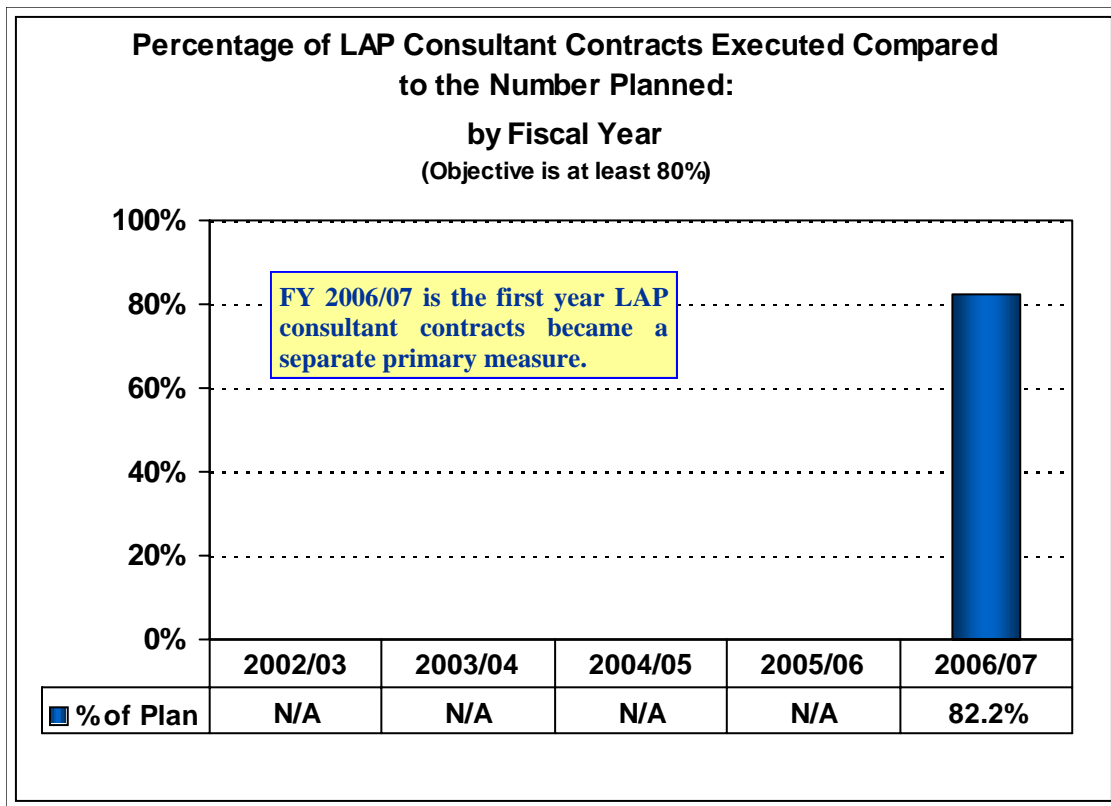


1d1. LAP CONSULTANT ACQUISITION

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

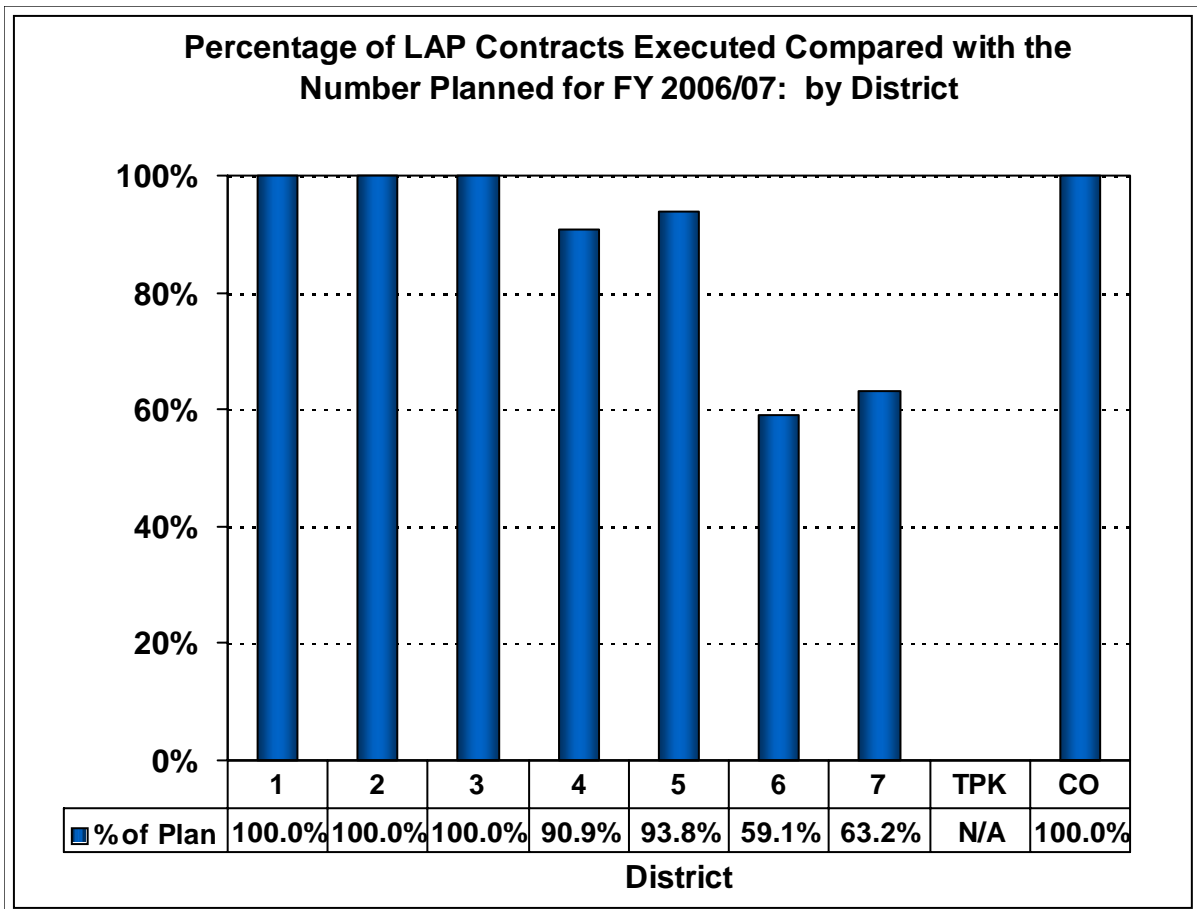
Objective: Not less than 80% of plan.

Results: The Department achieved 82.2% of its plan, executing 83 of 101 contracts planned. The Department also executed an additional 14 contracts not in the plan that are valued at \$2.1 million.



	Fiscal Year				
	2002/03	2003/04	2004/05	2005/06	2006/07
Plan	N/A	N/A	N/A	N/A	101
Actual	N/A	N/A	N/A	N/A	83
Additions	N/A	N/A	N/A	N/A	14
Total	N/A	N/A	N/A	N/A	97

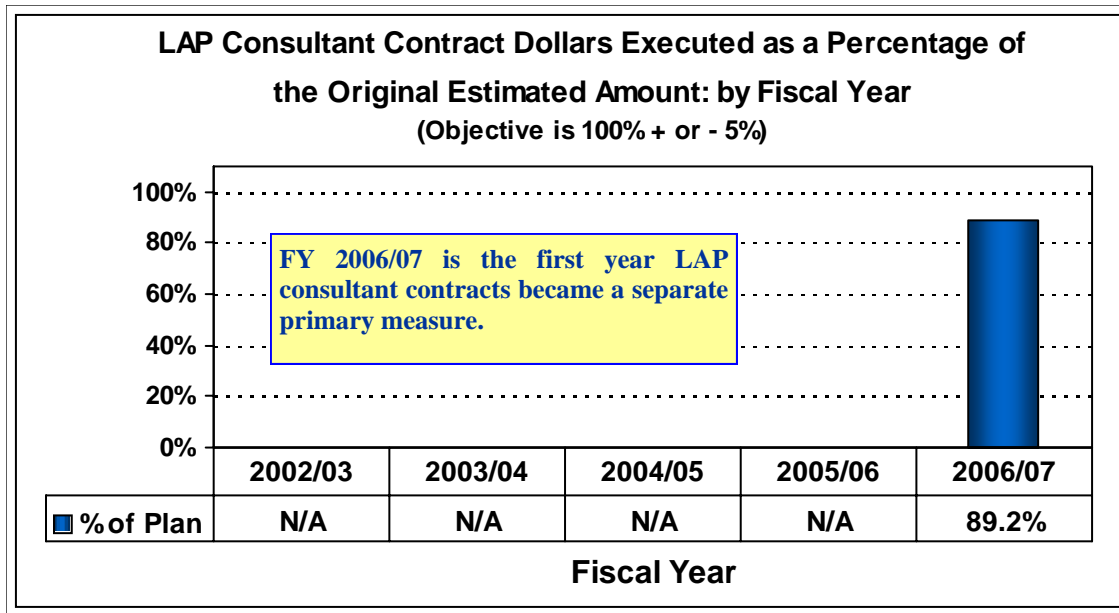
Note: Includes planning, preliminary engineering and construction engineering inspection (cei) consultants.

1d1. LAP CONSULTANT ACQUISITION (cont'd)**District specific results:**

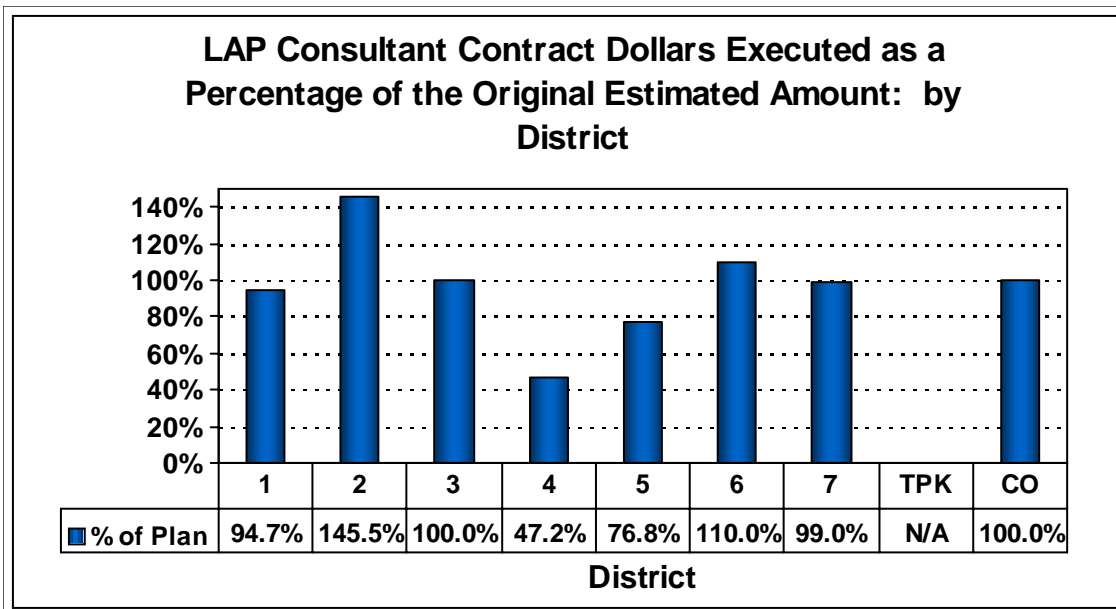
	District								
	1	2	3	4	5	6	7	TPK	CO
Plan	16	9	6	11	16	22	19	N/A	2
Actual	16	9	6	10	15	13	12	N/A	2
Additions	1	4	0	0	0	2	7	N/A	0
Total	17	13	6	10	15	15	19	N/A	2

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

Results: The Department executed \$24.8 million of consultant contracts, which was \$3 million less than the estimate of \$27.8 million, or 89.2% of estimate.

1d1. LAP CONSULTANT ACQUISITION (concluded)

	Fiscal Year				
	2002/03	2003/04	2004/05	2005/06	2006/07
Estimate	N/A	N/A	N/A	N/A	\$27.8
Actual	N/A	N/A	N/A	N/A	\$24.8

District Specific Results:

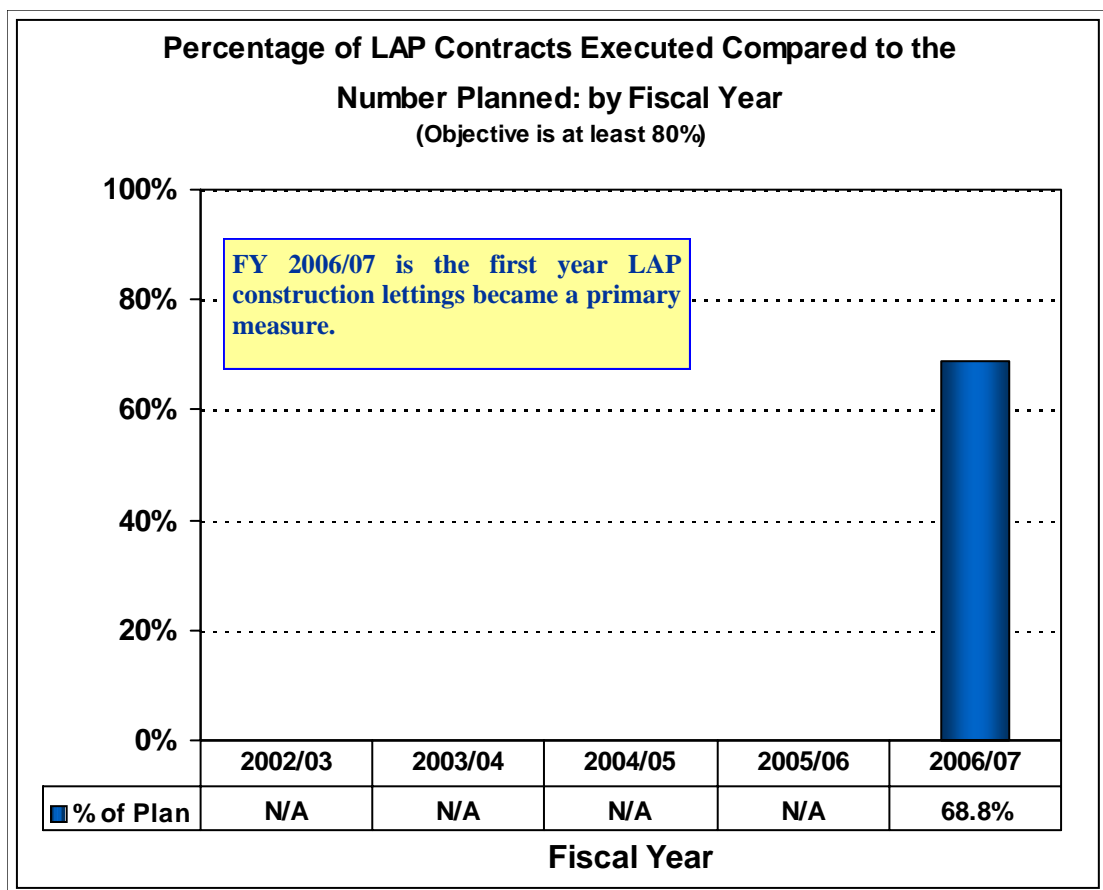
	District								
	1	2	3	4	5	6	7	TPK	CO
Estimate	\$1.9	\$1.1	\$2.0	\$3.6	\$6.9	\$2.0	\$10.0	N/A	\$0.3
Actual	\$1.8	\$1.6	\$2.0	\$1.7	\$5.3	\$2.2	\$9.9	N/A	\$0.3

1d2. LAP CONSTRUCTION LETTINGS

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

Objective: Not less than 80% of plan.

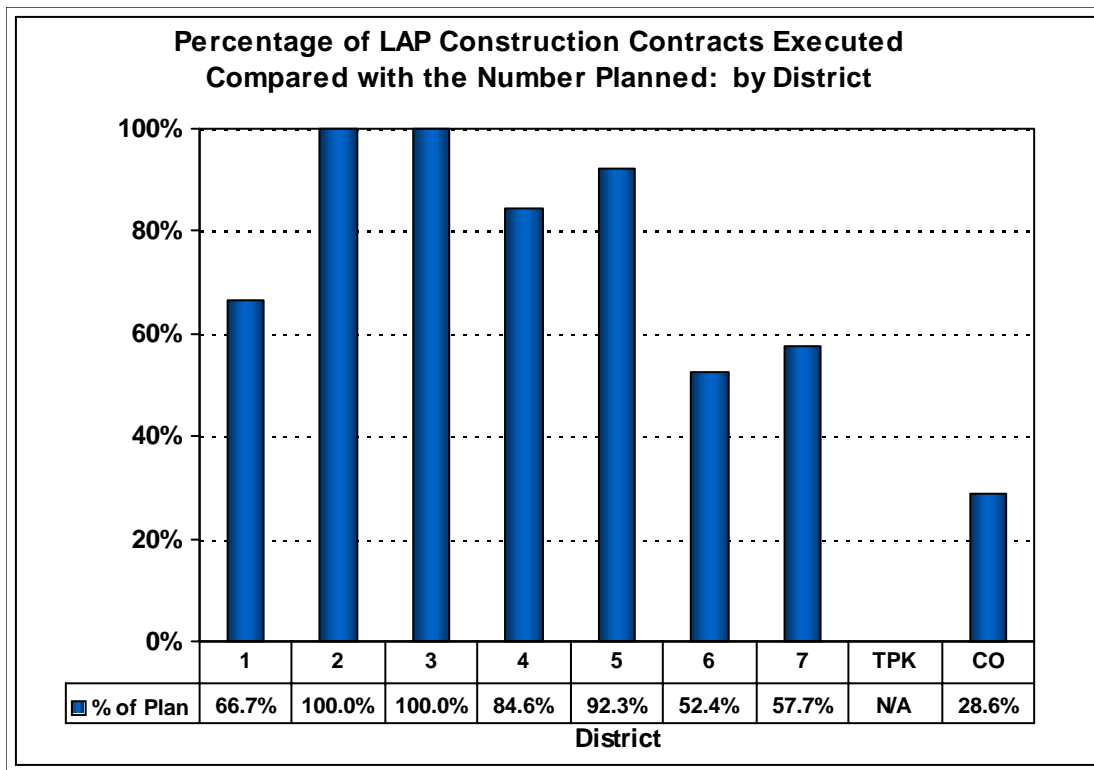
Results: The Department achieved 68.8% of plan; executing 97 of 141 projects planned. The Department added and executed 5 projects that were not planned and valued at \$4.4 million. A total of 102 projects, valued at \$109.3 million, were executed and placed in production.



	Fiscal Year				
	2002/03	2003/04	2004/05	2005/06	2006/07
Plan	N/A	N/A	N/A	N/A	141
Actual	N/A	N/A	N/A	N/A	97
Additions	N/A	N/A	N/A	N/A	5
Total	N/A	N/A	N/A	N/A	102

1d2. LAP CONSTRUCTION LETTINGS (cont'd)

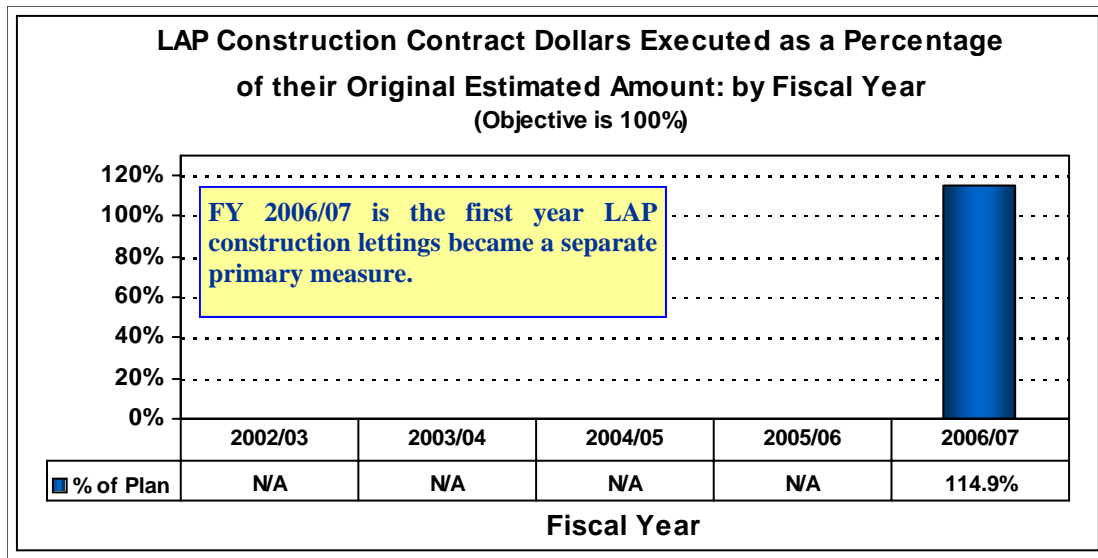
DISTRIC SPECIFIC RESULTS:



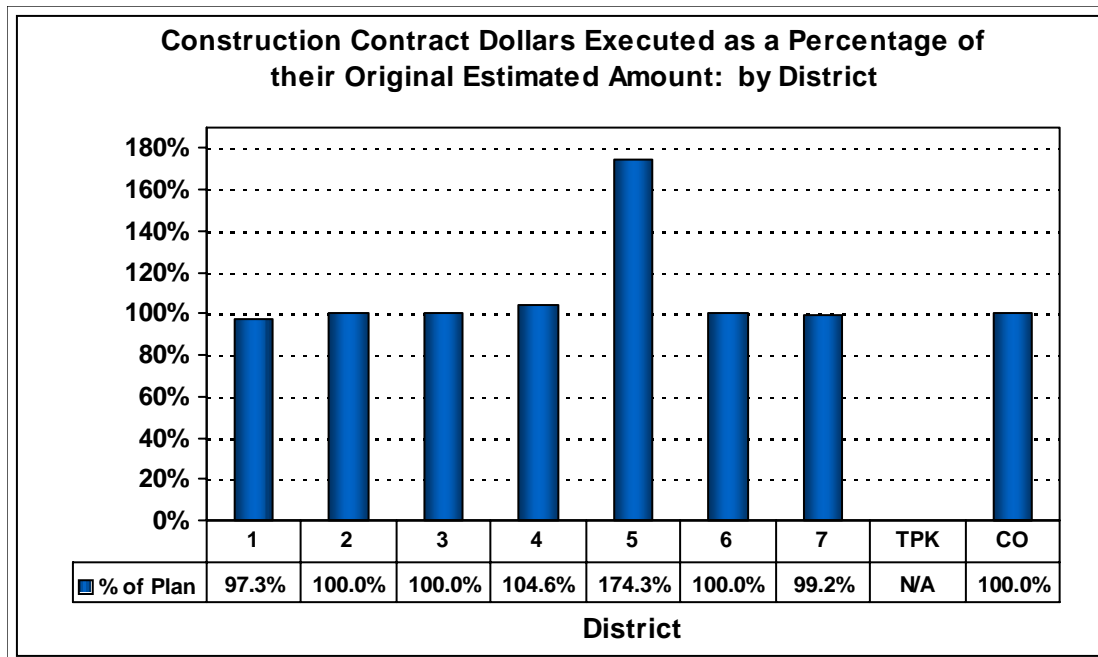
	District								
	1	2	3	4	5	6	7	TPK	CO
Plan	39	4	5	26	13	21	26	N/A	7
Actual	26	4	5	22	12	11	15	N/A	2
Additions	1	0	0	0	0	4	0	N/A	0
Total	27	4	5	22	12	15	15	N/A	2

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

Results: The actual cost of lettings was \$104.9 million, compared to the estimate of \$91.3 million, or 114.9% of estimate.

1d2. LAP CONSTRUCTION LETTINGS (concluded)

	Fiscal Year				
(\$=millions)	2002/03	2003/04	2004/05	2005/06	2006/07
Estimate	N/A	N/A	N/A	N/A	\$91.3
Actual	N/A	N/A	N/A	N/A	\$104.9

District Specific Results:

	District								
	1	2	3	4	5	6	7	TPK	CO
Plan	\$7.3	\$3.1	\$2.5	\$10.8	\$18.3	\$8.5	\$39.7	N/A	\$1.1
Actual	\$7.1	\$3.1	\$2.5	\$11.3	\$31.9	\$8.5	\$39.4	N/A	\$1.1



Construction of Flyover at I-75 and Bruce B. Downs Boulevard in Tampa (District 7)

1e. CONSTRUCTION CONTRACT ADJUSTMENTS

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

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

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

CONSTRUCTION CONTRACT TIME ADJUSTMENTS

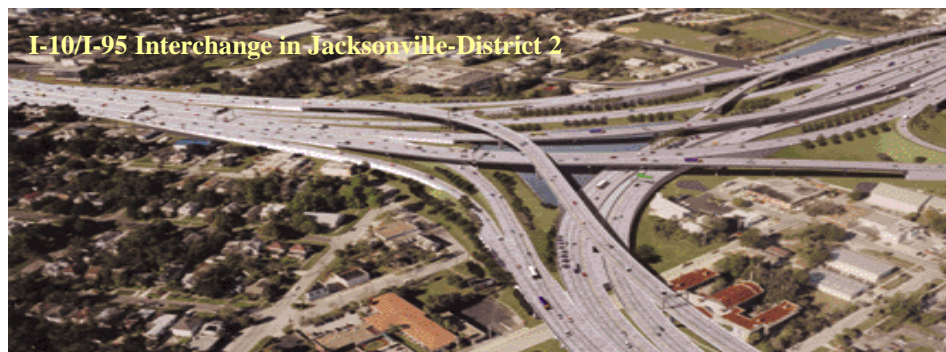
Time extensions due to inclement weather (“weather days”) are unavoidable and not included in this measure. Time extensions due to holidays are granted by the Department to aid in traffic flow during the holidays and therefore are considered unavoidable and are not included in this measure.

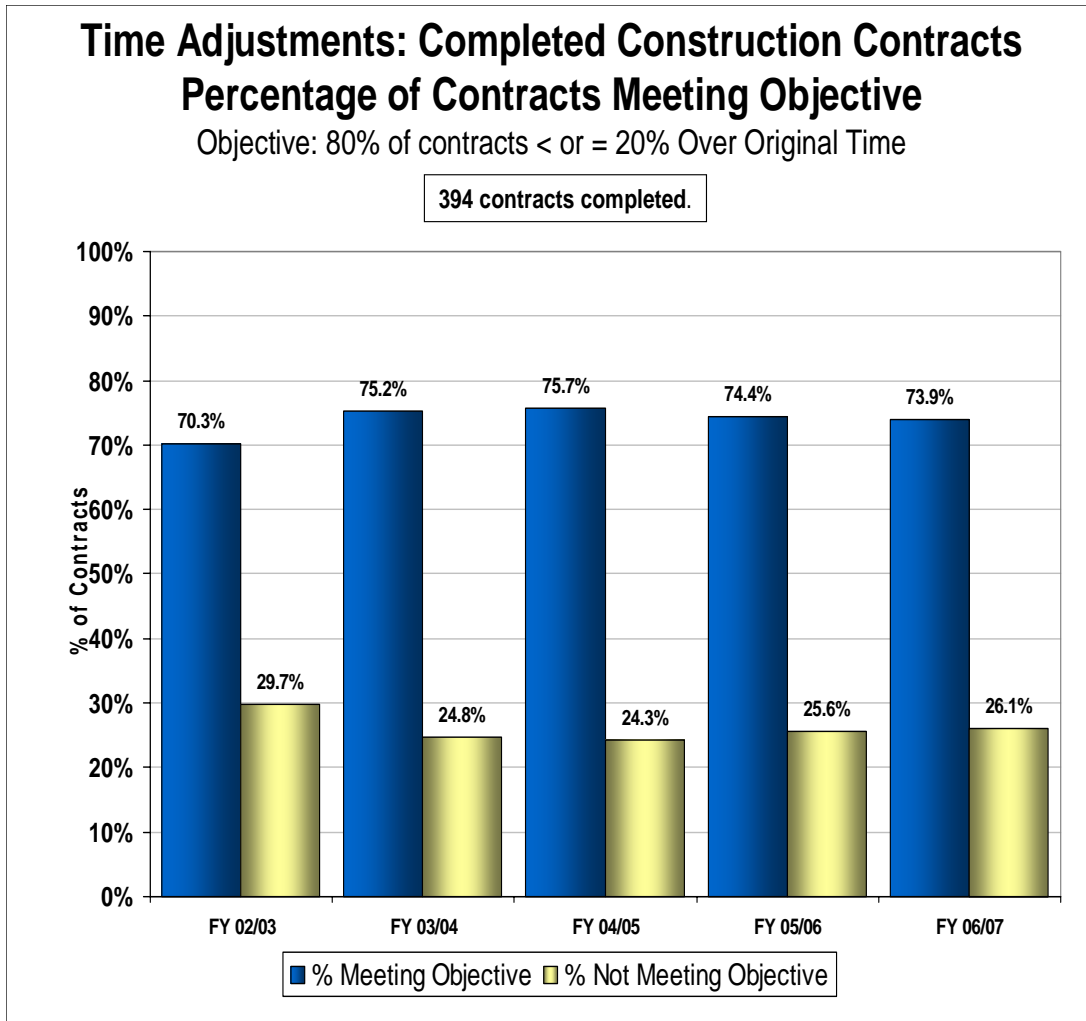
Additional days granted by the Department resulting in time extensions, or authorization of additional work through a supplemental agreement, are included in this measure. If a contractor fails to complete the project within the original contract time plus extensions, the contractor is declared delinquent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

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

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

Results: Of the 394 construction contracts completed, 73.9% were completed within 20% of their original contract time.



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

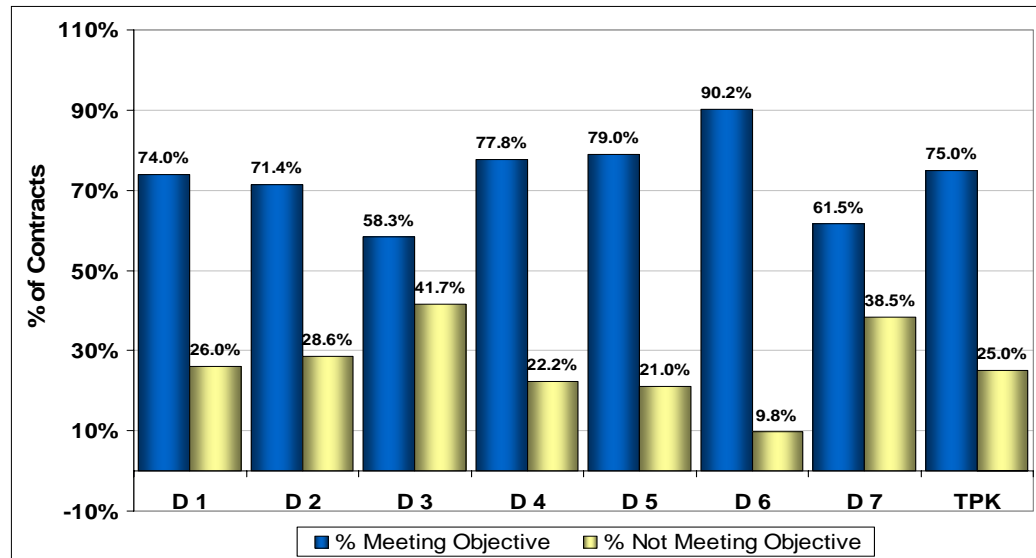
	# of Contracts	# >20%	% >20%	% <or =to 20%	# <or =to 20%
FY 06/07	394	103	26.1%	291	73.9%
FY 05/06	297	76	25.6%	221	74.4%
FY 04/05	296	72	24.3%	224	75.7%
FY 03/04	407	101	24.8%	306	75.2%
FY 02/03	475	141	29.7%	334	70.3%

1e. CONSTRUCTION CONTRACT ADJUSTMENTS (cont'd)

District specific results:

Time Adjustments: Construction Contracts by District Percentage of Contracts Meeting Objective

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

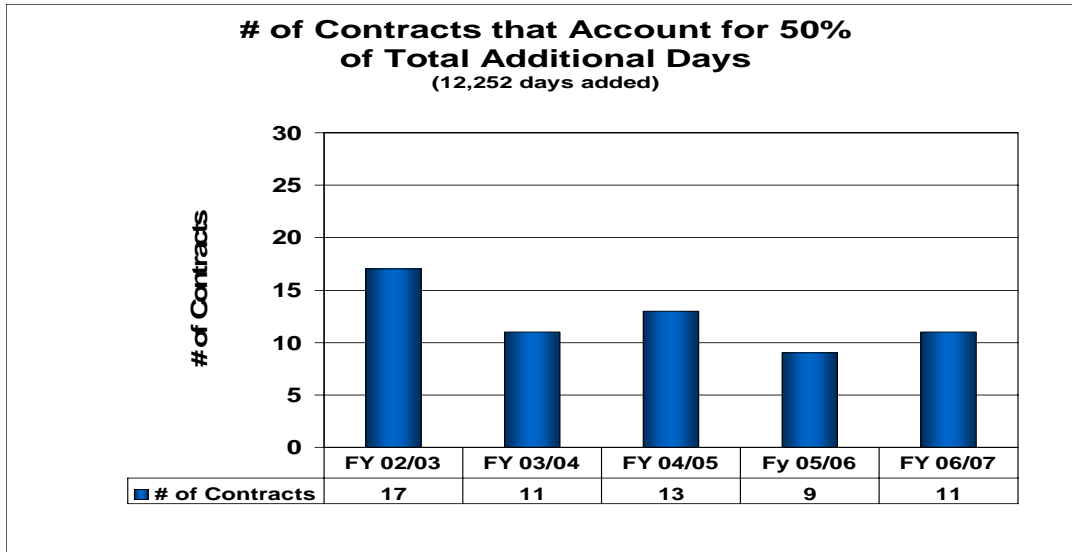


District	# of Con- tracts	# > 20%	% > 20%	# < or = to 20%	% < or = to 20%
1	96	25	26.04%	71	73.96%
2	70	20	28.57%	50	71.43%
3	24	10	41.67%	14	58.33%
4	45	10	22.22%	35	77.78%
5	62	13	20.97%	49	79.03%
6	41	4	9.76%	37	90.24%
7	52	20	38.46%	32	61.54%
TPK	4	1	25.00%	3	75.00%
Statewide	394	103	26.14%	291	73.86%

Of the 394 contracts closed in FY 2006/07, only 11 contracts accounted for 50% of the total additional days.

Original Days:	89,791
Additional Days:	<u>12,252</u>
Total Days:	102,043
Percent Additional Days	13.7%

Contracts Completed:	394
Number of Contracts with 50% of Add Days	11
Percent of Contracts with 50% Add Days	2.79%

1e. CONSTRUCTION CONTRACT ADJUSTMENTS (cont'd)

The 11 contracts accounting for 50% of the additional days:

District	Contract #	Project Description	Original Days	Additional Days	Total Days	% Over
1	21541	SR 60 From Agricola Road (CR 555) to Broadway Ave	720	1364	2084	189.44%
2	E2F32	I-95 Jacksonville ITS From N. end of Fuller Warren Bridge to I-95/I-295 Interchange	370	670	1040	181.08%
2	21509	SR20/Hawthorne Road CR 325, SR 200/US 301	600	632	1232	105.33%
7	21362	SR 60 From Clearwater Harbor to Bridge #15004	800	631	1431	78.88%
1	20934	US 41 Business From Palermo Place to US 41 Business (ByPass)	1065	489	1554	45.92%
3	19205	SR 261/Capital Circle From SR 10/US90 (Mahan Drive) to CR 151 (Centerville Road)	890	478	1368	53.71%
2	T2005	Riverside Avenue/SR 15 From Edison Avenue to Acosta Bridge	690	451	1141	65.36%
3	20945	I-10 New Pensacola Weigh Station	560	379	939	67.68%
1	E1C83	SR 80 Palm Beach Blvd) From Hickey Creek to Hendry County Line	800	367	1167	45.88%
1	E1C68	US 17 From CR 764 South to Desoto County Line	799	333	1132	41.68%
1	20146	Charlotte - Countywide Computer System	400	316	716	79.00%

1e. CONSTRUCTION CONTRACT ADJUSTMENTS (cont'd)

CONSTRUCTION CONTRACT COST ADJUSTMENTS

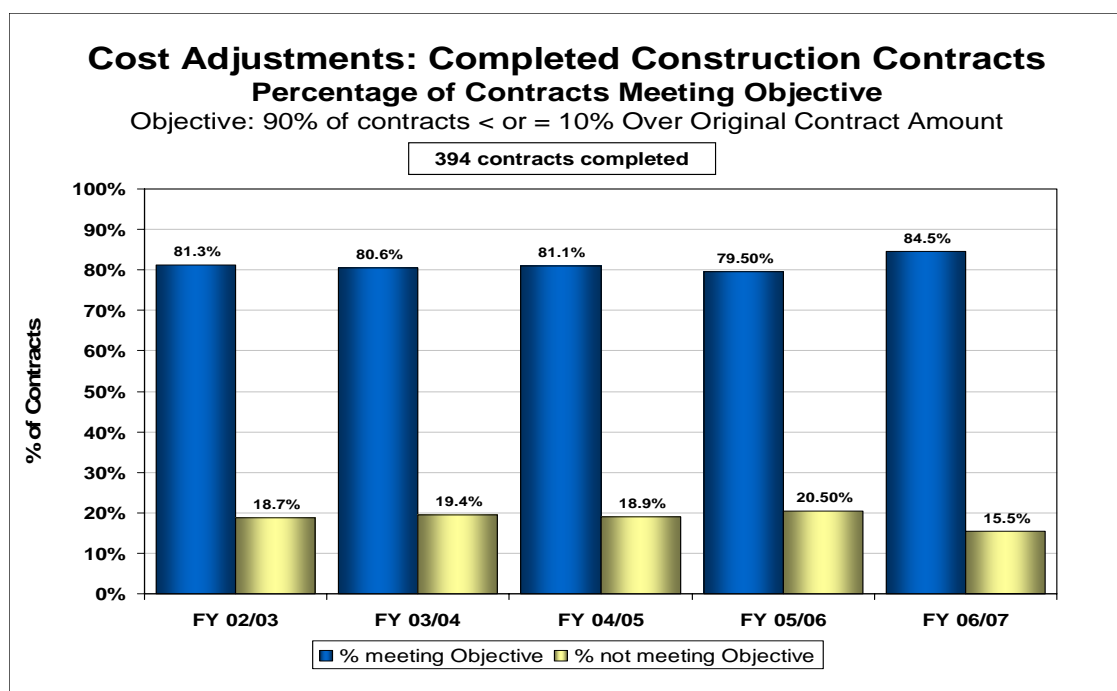
Factors such as changing market conditions, volatile changes in the cost of materials, and the call for aesthetic additions to projects have made cost increases an accepted norm within the construction industry. Additional costs are provided for:

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

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

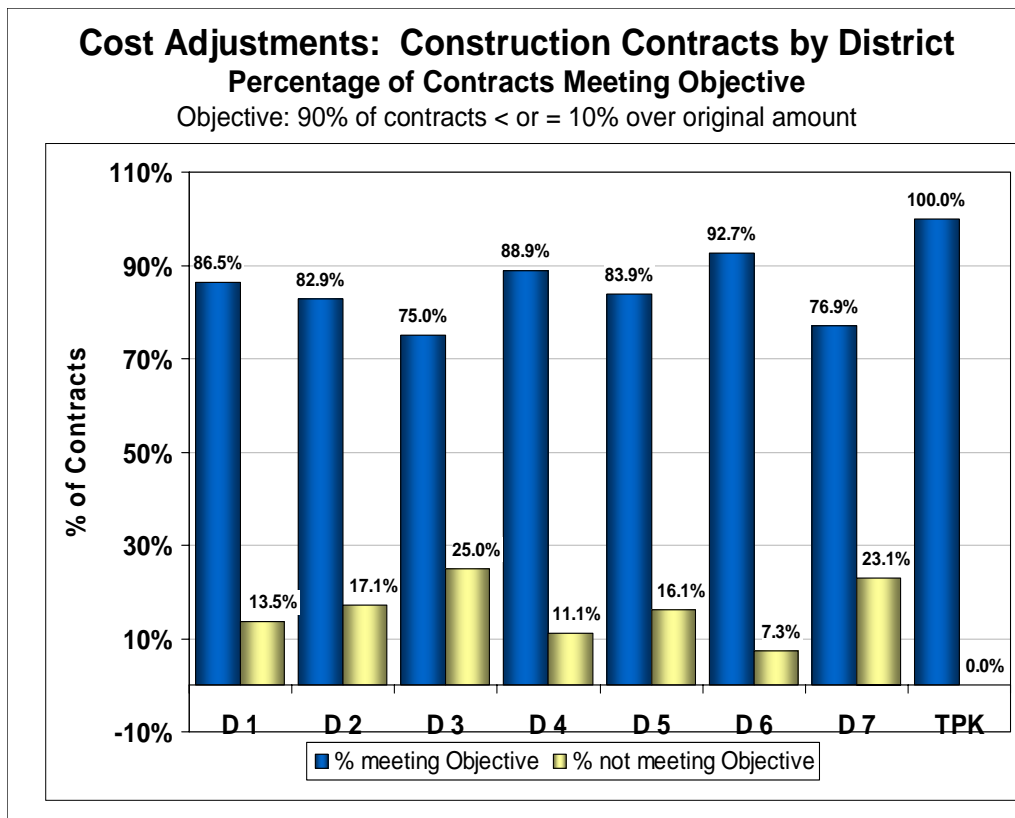
Objective: No less than 90% of completed construction contracts falling within the 10% threshold.

Results: Of the 394 contracts completed, 333 or 84.5% were within 10% of the original contract amount.



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

	# of Contracts	# >10%	% >10%	# <or =to 10%	% <or =to 10%
FY 06/07	394	61	15.5%	333	84.5%
FY 05/06	297	61	20.5%	236	79.5%
FY 04/05	296	56	18.9%	240	81.1%
FY 03/04	407	79	19.4%	328	80.6%
FY 02/03	475	89	18.7%	386	81.3%

District specific results:

District	# of Contracts	# > 10%	% > 10%	# < or = to 10%	% < or = to 10%
1	96	13	13.54%	83	86.46%
2	70	12	17.14%	58	82.86%
3	24	6	25.00%	18	75.00%
4	45	5	11.11%	40	88.89%
5	62	10	16.13%	52	83.87%
6	41	3	7.32%	38	92.68%
7	52	12	23.08%	40	76.92%
TPK	4	0	0.00%	4	100.00%
Statewide	394	61	15.48%	333	84.52%

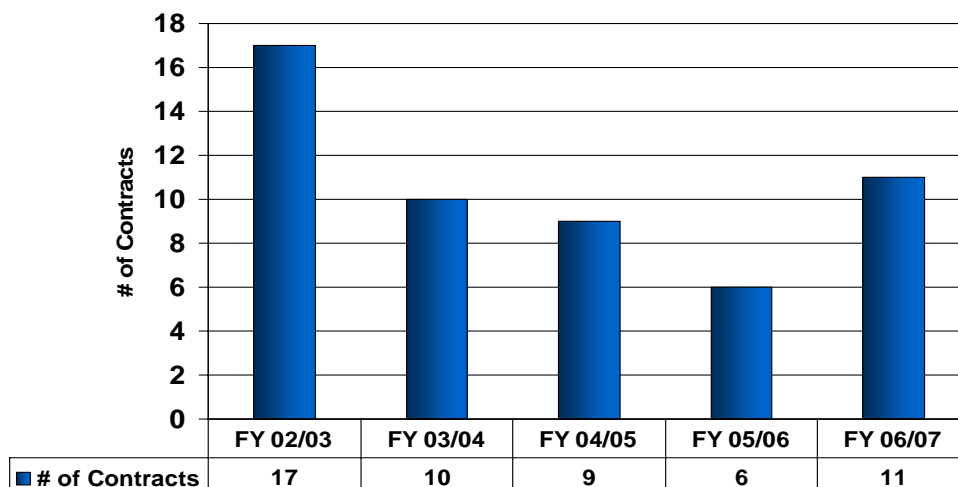
1e. CONSTRUCTION CONTRACT ADJUSTMENTS (cont'd)

Of the 394 contracts closed during FY 2006/07, 11 contracts accounted for 50% of the total additional cost.

Total Original Amount	\$1.515 Billion
Additional amount:	<u>.090 Billion</u>
Total Amount:	\$1.605 Billion
Percent Additional Amount	5.9%

Contracts Completed:	394
Number of Contracts with 50% of Cost	11
Percent of Contracts with 50% Cost	2.79%

**# of Contracts that Account for 50%
of Total Additional Cost**
(\$89.9 million in additional costs in FY 06/07)



SR 80 Interchange / I-95 North and South of SR 80-District 4



1e. CONSTRUCTION CONTRACT ADJUSTMENTS (cont'd)

The 11 construction contracts accounting for 50% of the additional costs:

District	Contract #	Project Description	Original Amount	Additional Amount	Total Amount	% Over
7	21528	I-275/I-4 from North Hillsborough River to Downtown Interchange	\$73,387,9840	\$6,915,263	\$80,303,247	9.42%
1	E1C90	I-4 From SR 557 to Osceola County Line	\$62,000,000	\$2,513,682	\$64,513,682	4.05%
7	19126	I-4 From I-75 to East of McIntosh Road	\$38,630,478	\$4,734,950	\$43,365,428	12.26%
1	20934	US 41 Business From Palermo Place to US 41 Business (ByPass)	\$27,390,196	\$3,262,547	\$30,652,743	11.91%
5	T5009	I-4 From Polk County Line to East of SR 530/US 192	\$26,054,031	\$4,160,718	\$30,214,749	15.97%
3	21057	US 90 9 Miles Escambia River Bridges-Bridges 480136 and 480137	\$22,585,588	\$5,880,624	\$28,466,212	26.04%
2	21509	SR20/Hawthorne Road CR 325, SR 200/US 301	\$19,180,210	\$6,681,190	\$25,861,400	34.83%
3	20944	US 98 From CR 30A West to SR 83 (US 331)	\$20,129,539	\$3,274,502	\$23,404,041	16.27%
3	19205	SR 261/Capital Circle From SR 10/US90 (Mahan Drive) to CR 151 (Centerville Road)	\$15,896,535	\$2,378,172	\$18,274,707	14.96%
7	21647	Sunshine Skyway Bridge, Post Tension Repairs	\$9,800,295	\$2,541,583	\$12,341,878	25.93%
4	T4001	SR 5/Olive Avenue From Lake View Drive to Palm Beach Lakes Boulevard	\$7,707,813	\$3,149,032	\$10,856,845	40.86%



1e. CONSTRUCTION CONTRACT ADJUSTMENTS (cont'd)

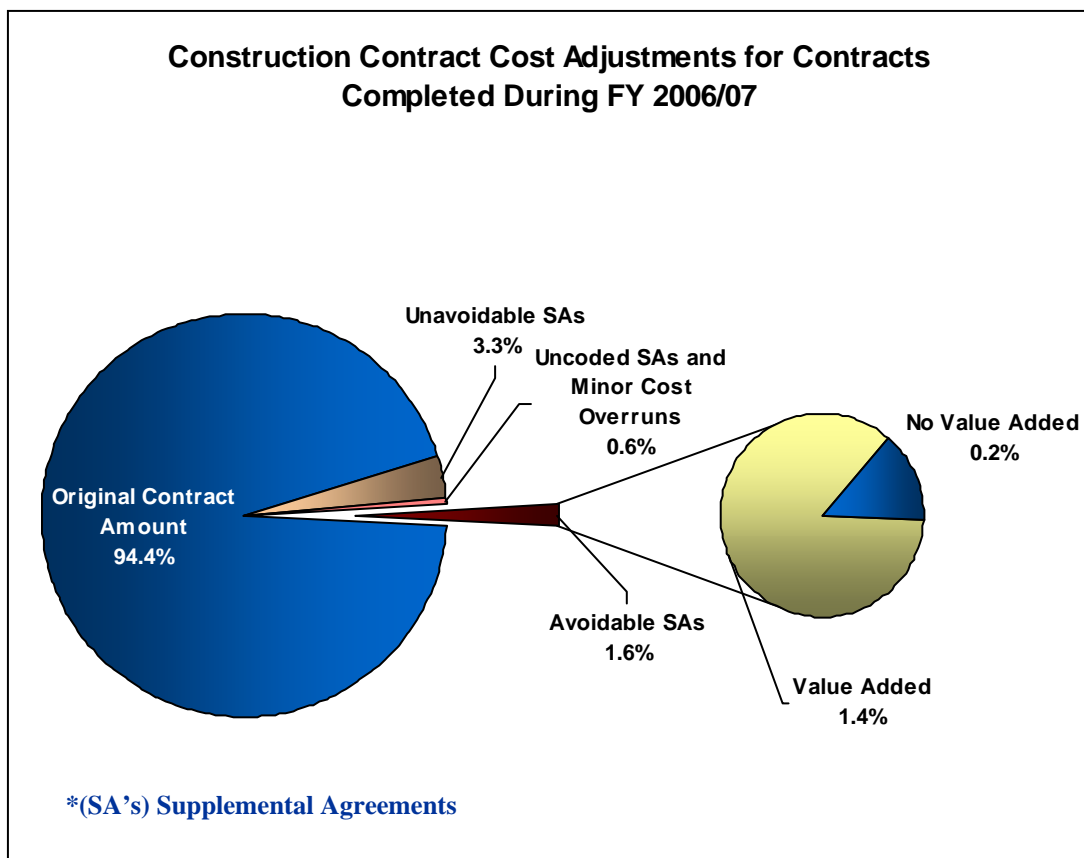
Supplemental Agreements: Avoidable and Unavoidable

Supplemental Agreements (SA's) comprised almost 95% of cost adjustments to closed construction contracts. Minor cost overruns make up the other 5%. Nearly all supplemental agreements add value to the project because they purchase additional labor and materials necessary for the project to become functional as project requirements change during the construction process.

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

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

Results: Of the final amount paid of \$1.605 billion on 394 contracts closed, \$26.1 million (1.5%) was deemed avoidable and of this amount, \$22.3 million (1.4%) added value and \$3.7 million did not add value to the projects.



1e. CONSTRUCTION CONTRACT ADJUSTMENTS (concluded)

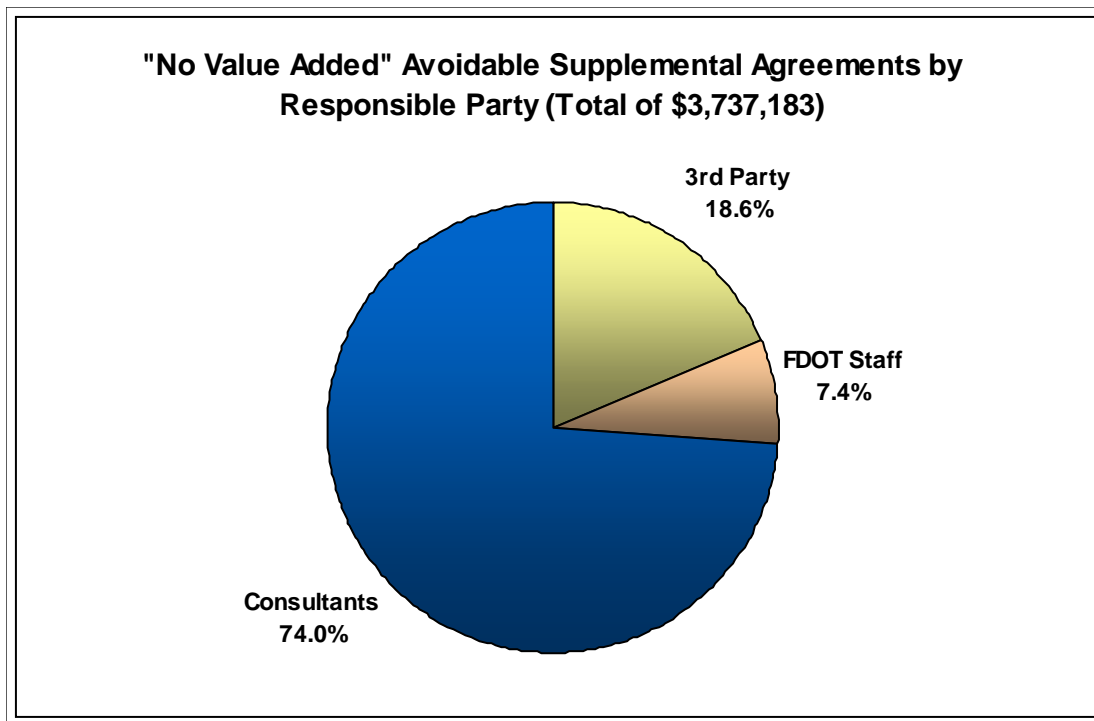
Supplemental Agreements (SA's): Avoidable and Unavoidable

The Department should focus its efforts on identifying the reasons for the avoidable supplemental agreements where no value was added. This totaled \$3.7 million in FY 06/07.

	Amount	%
Original Contract Amount	\$1,515,580,151	94.40%
Unavoidable SAs	\$53,511,782	3.33%
Avoidable SAs	\$26,072,084	1.63%
Uncoded SAs	\$0	0.00%
Minor Cost Overruns	\$10,325,058	0.64%
Total Final Amount Paid	\$1,605,489,075	100.0%

Avoidable SAs		
Value Added	\$22,334,901	1.40%
No Value Added	\$3,737,183	0.23%
Total	\$26,072,084	1.63%

Parties responsible for avoidable supplemental agreements:



Responsible Party	Amount	%
3rd Party	\$695,926	18.62%
Consultants	\$2,767,124	74.04%
FDOT Staff	\$274,133	7.34%
Total Avoidable SA Amount	\$3,737,183	100.00%

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



2. Preservation of Current State Highway System

2a. Bridges

2b. Pavement

2c. Routine Maintenance

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

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

2a. BRIDGES

Fast Facts:

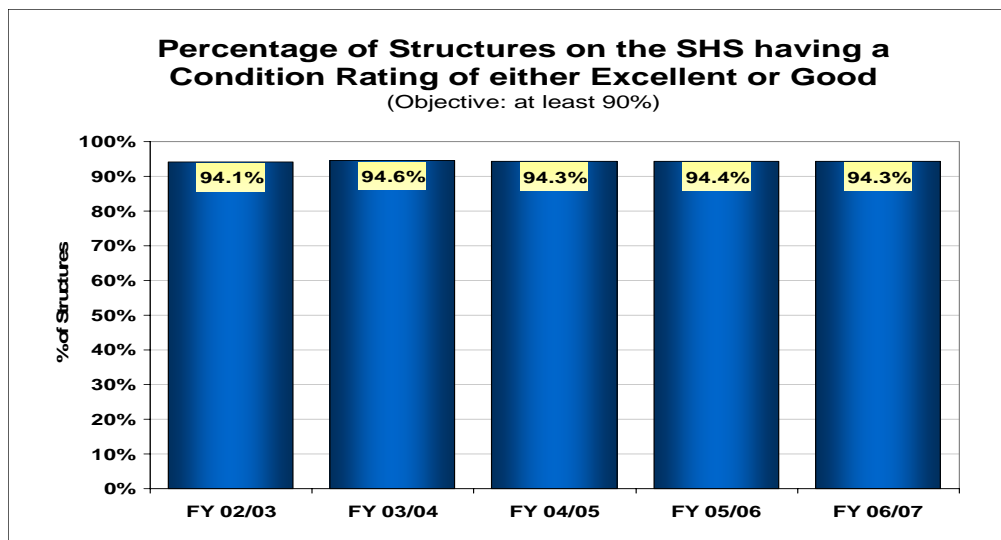
- ◆ There are 11,564 bridges in Florida.
- ◆ 6,135 are the responsibility of the Department of Transportation.
- ◆ The Department inspects all bridges, including local bridges, for structural deficiencies once every two years.
- ◆ No bridge, including a local bridge, is allowed to become unsafe for the traveling public.
- ◆ Florida law requires the Department to meet the annual needs for repair and replacement of bridges on the State Highway System.
- ◆ Focus is on preserving bridges through cost effective repairs and preventive maintenance.

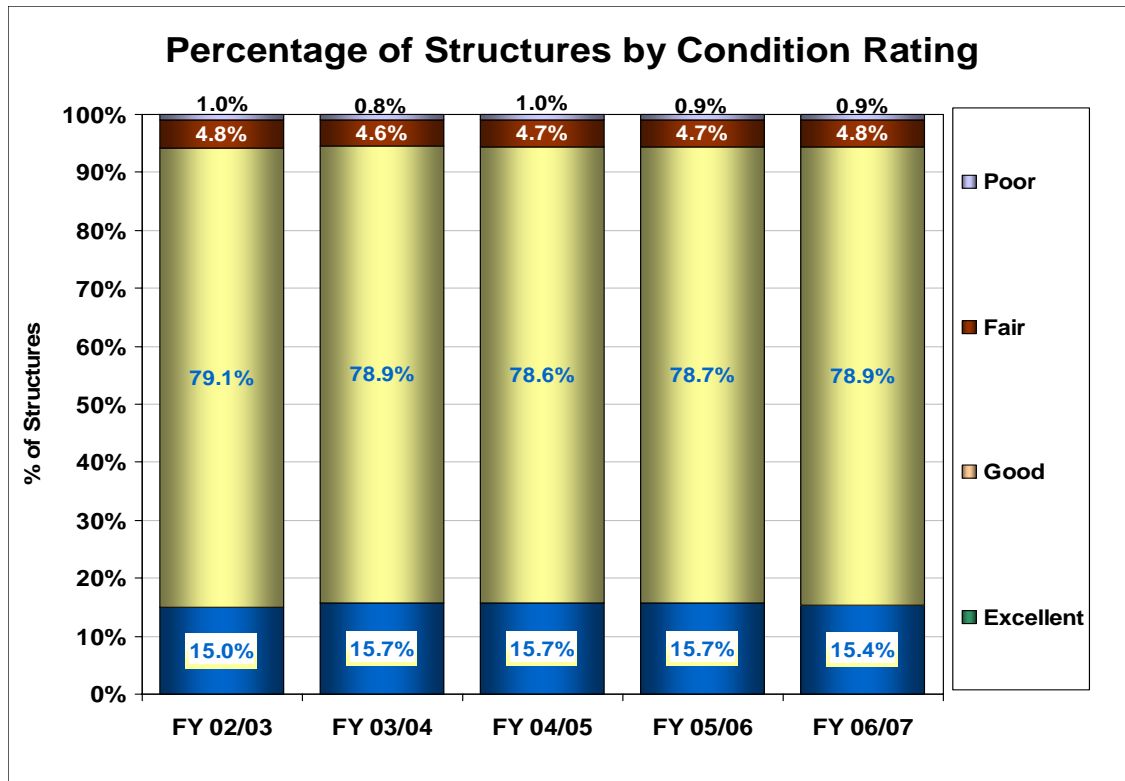
BRIDGE CONDITION

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

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

Results: 94.3% of SHS bridges were rated “excellent or good.”



2a. BRIDGES (cont'd)**CONDITION RATING:**

FHWA Rating	Condition Rating	# of Bridges	% of Total
8 or 9	Excellent	946	15.42%
6 or 7	Good	4,839	78.88%
5	Fair	293	4.78%
0 to 4	Poor	57	0.93%
Totals		6,135	100.00%

New Gatehouse with Copper Domed Roof on Hollywood Boulevard Bascule Bridge-District 4



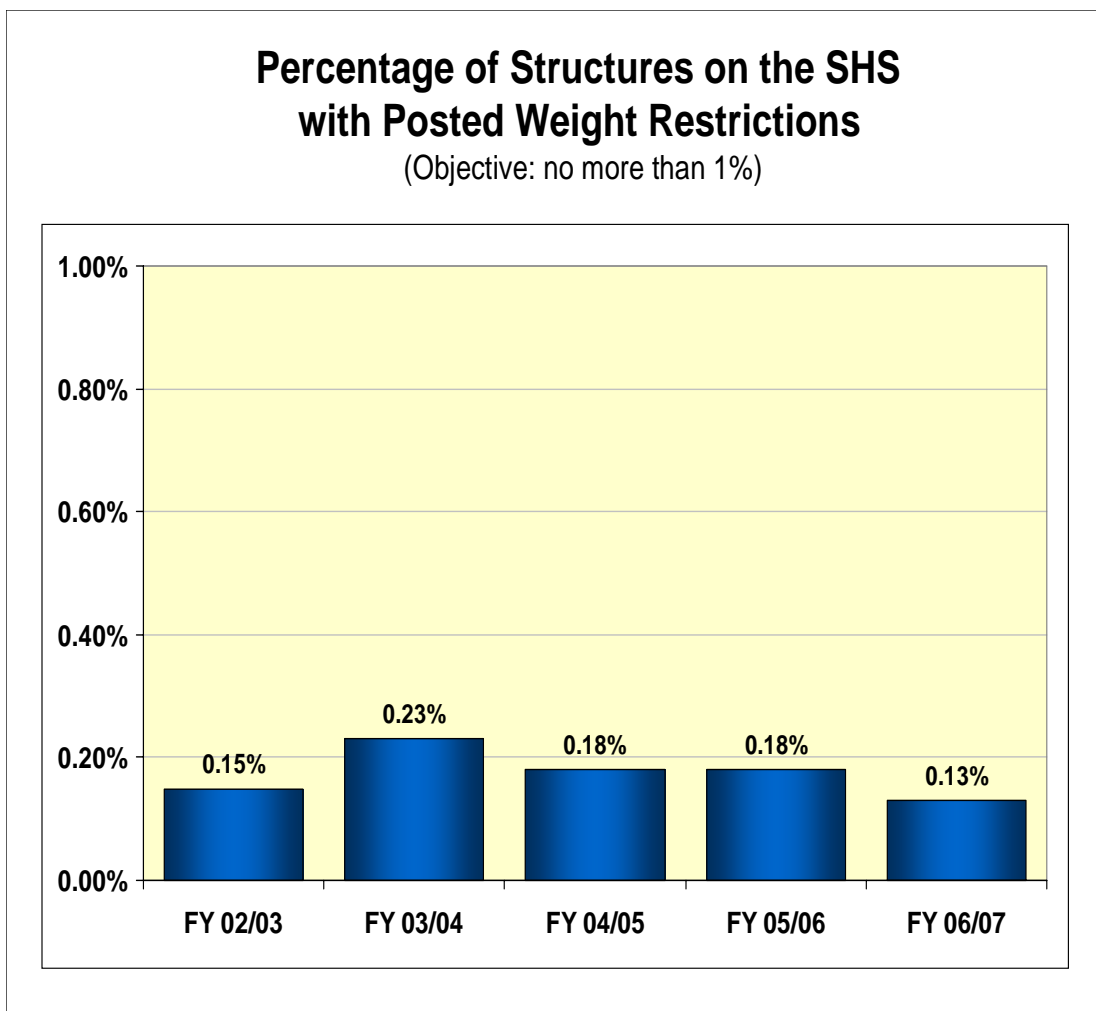
2a. BRIDGES (cont'd)

RESTRICTED BRIDGES: Those with posted weight limitations.

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

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

Results: Only 8 of the 6,135 or .13% of bridges on the SHS have weight restrictions.



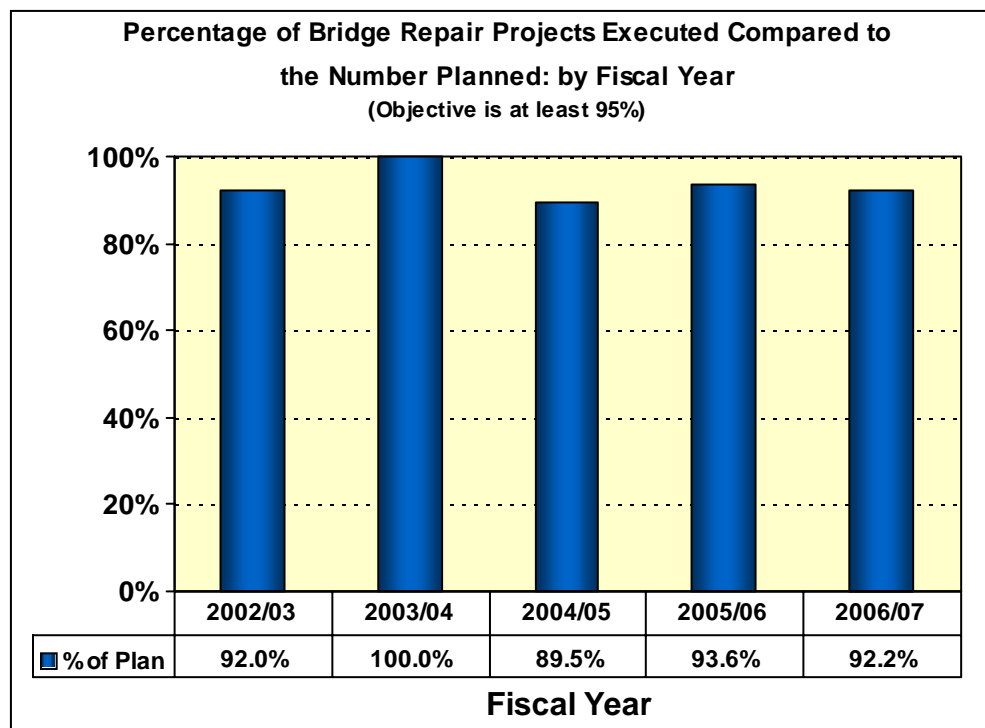
2a. BRIDGES (cont'd)

BRIDGE REPAIR:

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

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

Results: Achieved 92.2%, having let 106 of a planned 115 bridge repair projects. An additional 26 bridges that were not in the current or future plans were also let.



	Fiscal Year				
	2002/03	2003/04	2004/05	2005/06	2006/07
Plan	125	72	86	78	115
Actual	115	72	77	73	106
Additions	27	12	6	6	26
Advanced FY	9	4	1	0	0
Total	151	88	84	79	132

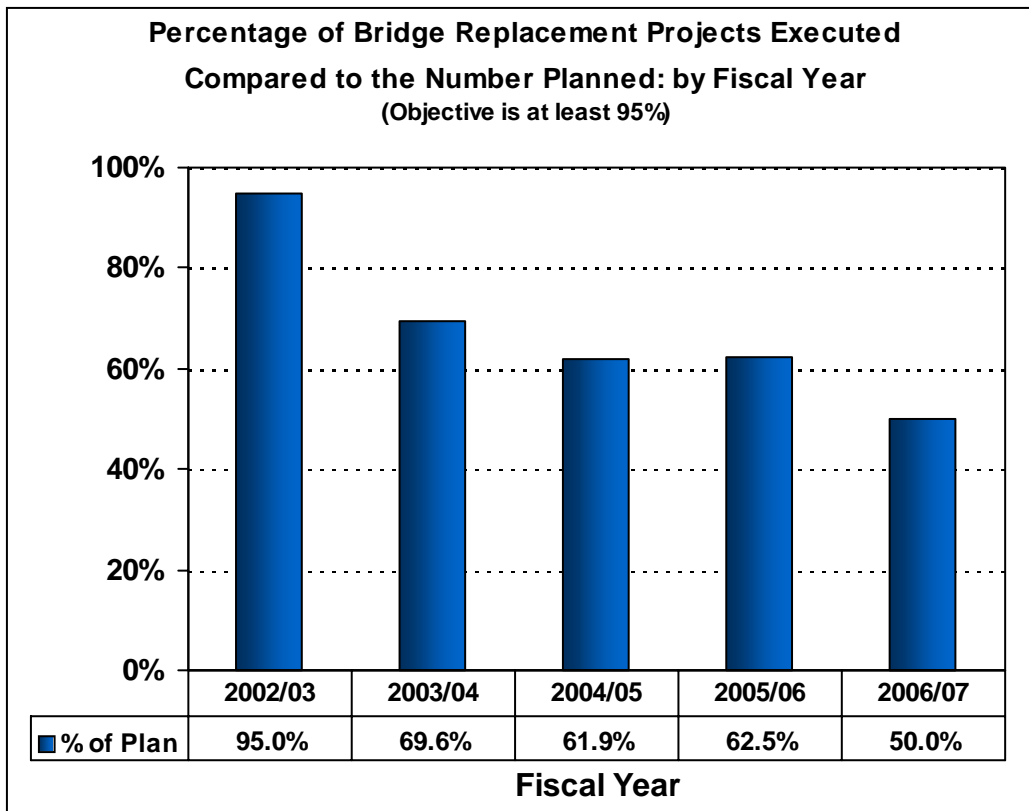
2a. BRIDGES (concluded)

BRIDGE REPLACEMENT:

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

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

Results: Achieved 50%, having let 7 of 14 planned contracts. The Department dropped or deferred 7 projects from the FY 07 plan.



	Fiscal Year				
	2002/03	2003/04	2004/05	2005/06	2006/07
Plan	20	23	21	24	14
Actual	19	16	13	15	7
Additions	2	1	0	0	0
Advanced FY	0	0	0	1	0
Total	21	17	13	16	7

2b. PAVEMENT

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

The frequency of resurfacing depends on:

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

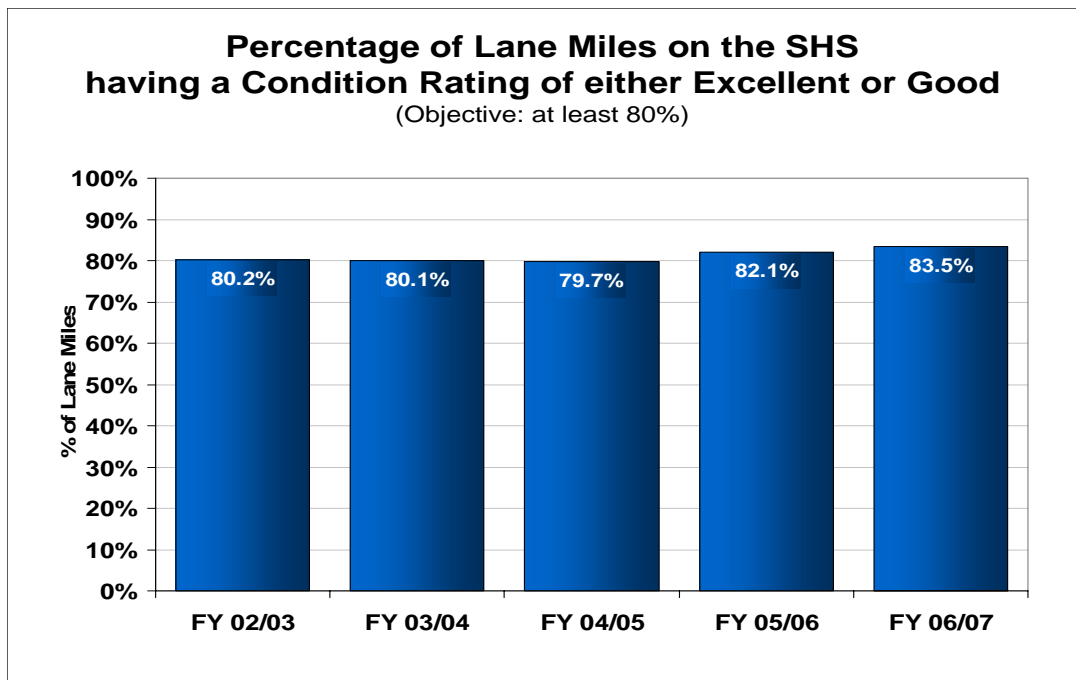
Florida law requires the Department to meet annual needs for resurfacing of the SHS through regular maintenance which avoids high repair bills and prolongs the useful life of the asset.

PAVEMENT CONDITION:

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

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

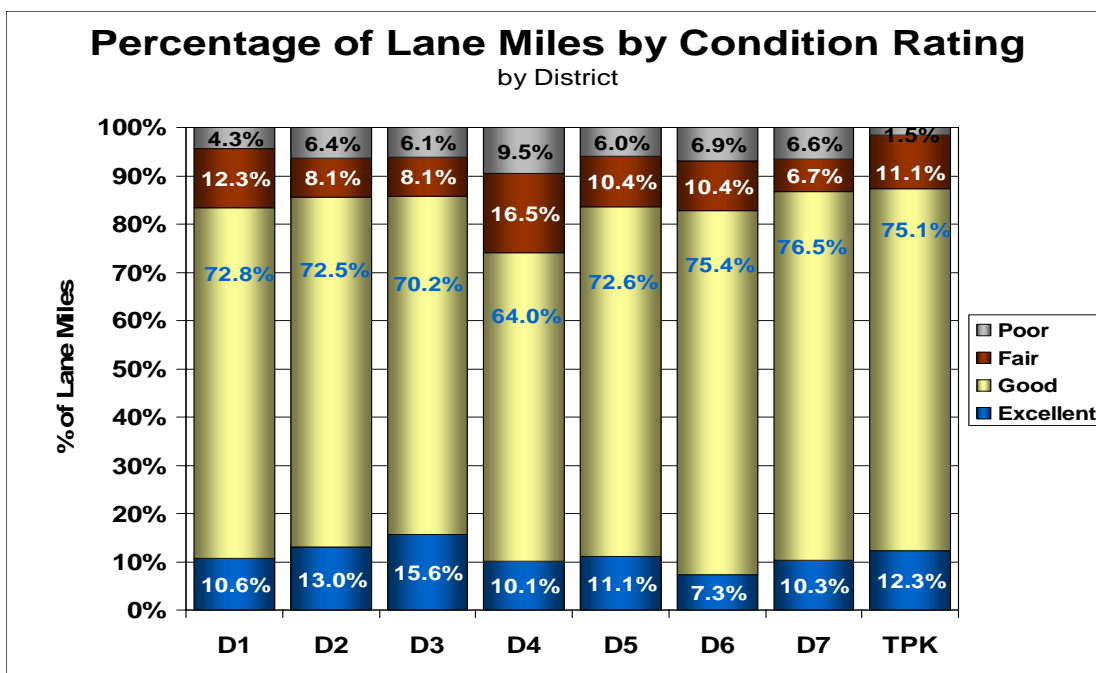
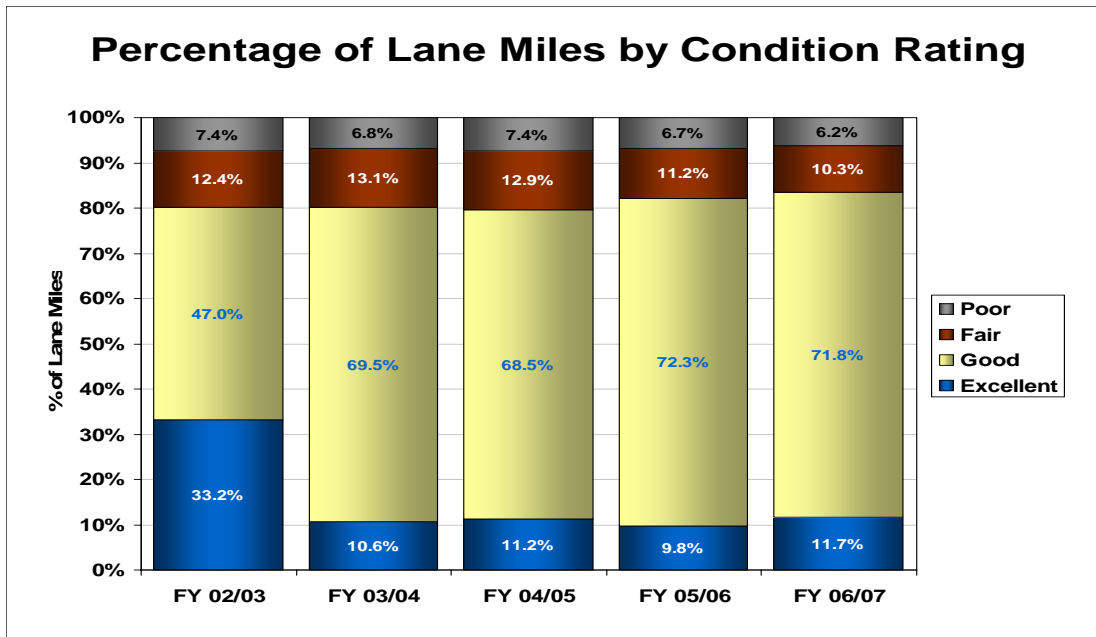
Results: A rating of 83.5%, exceeding the goal of 80%.



2b. PAVEMENT (cont'd)

Statewide Pavement Condition Rating (PCR) Data for FY 2006/07:

PCR	Condition Rating	# of Lane Miles	% of Total
8.5 to 10	Excellent	4,906	11.7%
6.5 to 8.4	Good	30,096	71.8%
4.5 to 6.4	Fair	4,319	10.3%
0.0 to 4.4	Poor	2,595	6.2%
Totals		41,916	100.00%



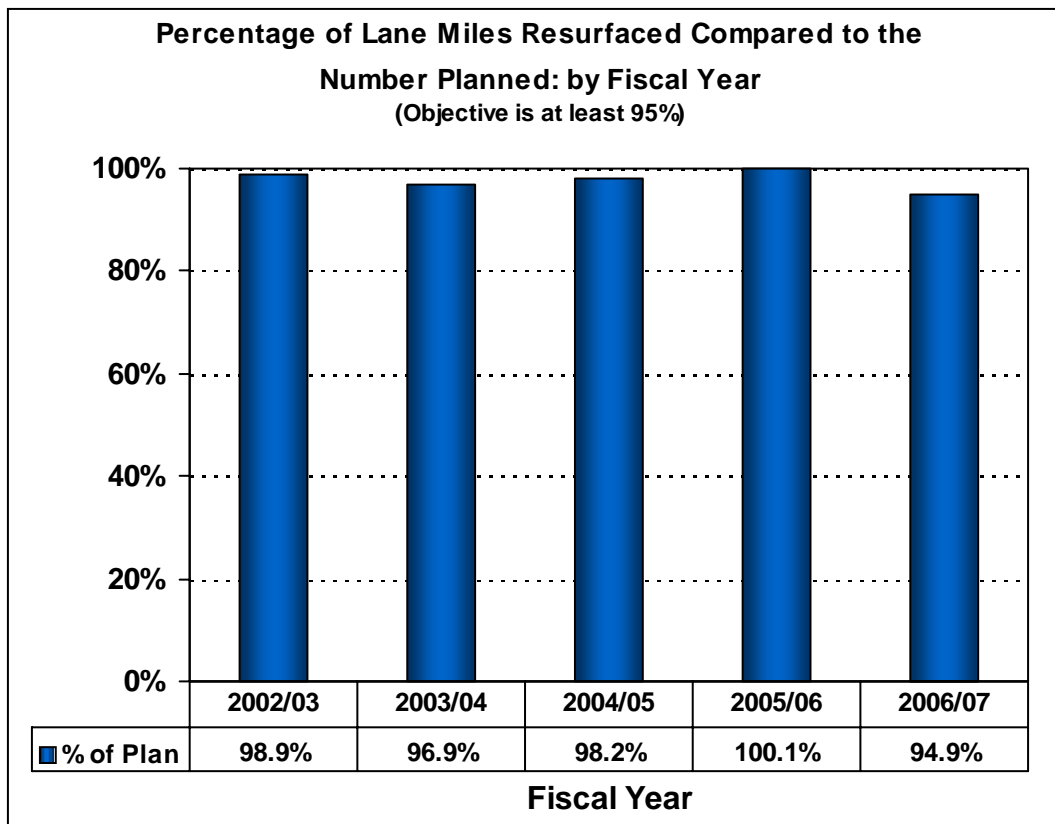
2b. PAVEMENT (concluded)

LANE MILES RESURFACED:

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

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

Results: Achieved 94.9% of the plan by letting to contract 2,250 of 2,371 lane miles planned. In addition, the Department advanced or advanced 66 miles that were not in current or future plans and resurfaced 1,394 in conjunction with constructing capacity improvements (resurfacing lanes during widening).



	Fiscal Year				
	2002/03	2003/04	2004/05	2005/06	2006/07
Plan	2,433.9	1,937.4	2,084.6	2,355.4	2,371.0
Actual	2,406.6	1,877.2	2,046.8	2,358.2	2,250.0
Capacity related (new for FY 07)	N/A	N/A	N/A	N/A	1,394.3
Additions	312.9	198.4	98.8	87.8	66.0
Total	2,719.5	2,075.6	2,145.6	2,445.8	3,710.3

2c. ROUTINE MAINTENANCE

This component includes:

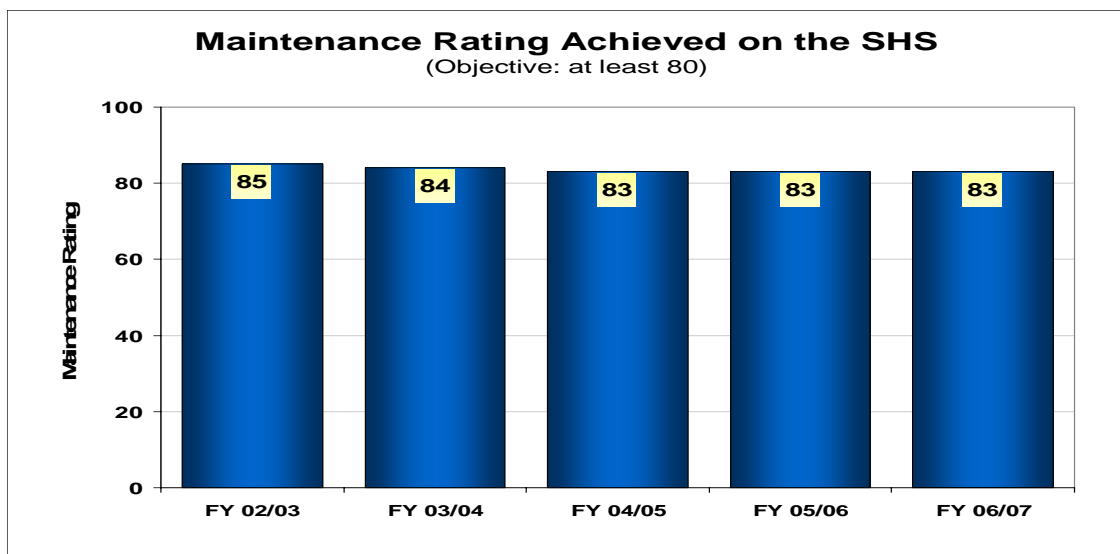
- ♦ Highway repairs (repairing potholes, patching, etc);
- ♦ Roadside upkeep (mowing, litter removal);
- ♦ Drainage management; and
- ♦ Traffic services (road signs, re-striping).

Adequate and uniform road maintenance is essential from both structural and safety standpoints and is important for aesthetic and environmental reasons. Florida law requires the Department to provide routine and uniform maintenance of the SHS.

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

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

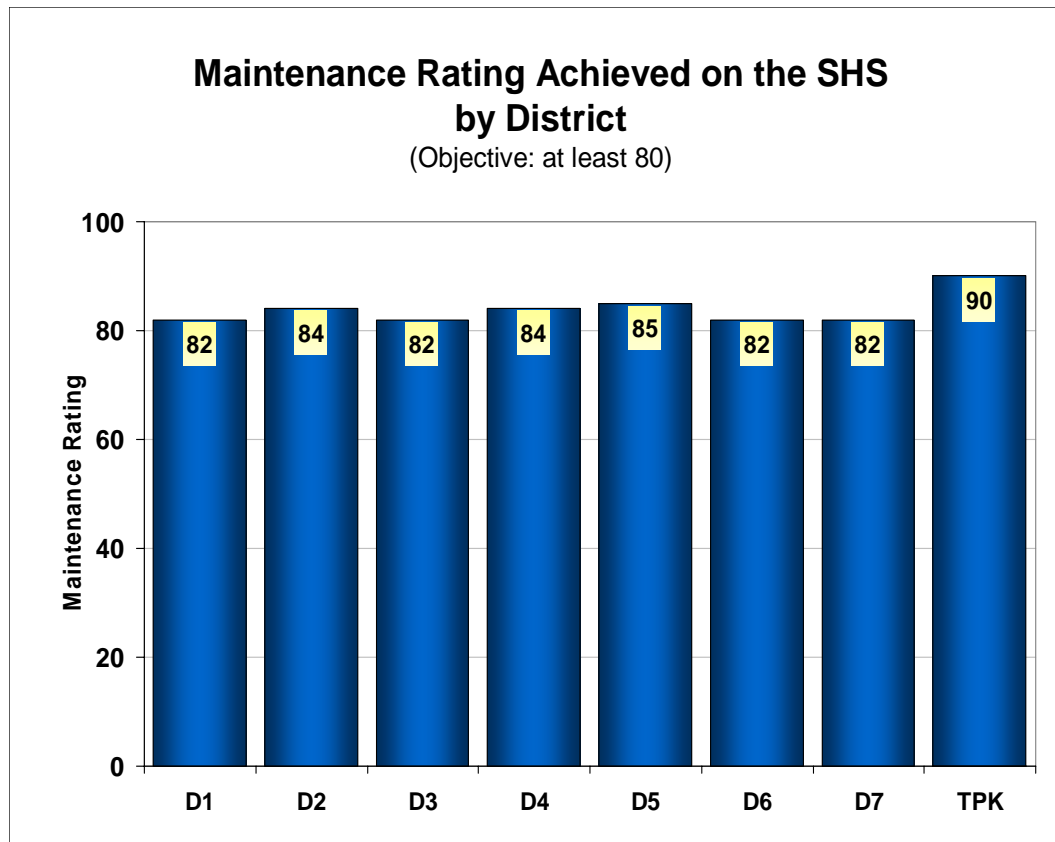
Results: Achieved an MRP of 83 or 103.8% of the objective.



	Fiscal Year				
	2002/03	2003/04	2004/05	2005/06	2006/07
Rating Goal	80	80	80	80	80
Actual Rating	85	84	83	83	83
% of Goal Achieved	106.3%	105.0%	103.8%	103.8%	103.8%

2c. ROUTINE MAINTENANCE (concluded)

District specific results:





A district 4 Design/Build project to add lanes (from 6 to 8 lanes) and reconstruct I-95 from north of Blue Heron Boulevard to PGA Boulevard (2.581 miles).



3. Capacity Improvements: Highway and All Public Transportation Modes

3a. Strategic Intermodal System (SIS) Capacity

3b. Capacity Improvements: Highways

3c. Capacity Improvements: Public Transportation

3d. Intelligent transportation Systems (ITS)

The Department's highest funding priorities are:

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

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

Although Florida law mandates that the Department "reduce congestion on the state transportation system" through new construction, expansion of existing facilities and traffic operations improvements, these capacity improvement programs have not been comprehensively addressed because of competing preservation priorities for limited funding.

3.a STRATEGIC INTERMODAL SYSTEM (SIS) CAPACITY

The SIS was established in 2003 to enhance Florida's economic competitiveness by focusing limited state resources on transportation facilities that are critical to Florida's economy and quality of life. The SIS is a statewide network of high-priority transportation facilities, including the State's largest and most significant:

- ♦ Commercial service airports;
- ♦ Spaceport;
- ♦ Deep water seaports;
- ♦ Waterways; and
- ♦ Highways.

These facilities carry more than 99 percent of all commercial air passengers, virtually all waterborne freight tonnage, almost all rail freight, and more than 68% of all truck traffic and 54% of total traffic on the State Highway System (SHS).

Performance measures to assess the efficiency and reliability of the system are under development. New measures will assist in determining if this new system of prioritizing transportation funding will lead to increased capacity, less delay and more reliable operation of the SIS. This first measure is intended to evaluate the progress towards achieving a fundamental shift in the way Florida develops and makes investments in its transportation system.

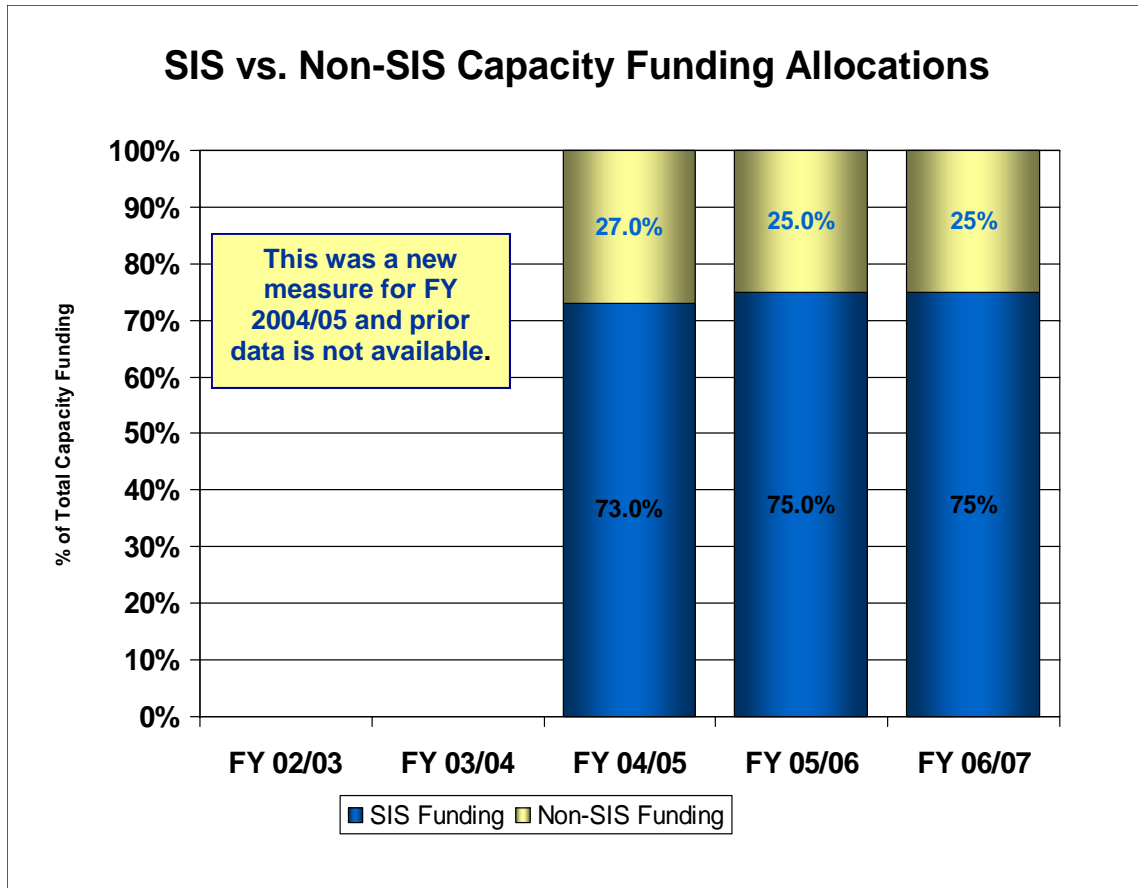
Primary Measure: The percentage of flexible capacity funds allocated to the SIS.

Objective: The goal is to transition to a 75% SIS/25% non-SIS allocation by FY 2015.

Results: 75% of flexible capacity funds were allocated to the SIS and 74% of this funding was committed to the SIS during FY 2006/07. The Department has demonstrated that it has also committed projects in the same relative proportion as the funds were allocated.

	SIS vs. Non-SIS Capacity Funding Actual Commitments		
System	FY 2005	FY 2006	FY 2007
SIS	75%	73%	74%
Non-SIS	25%	27%	26%

3.a STRATEGIC INTERMODAL SYSTEM (SIS) CAPACITY



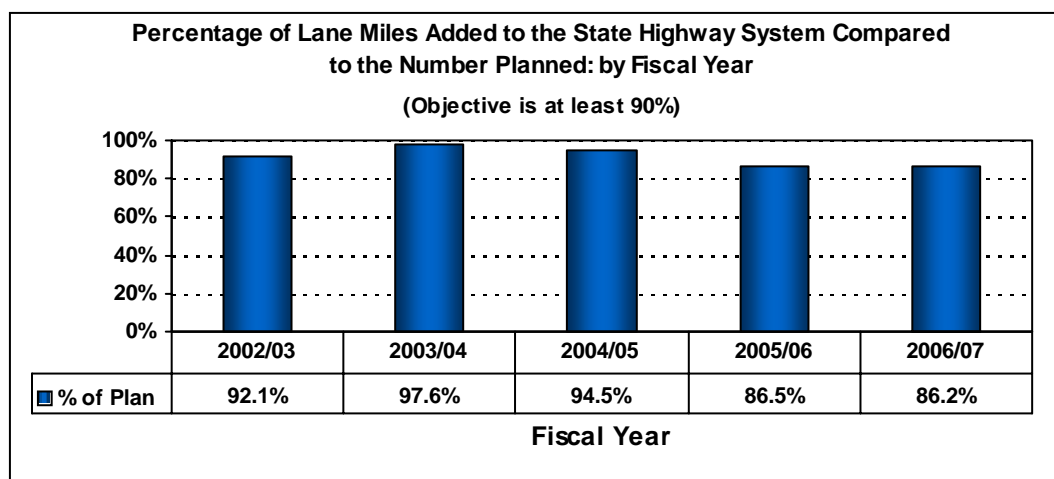
3b. CAPACITY IMPROVEMENTS: HIGHWAYS

The Department has primary jurisdiction over the State Highway System. Currently, there are approximately 120,000 centerline miles of public roads within the state. The State Highway System (SHS) comprises about 10 percent, or 12,067 of the total centerline miles and accounts for 41,916 lane miles of roadway. The SHS carries two-thirds of the traffic in the state. The handling capacity and efficiency of the SHS is a critical determining factor to Florida's economic future, enabling the state to compete for new and expanding domestic and international markets and to maintain its tourism industry. Established standards for improved capacity and control on the SHS, and the ability of the Department to implement these standards, will determine the extent to which the Department is successful in maintaining, improving, and expanding the SHS.

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

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

Results: Achieved 86.2% of the plan by letting to contract 336 of the 390 lane miles planned. Additionally, 8 lane miles not in the original plan were added for a total of 344 new lane miles to the FIHS.



	Fiscal Year				
	2002/03	2003/04	2004/05	2005/06	2006/07
Plan	373.9	362.3	271.7	207.2	390.0
Actual	344.3	353.5	256.7	179.2	336.0
Additions	8.6	3.6	8.4	38.7	8.0
Advanced FY	0.0	19.5	14.0	9.3	0
Total	352.9	376.6	279.2	227.2	344.0

3c. CAPACITY IMPROVEMENTS: PUBLIC TRANSPORTATION **MODES**

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

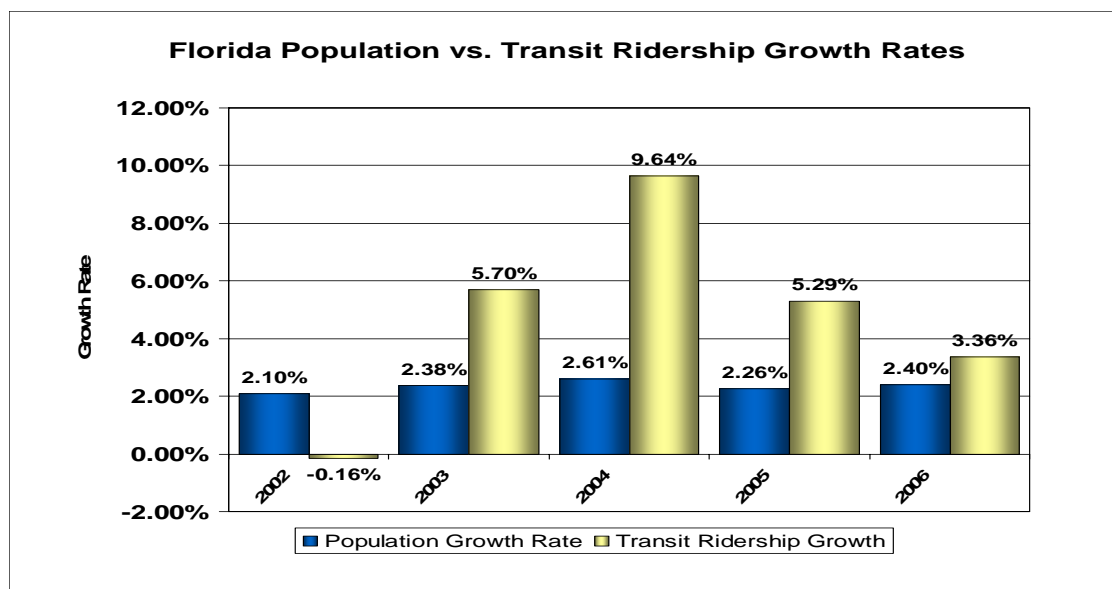
- ◆ Airports, Seaports, Rail, Bus, Transit;
- ◆ Intermodal Development (enhancing connectivity to various modes); and
- ◆ Commuter Assistance (carpooling, vanpooling, park and ride).

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

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

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

Results: Florida's population growth rate for 2006 was 2.4%, therefore transit ridership would have to meet or exceed 4.8%. Preliminary 2006 transit ridership grew by 3.36%, well below the objective. Preliminary 2005 results were revised from 5.39% to 5.29% growth to reflect final results.



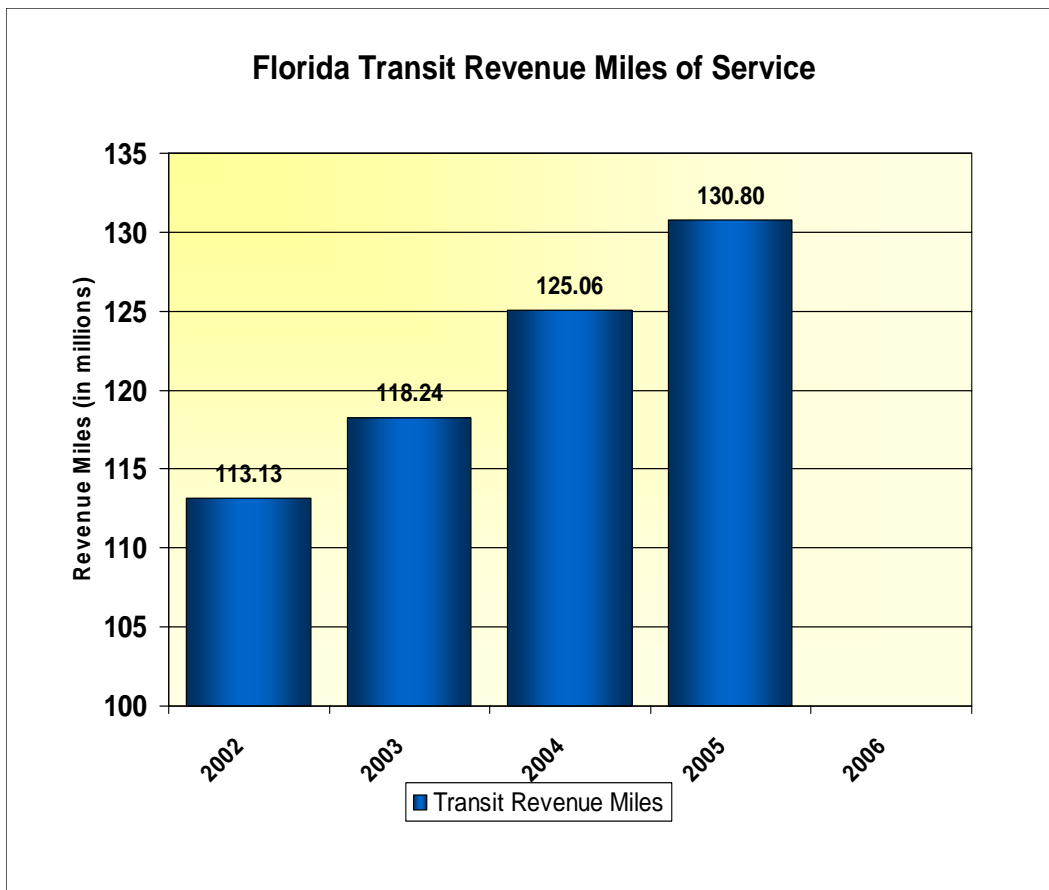
3c. CAPACITY IMPROVEMENTS: PUBLIC TRANSPORTATION MODES (concluded)

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

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

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

Results: Increased by 3.20% compared to revenue miles in 2005 (results for this measure are presented by Federal Fiscal Year).



3d. INTELLIGENT TRANSPORTATION SYSTEMS (ITS)

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

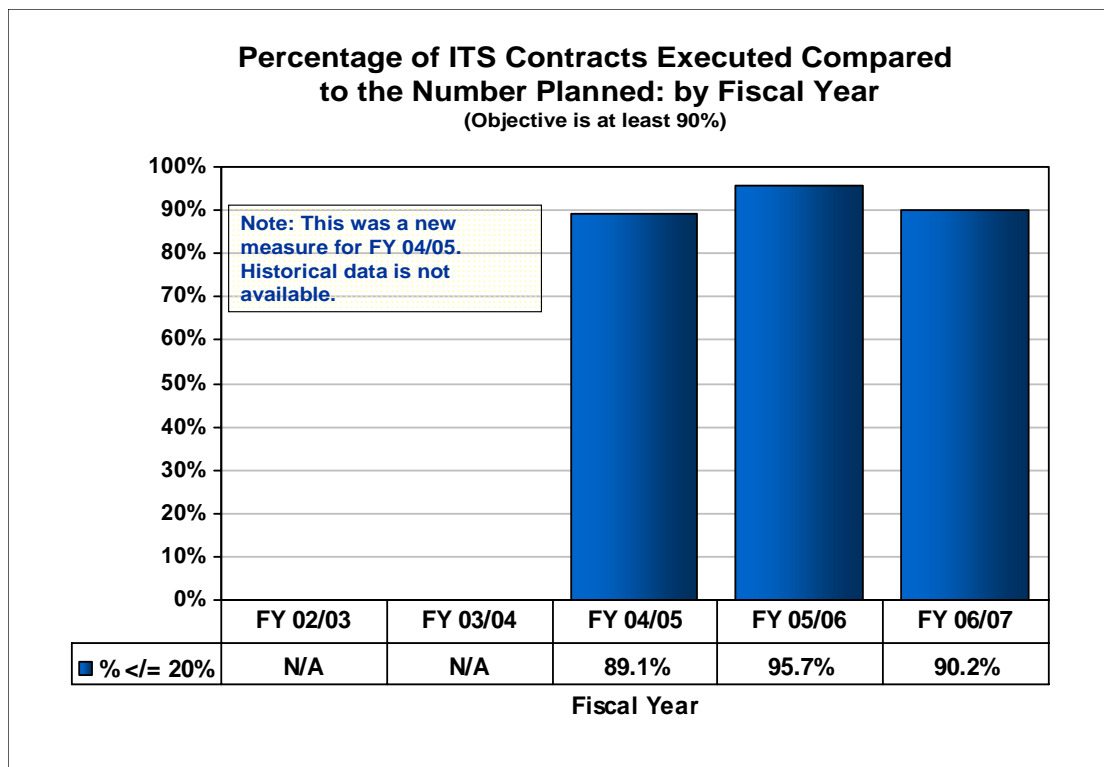
Instead of just building new roads or expanding existing roads, ITS will utilize advanced technologies to remedy safety and mobility problems. SunGuide is the brand name of the State of Florida's ITS solution.

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 for inclusion in future reports.

Secondary Measure: Number of ITS consultant and construction contracts let compared to the number planned in the ITS Cost Feasible Plan.

Objective: No less than 90% of plan.

Results: Achieved 90.2% of plan, executing 37 of 41 contracts valued at \$22.9 million.



FDOT is steadily developing its ITS infrastructure and using it to provide valuable services to Florida drivers. These services represent a dramatic change in the quality and availability of traffic information for drivers. Substantial change such as this takes time; moving forward in an incremental process that involves capitalizing on strategic opportunities as they present themselves. The FDOT has invested significant funds in developing and expanding its ITS capability and includes Highway Advisory Radio (HAR), Dynamic Message signs (DMS), “511” phone service, Road Rangers, and Internet Services.

Many of these services are managed from the Traffic Management Centers (TMC’s) that are currently operational or are in the planning stage. The following table shows the active or planned TMC’s by district:

District	Location	Status
District 1	Ft Meyers Sarasota	Construction- should be operating by July 2008 Planning-scheduled for 2010 / 11
District 2	Jacksonville	Operational
District 3	Tallahassee	Planning-scheduled for 2009/2010
	Pensacola	Planning-scheduled for 2009/2010
District 4	Broward County	Operational
	Palm Beach County	Operational
District 5	Orlando	Operational
District 6	Miami	Operational
District 7	Tampa	Operational
Turnpike	Turkey Lake	Operational
	Pompano	Operational





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

4a. Commitment of Federal Funds

4b. Obligation Authority

4c. Management of Administrative Costs

4d. Cash Management

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

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

4a. COMMITMENT OF FEDERAL FUNDS

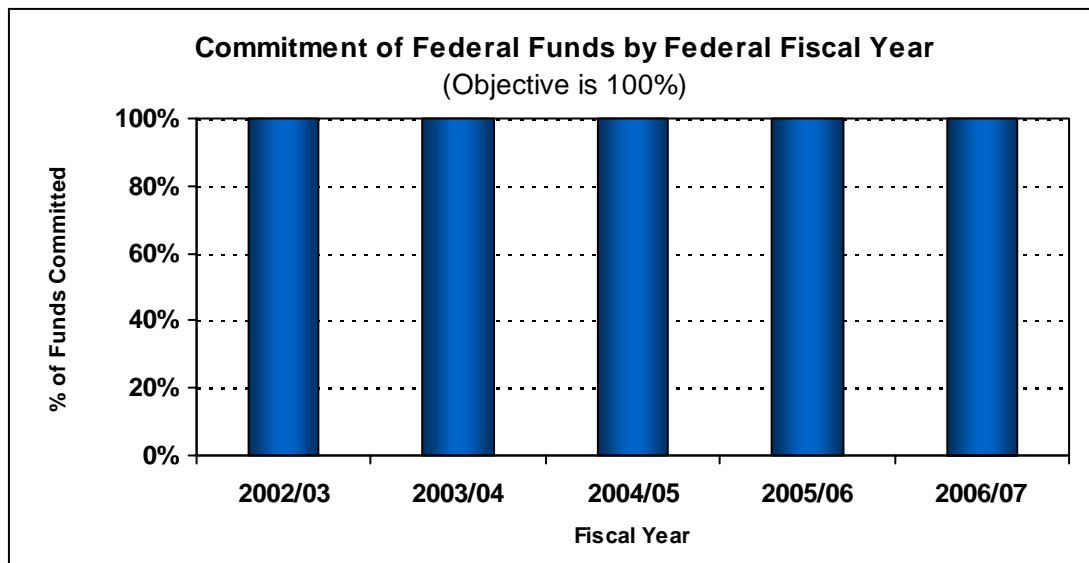
Federal motor fuel taxes paid by Florida's residents, businesses and visitors are deposited in the Federal Highway Trust Fund, and a portion of that tax is returned to Florida as federal funds. The Department uses these federal funds for transportation projects on a match basis (e.g., Interstate Highway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

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

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

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

Results: The Department is on track to commit 100% (\$1.401 billion) of federal funds by September 30, 2007. The Department will receive \$49 million of redistributed funds to provide additional project financing.



\$ in millions	Fiscal Year				
	2002/03	2003/04	2004/05	2005/06	2006/07
Planned Commitments	\$1,128.3	\$1,149.4	\$1,174.4	\$1,218.8	\$1,401.1
Actual Commitments	\$1,128.3	\$1,149.4	\$1,174.4	\$1,218.8	\$1,401.1
% of Plan	100%	100%	100%	100%	100%

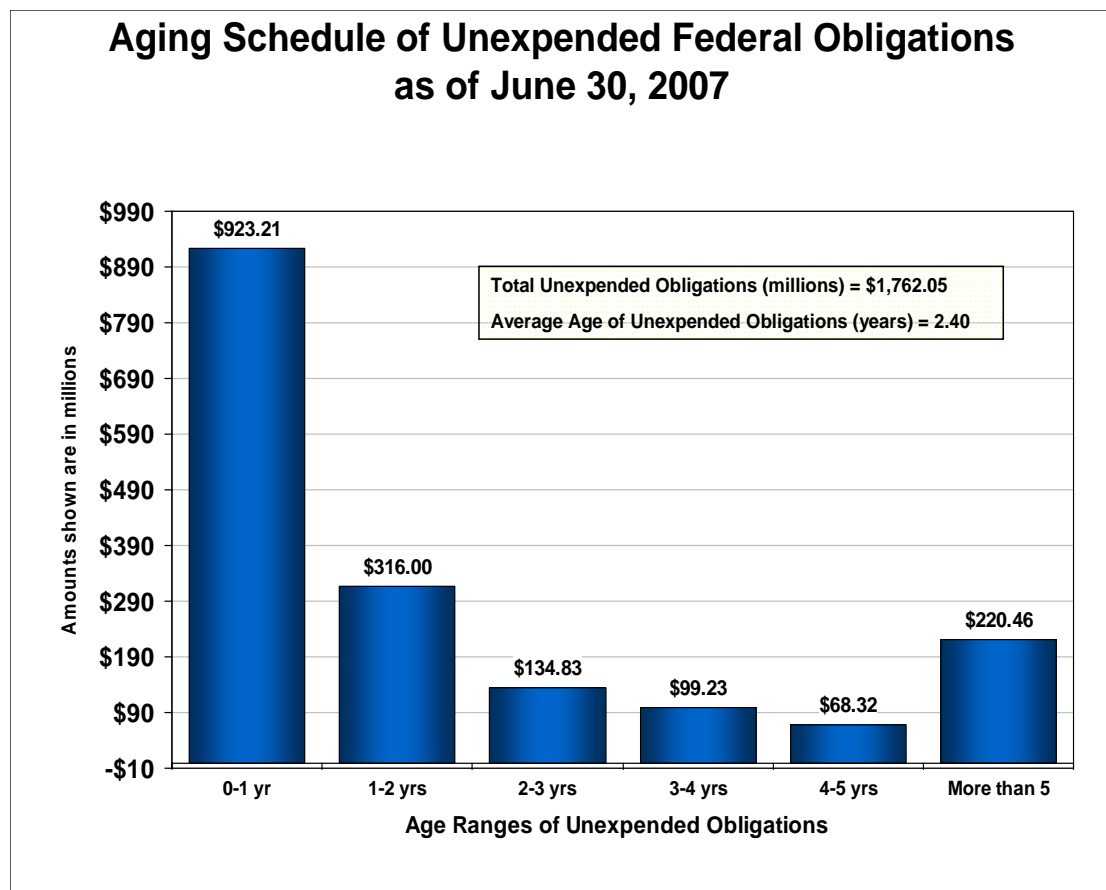
4b. OBLIGATION AUTHORITY

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

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

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

Results: Unexpended Federal obligations on June 30, 2007 totaled \$1.762 billion. The average age of these obligations is 2.40 years. That is a 7% increase in amount outstanding and a 3% increase in average age compared to FY 2006.



4c. MANAGEMENT OF ADMINISTRATIVE COSTS

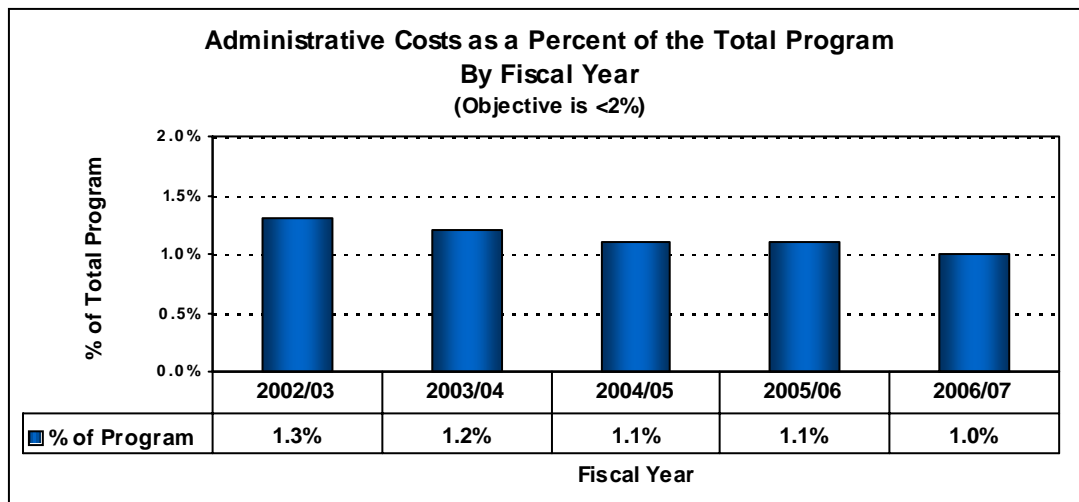
Administrative Costs include direct support to the production functions of the Department—senior management (Central Office and Districts), legal, audit, public information, governmental liaison, comptroller, budget, personnel, purchasing, procurement, minority programs and commission staffs. Excluded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

The Florida taxpayer, who funds construction and maintenance of the state transportation system, has an expectation that the Department will strive to maximize transportation tax dollars by containing administrative costs. It must be recognized, however, that the Department, as a public agency, is directed by the Legislature to perform many services and activities not required of private sector firms performing similar functions. Therefore a direct comparison of administrative costs with those of the private sector is not recommended.

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

Objective: Below two percent of total program.

Results: Administrative costs were 1.0% of the total program or \$75.6 million of a \$7.4 billion program. Actual dollar costs increased by 6.5% compared to FY 05/06 (from \$71.0 to \$75.6 million) while program expenditures increased by 13.8% (\$6.5 billion to \$7.4 billion).



	Fiscal Year				
(\$=millions)	2002/03	2003/04	2004/05	2005/06	2006/07
Administrative Costs	\$60.7	\$68.1	\$69.5	\$71.0	\$75.6
Total Program	\$4,800.0	\$5,506.1	\$6,192.7	\$6,455.2	\$7,351.0

4d. CASH MANAGEMENT

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

Florida law requires the Department to maintain a minimum cash balance in the State Transportation Trust Fund of \$50 million, or 5% of outstanding obligations. The Department must carefully forecast revenues to match future expenditures in order to continue to enter into contracts for transportation improvements. Rebalancing of the forecast occurs monthly and takes into account any known changes in revenue estimates, interest rates, cost factors, and other assumptions that affect future cash balances.

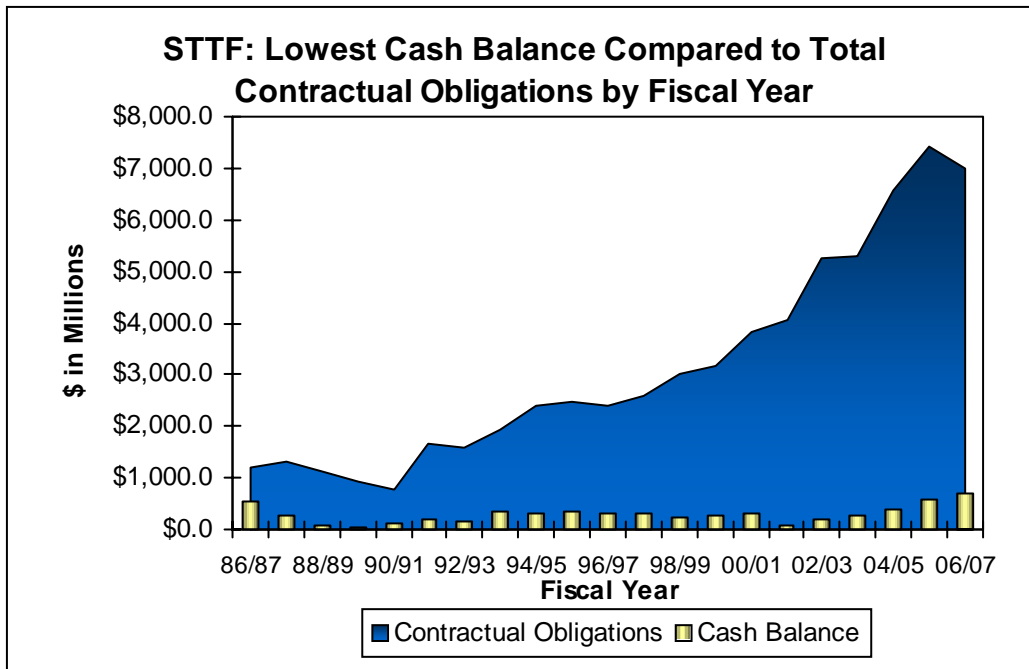
Primary Measure: This is a 3-part measure—actual cash receipts compared to forecast; actual disbursements compared to forecast; and lowest annual cash balance compared to total outstanding contractual obligations.

Objective: Maintain a variance within 5% of the forecasted amounts, with 0% being optimal. The Department strives to keep the cash balance within a range of \$200 to \$400 million as a guideline, though this can vary depending on a number of circumstances.

Results: Actual cash receipts of \$6.1 billion were 13.0% lower (\$912 million) than the forecast of 7.0 billion. Actual cash disbursements of \$6.0 billion were 6.4% lower (\$414 million) than the forecast of \$6.5 billion. The lowest month-end cash balance was \$701 million or 10% of total outstanding obligations of \$7.0 billion.

Cash Receipts (\$=millions)		Cash Disbursements (\$=millions)	
Forecast for FY 2006/07	\$7,011.6	Forecast for FY 2006/07	\$6,460.5
2006/07 Actual	\$6,099.6	2006/07 Actual	\$6,046.1
\$ Variance	-\$912.0	\$ Variance	-\$414.4
% Variance	-13.0%	% Variance	-6.4%

4d. CASH MANAGEMENT



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%
2004/05	\$384.9	\$6,567.5	5.9%
2005/06	\$580.3	\$7,438.2	7.8%
2006/07	\$700.6	\$6,986.7	10.0%



5. Minority and Disadvantaged Business Programs

5a. Minority Business Enterprise (MBE) Program

5b. Disadvantaged Business Enterprise (DBE) Program

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

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

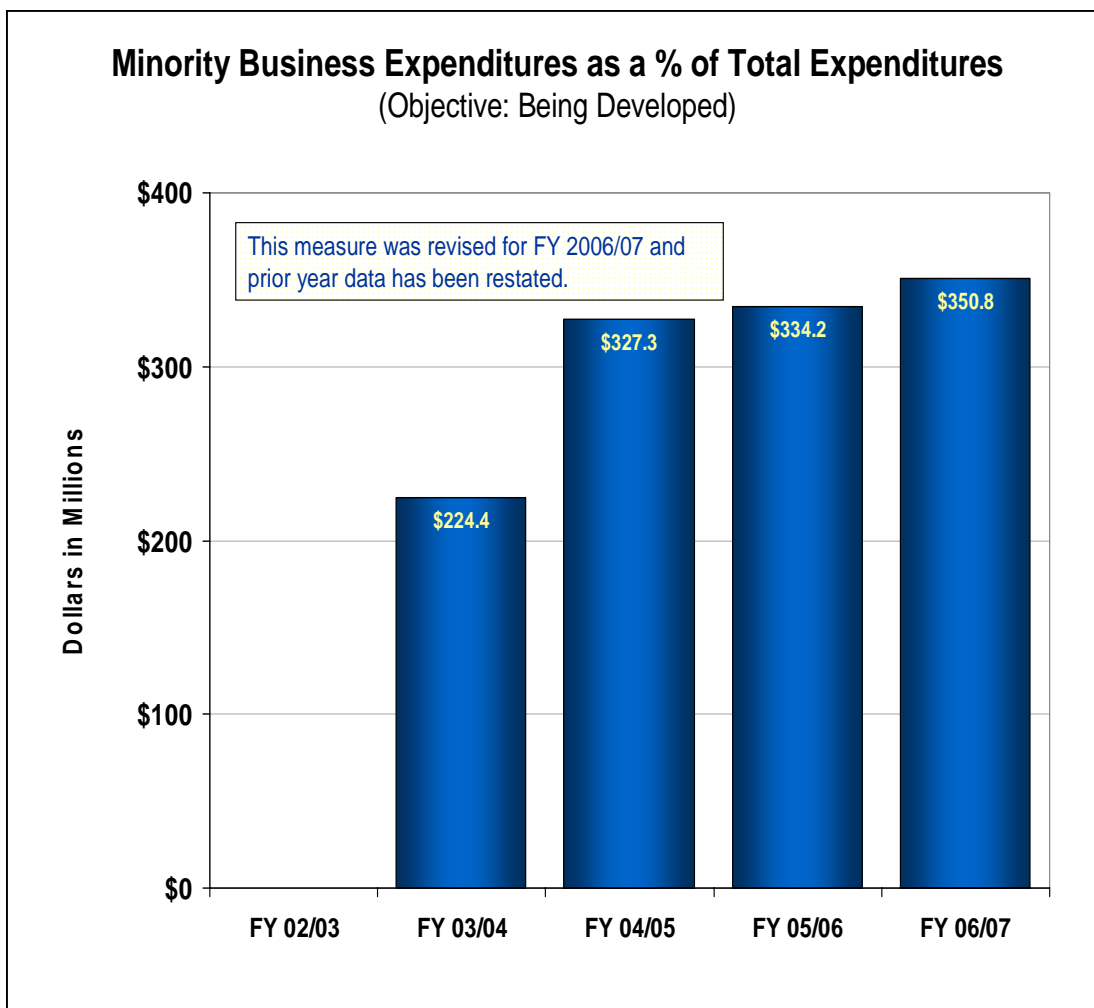
5a. MINORITY BUSINESS ENTERPRISE (MBE) PROGRAM

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

Primary Measure: Annual dollar amount of MBE utilization.

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

Results: MBE expenditure level was \$350.8 million, an increase of \$16.6 million over FY 2005/06 (\$334.2 million).



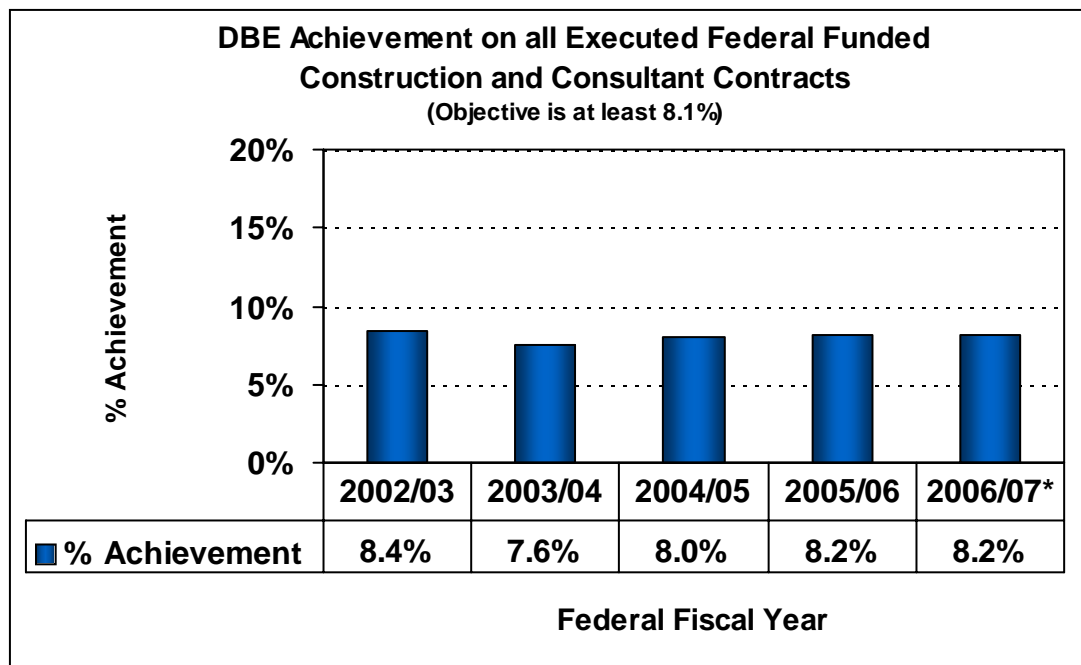
5b. DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM

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

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

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

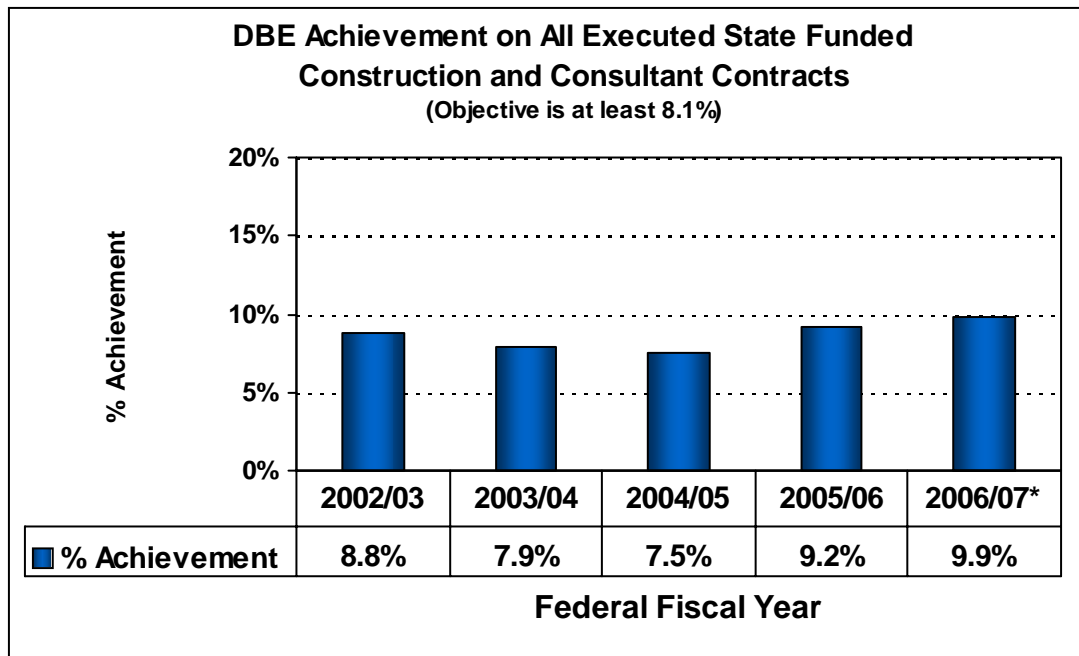
Results: For federal funds, through August 31 of the Federal Fiscal Year (October 1 through September 30) DBE participation is 8.16%. For 100% state funded contracts, the DBE participation is 9.85%.



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

5b. DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM

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



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





6. Safety Initiatives

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

6.a. SAFETY INITIATIVES

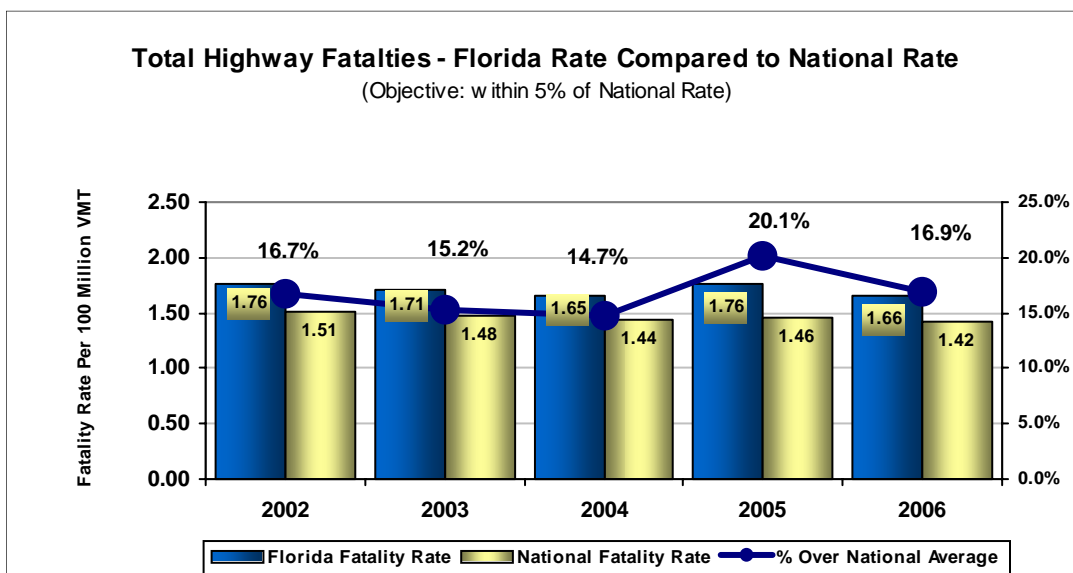
Safe travel in Florida is the Department's number one goal. There is a defined Safety Program within the Department, but this program alone does not reflect the Department's total commitment to improving safety on the State Highway System (SHS). For example, current design standards for new projects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

Although the Department's role in safety of the traveling public is limited to those programs it administers or funds, its safety activities are comprehensive and far reaching. The transportation system component over which the Department exercises most control is the SHS. The Department is responsible for designing, constructing and maintaining the 12,067 miles of state roads. However, the Department has adopted a statewide measure in assessing overall safety performance. This would include fatalities recorded on the additional 109,928 miles of roads, of which 17,768 miles are unpaved, that are the responsibility of cities and counties.

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

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

Results: The fatality rate on all of Florida's public roads was 1.66 per 100 million VMT which is 16.9% greater than the national average of 1.42. The decrease from 2005 is due to a reduction of 144 deaths (-4.1%) and a 28 million mile increase (1.4%) in VMT.





7. FLORIDA'S TURNPIKE ENTERPRISE

7a. Management of Toll Facility Operational Costs

7b. Toll Revenue Variance

7c. SunPass Participation

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

7a. MANAGEMENT OF TOLL FACILITY OPERATIONAL COSTS

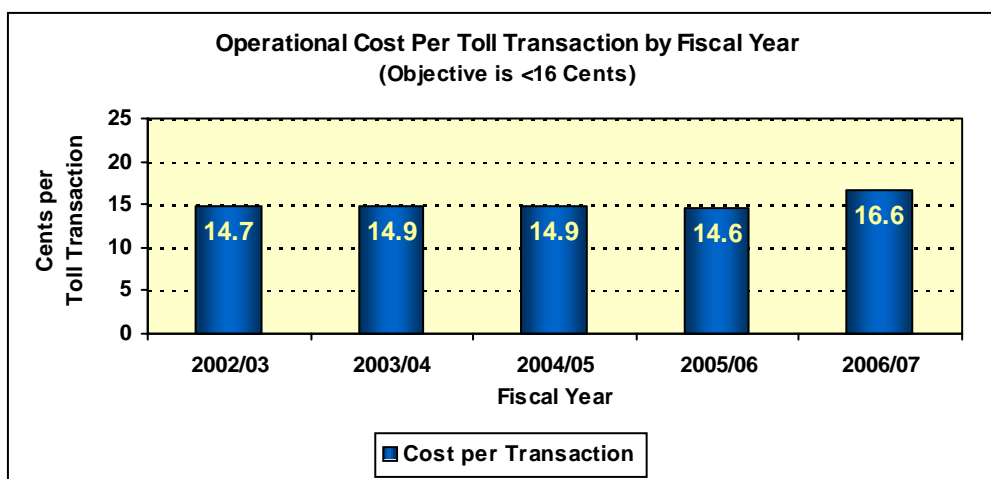
Tolls are user fees paid by customers who have an expectation that the maximum amount of revenue collected will be used to finance transportation improvements. Therefore, toll collection costs should be contained and carefully managed. The Enterprise is responsible for toll collection on the eight Department-owned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

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

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

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

Results: The average cost to collect a toll transaction for all Enterprise facilities was 16.5 cents per transaction. Costs increased by 17.7%; transactions by only 4.1%.



Operational Costs and		Fiscal Year				
		2002/03	2003/04	2004/05	2005/06	2006/07
All Trans- actions	Operational Costs	\$91.4	\$101.4	\$105.9	\$111.0	\$130.6
	# of Toll Transac- tions	620.2	680.0	711.3	758.0	788.8
	Cost Per Transaction	\$0.147	\$0.149	\$0.149	\$0.146	\$0.166

7b. TOLL REVENUE VARIANCE

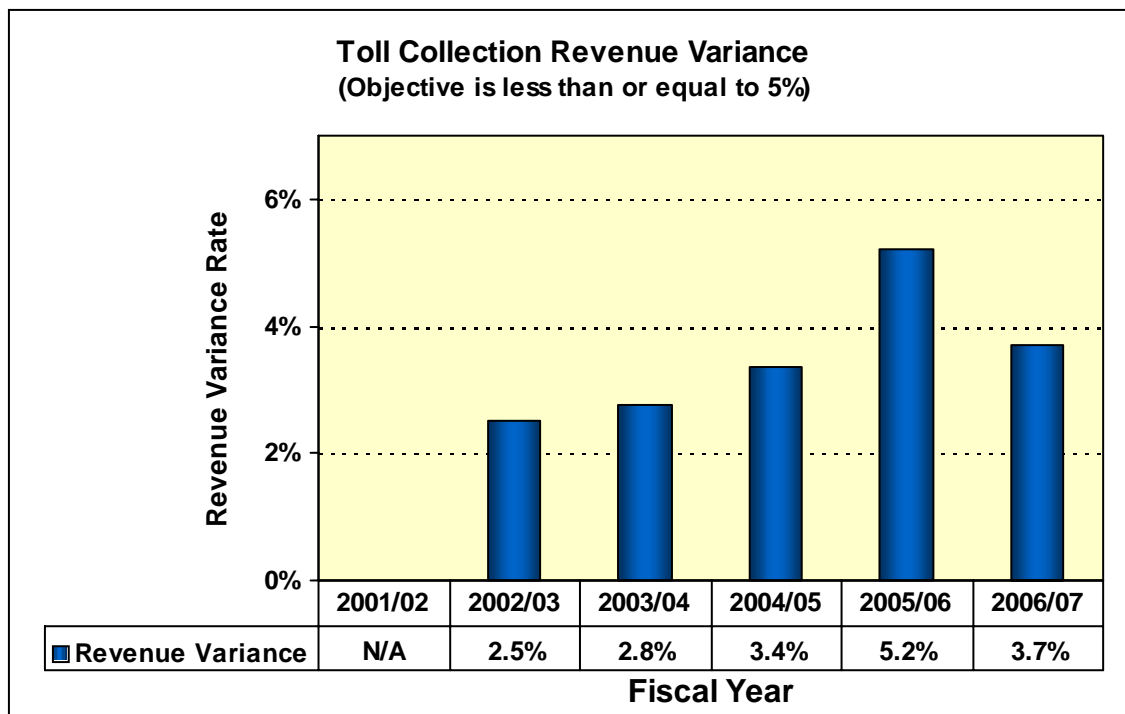
Toll revenue collections are determined by the number of vehicles using a toll road, the rate per axle, axle class of vehicle, and whether the customer pays with cash or Electronic Toll Collection (ETC). The toll collection equipment in each lane determines the toll that should be assessed (Indicated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

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

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

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

Results: Average variance was 3.6%; translating to a 96.4% efficiency rate. That is a significant improvement (28.8%) over the prior year.



7c. SUNPASS PARTICIPATION

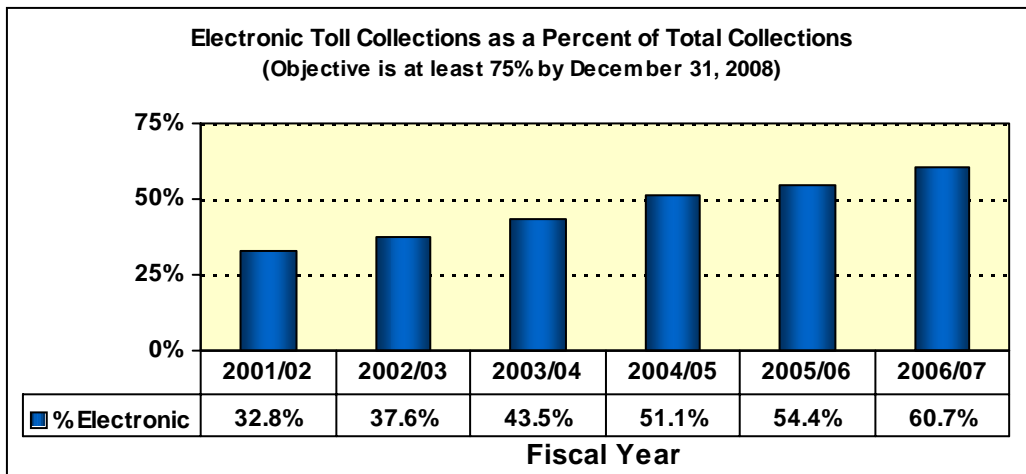
SunPass is the statewide Electronic Toll Collection (ETC) system utilized by Department owned and operated toll facilities and is interoperable with most other toll facilities in the state. ETC systems save commuters time and money and provide for maximum throughput at toll plazas and better utilization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

Enterprise management has embarked on an aggressive program of expanding the use of SunPass with a target of 75% participation by 2008. This will position the Enterprise for the next generation of toll collection technology.

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

Objective: Increase participation from 25% in 2001 to 75% in 2008.

Results: SunPass participation averaged 60.7% (64% for June 2007) and the Enterprise has an aggressive plan to meet the 2008 goal of 75%.



SunPass Welcomes Customer No. 3 Million

by Chad Huff

SunPass marked another major milestone when transponder number three-million was activated on Monday, April 16.

"Three million transponders is a major accomplishment," said Evelio Suarez, Director of Toll Operations for Florida's Turnpike Enterprise, "especially when you consider how fast we got there. Our phenomenal growth rate simply confirms what our annual surveys say: customers absolutely love this program."

Since the SunPass program began in 1999, it has grown by leaps and bounds. The SunPass retail program sold its one-millionth transponder in the fall of 2003. Customer number two-million was recognized in the summer of 2005, while the three-millionth transponder was activated less than two years later.



SunPass customers are now using their transponders to pay for parking at Orlando International Airport. Other airports around the state are expected to follow and offer the convenience and speed of SunPass parking in the near future. ■



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