



Creating a Focused Agency

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Commissioner
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Overview

- **VDOT has endured much change**
- **VDOT has and continues to make tremendous progress**
- **VDOT is a more focused agency**
- **VDOT is getting back to basics (maintenance and construction)**
- **VDOT has had many successes but must stabilize in order to build on them**

We have a plan . . . and we're working our plan. . .

Enduring Change

Organizational

- Staffing
- Local Office Closings
- Reorganization

Programmatic

- 2011 - Largest Transportation Funding Package since 1986

Year	Annual Budget
FY2009	\$3.9 B
FY2012	\$4.8 B

Employment Level	07/01/08 STRENGTH	BENCHMARK 09/01/08 STRENGTH	TARGET 07/01/10	CURRENT 11/01/11 STRENGTH
Classified	8,472	8,464	7,500	7,010
Classified – Central Functions	1,321	1,332	1,020	974*
Classified – Field	7,151	7,132	6,480	6,036*
Wage	520	503	N/A	325

* ~ 286 employees operationally report and are physically located in the field (i.e. Right-of-Way, Human Resources and Procurement staff) but administratively report centrally.

Progress, Focus and Getting Back to Basics

How are we getting there?

- **Implement Audit Findings (four major audits from 2010):**
 - A program assessment of the Virginia Public-Private Transportation Act program.
 - An independent performance audit of operations and maintenance, the VDOT blueprint, and project development practices
 - A review of research programs
 - A JLARC review of VDOT's planning and programming activities
- **Implement VDOT's Business Plan**
 - The path for continuous improvement
- **Focus on Delivering the Maintenance and Construction Program**
 - Our core business

Progress, Focus and Getting Back to Basics (New Leadership – Not New Positions) January 2010 - Present

- ✓ Governor McDonnell appointed a Chief Deputy Commissioner. The nine Districts now report to the Deputy, which brings more focus and direction on maintenance spending, project delivery, and emergency response to district operations.
- ✓ Eliminated Chief of Research and Technology
- ✓ Created a new Chief of Administration to consolidate agency focus on administrative functions by eliminating Chief of Organizational Development, Chief of Equal Business and Employee Opportunity and Chief of Communications
- ✓ Hired a new Chief Financial Officer to focus on the overall financial condition of VDOT. This will enhance our overall financial controls and stewardship and accountability.
- ✓ Created a new Chief of Planning and Programming to put more focus on the development of our long-term construction program.

Progress, Focus and Getting Back to Basics (New Leadership – Not New Positions) January 2010 - Present

- ✓ Hired 3 new District Administrators
- ✓ The Governor appointed a leader for the recently created PPTA Office
- ✓ Hired a new Director of VCTIR (Formally Research Council)
- ✓ Hired 8 new Division Administrators:
 - ✓ Hired a new State Construction Engineer
 - ✓ Hired a new State Maintenance Engineer
- ✓ Hired 4 new District Maintenance Managers
- ✓ Hired 19 staff to develop plans for projects, which was another area reviewed in the audit.
- ✓ Hired staff to restore the emergency staff to the proper levels, as noted in the audit.

Implementing the FY12-FY14 Business Plan

A Path for Continuous Improvement

VDOT's Business Plan provides a plan to meet the Governor's multimodal strategic plan.

Goal 1 – Establish a seamless multimodal system that moves people & freight

- Annually set aside 10% to 15% of the construction program for new preliminary engineering (PE) phase starts
- Accelerate project delivery
 - ✓ Advertised / awarded \$1.2 Billion in maintenance and construction contracts from July, 2010 to December, 2010
 - ✓ Advertised/awarded ~ \$1.8 Billion in maintenance and construction contracts from January, 2011 to December, 2011.
 - ✓ Over \$1.3 billion from July, 2011 to December, 2011

Implementing the FY12-FY14 Business Plan

A Path for Continuous Improvement

Goal 2 – Ensure the transportation system promotes and supports economic opportunity

- Advance Public-Private Partnerships
 - ✓ Downtown/Midtown Tunnel/MLK (contract value: \$2.1B)
 - ✓ Commercial Close Q4 2011
 - ✓ Financial Close Q2 2012

Goal 3 – Develop a unified and collaborative transportation planning and implementation process

- Conduct SYIP planning and programming sessions with MPO's/PDC's
- Support land use efforts with localities

Implementing the FY12-FY14 Business Plan

A Path for Continuous Improvement

Goal 4 – Establish sustainable and stable financial support

- Issue bonds: \$1.8B in CPR and \$1.1B in GARVEE Bonds over 3 years
 - ✓ \$600 million in CPR bonds sold in May, 2011
 - ✓ \$600 million in CPR bonds scheduled for sale in May, 2012
 - ✓ On schedule to sell \$350 million in GARVEE bonds in February, 2012
- Increase Revenue Sharing Program (VDOT/Locality partnership)
 - ✓ The CTB approved \$103 million for the FY12 program
 - ✓ Anticipate budget amount of ~ \$150 million for the FY13 program
- Develop and implement program guidelines and procedures for the Virginia Transportation Infrastructure Bank (VTIB)

Virginia Transportation Infrastructure Bank

- Initial Capitalization at \$283 million
- Guided by a Management Agreement executed by the CTB, VRA and the Secretary of Finance on October 6, 2011
- Guidelines and Selection Criteria were approved by CTB in Sept. 2011
- Program documents were transmitted to the Chairmen of the House Committees on Appropriations, Finance and Transportation and of the Senate Committees on Finance and Transportation in Nov. 2011
- The VTIB program was announced to local governments in Nov. 2011
- First application received from the City of Chesapeake on December 2, 2011 for the Dominion Boulevard Project, seeking a loan of \$152 M
- After review by VDOT and VRA, and consideration by the VTIB Advisory Panel, it was presented to and approved by the CTB on January 18, 2012
- A second application was received from the Industrial Development Authority of Loudoun County on December 27, 2011 for financing to support the Kincora – Gloucester/Pacific Extension Project, seeking a loan of \$60 M
- SB 29, the Caboose Bill, directs an additional \$67 M to the VTIB

Implementing the FY12-FY14 Business Plan *A Path for Continuous Improvement*

Goal 5 – Be an innovative pacesetter in technology, environmental protection and system management

- **Implement Cardinal (a financial system for the Commonwealth)**
- **Employ cost-effective techniques (full-depth in-place pavement reclamation and recycling and Quiet Pavement technology)**
- **Explore private sponsorships of various programs**
- **Actively manage and operate highways so they are safe, incidents cleared quickly and travel times are reliable**

Virginia has been recognized as a “pacesetter” by FHWA regarding their new Every Day Counts initiative

Implementing the FY12-FY14 Business Plan

A Path for Continuous Improvement

Goal 6 – Maintain a strong customer focus to address travel and business needs

- Increase overall VDOT Customer Satisfaction
- Expand the use of interstate safety service patrols
- Display real-time travel times in NOVA and Hampton Roads corridors

Goal 7 – Improve safety across all modes of transportation by reducing transportation related injuries, fatalities, and crashes

- Develop and implement a new Strategic Highway Safety Plan
- Direct Highway Safety Improvement Plan (HSIP) funds to invest in pavement marking, markers, and other safety features

Goal 8 – Develop and maintain a competent and stable workforce which maximizes human capital

- Improve employee morale, retention and productivity
- Plan and coordinate the transition of the VDOT Office of Inspector General into the newly created Office of the State Inspector General¹² effective July 1, 2012

Focus on Delivering the Maintenance and Construction Program

Our core business

Maintenance:

- Plan maintenance work to utilize available funds and to accelerate maintenance work to reduce the growing carryover balance
 - ✓ Doubled paving contracts advertised in FY11 and FY12 (increased contract value from \$200 million annually to \$400 million)
 - ✓ Providing Commonwealth Transportation Board with monthly financial progress reports on maintenance (and other fund) spending
 - ✓ Improving condition of interstate and primary pavements and bridges:
 - Anticipate meeting interstate pavement target by June 2012
 - Anticipate meeting primary pavement target by June 2013
 - Anticipate meeting bridge target by June 2012

Project Development:

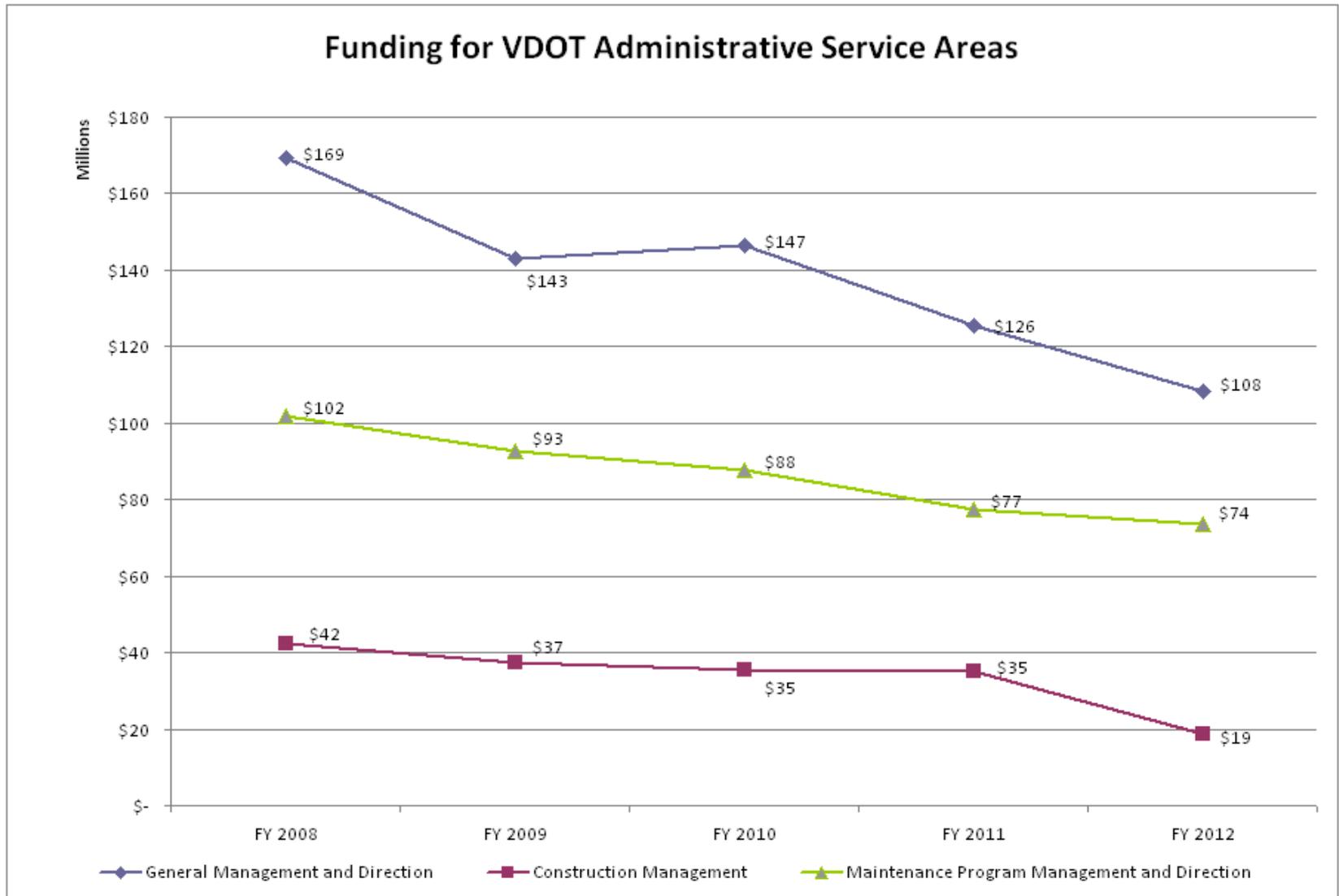
- Accelerate advertisement of existing projects
- Implement a risk based approach that would shorten the project development process by simplifying the rules on smaller, low-risk projects

Focus on Emergency Response



Focus on Delivery

Continued Reduction in Administration & Overhead



District Operations:

- Focus on the Residencies
- Increased Delegated Authority
 - (e.g. Tier 1/Tier 2 project approvals)
- Shoring up Key Areas
 - (e.g. TAMS monitors, environmental monitoring, etc.)
- Encouraging District/Industry Meetings

Central Office:

- Achieved Targeted Staffing Levels
- Achieved Targeted Division Levels
- Streamlining Business Procedures
 - Programming
 - Procurement
 - Human Resources
 - Local Agreements
 - Financial Transactions
- Reviewing Performance Metrics
 - Reviews with Executives
 - Division Administrators' Council

The Agency must:

- Stabilize staffing levels and solidify organizational structure
- Align business processes to new organizational structure
- Capitalize on opportunities to operate more effectively
- Focus limited resources on core functions (“do a few things well”)
- Foster a climate of innovation and problem solving
- Continue to expand business opportunities and partnerships with the private industry
- Improve the working environment for our staff (morale, development and training opportunities, etc.)

Internally, our Business Plan is helping us get there. . . ¹⁷

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