

# COUNTY REVIEW ACTION PLAN UPDATE

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TRANSPARENCY | PROCUREMENT | ORGANIZATION | FINANCE

*Final reporting of County Review recommendations.*

## FINAL REPORTING

April 17, 2013

Presented to County Judges:

The Honorable Keith Self  
COLLIN COUNTY JUDGE

The Honorable Clay Jenkins  
DALLAS COUNTY JUDGE

The Honorable Mary Horn  
DENTON COUNTY JUDGE

The Honorable B. Glen Whitley  
TARRANT COUNTY JUDGE

and the NTTA Board of Directors



April 10, 2013

Mr. Gerald Carrigan  
Executive Director  
North Texas Tollway Authority  
5900 W. Plano Parkway  
Plano, Texas 75093

Dear Gerry:

Per your request, I have reviewed in detail the list covering the status, as of March 27, 2013, of the recommendations in the County Review final report.

Upon reviewing the action plan update document, I am comfortable that the status of each recommendation is accurate based on the information provided to me by you and your team. The most recent progress made on improving the organization and plan being finalized to enhance collections processes and systems essentially completes the implementation of the recommendations made in 2011.

You and your team are to be commended for embracing the recommendations and for your leadership in driving the changes required, all while managing the ongoing responsibilities related to planning, constructing and managing toll roads in North Texas. The effort should serve as a model for other toll authorities and government agencies in how you are being responsive to the needs of the region.

Please let me know if you have any questions.

Regards,

A handwritten signature in black ink, appearing to read 'Ronald Orsini', with a long horizontal flourish extending to the right.

Ronald Orsini  
Managing Director

# COUNTY REVIEW ACTION PLAN UPDATE

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Transparency | Procurement | Organization | Finance

## Final Reporting of County Review Recommendations

April 17, 2013

Gerry Carrigan, P.E.  
Executive Director  
North Texas Tollway Authority

Presented to: County Judges and NTTA Board of Directors



# AGENDA

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- Background
- Progress Overview
- Focus Area and Highlights
- County Review Recommendations Checklist
- Go Forward Strategy
- Questions

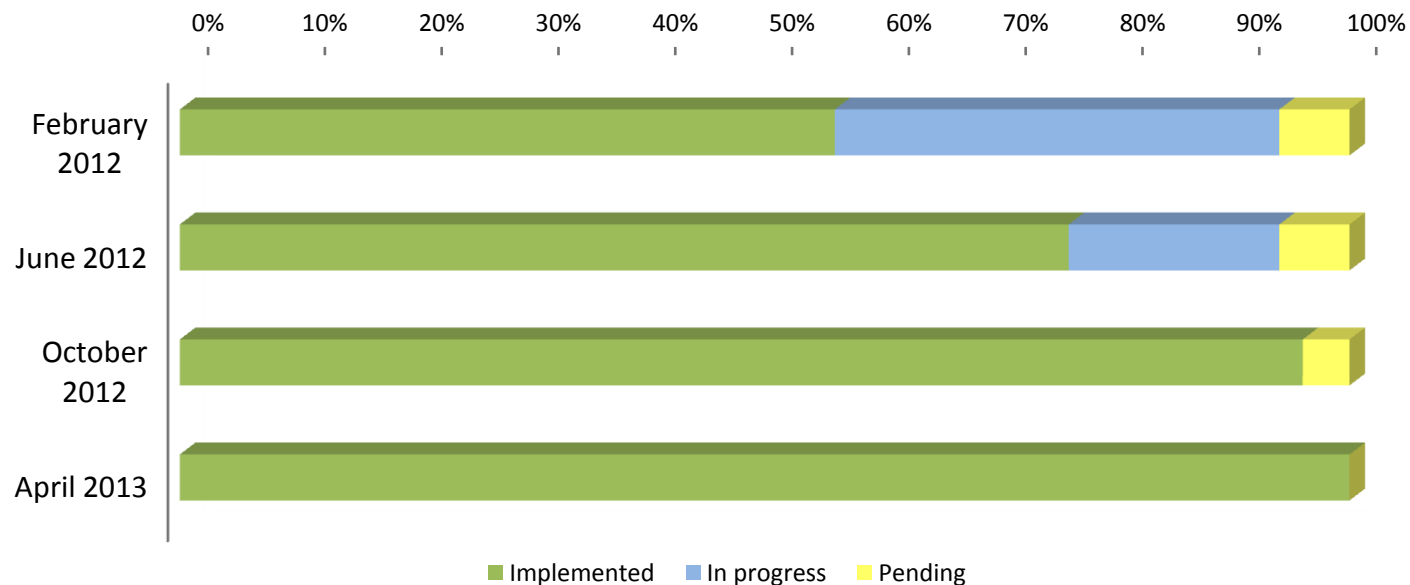
# BACKGROUND

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Date	Action
October 18, 2011	County Review report presented in public meeting to county judges and the NTTA Board
February 2, 2012	Special Called Board meeting. First formal reporting to county judges on progress made in first 90 days
June 20, 2012	Special Called Board meeting. Second formal reporting to county judges on progress through June 2012.
October 31, 2012	Written report delivered to county judges. Third reporting on progress made through October 2012
April 17, 2013	Special Called Board meeting. Final reporting on completion of all 82 recommendations

# PROGRESS OVERVIEW

- 82 recommendations identified in the County Review report focused on four focus areas:
  - Transparency
  - Procurement
  - Organization
  - Finance



# Transparency | governance, conflicts of interest and board composition

- Board committee structure re-established
- Ethics and Conflict of Interest Policy approved with disclosure process and annual training
- General counsel appointed as Ethics Officer
- Mission statement and five-year Capital Plan and Strategic Plan updated
- Conducted biennial customer and stakeholder surveys with high ratings in road cleanliness, conditions, and ease of paying tolls
- Website redeveloped with increased functionality, content, Spanish translations, and Google translator for multiple languages

## Highlights

- New appointments have diversified the expertise of the Board
- New Ethics and Conflicts of Interest Policy includes requirements consistent in the Model of Ethics Acts drafted by the Texas Attorney General's office
- Annual audit plan executed and priority compliance audits completed
- Recipient of the Texas Comptroller's Leadership Program Gold Circle Award
- New webpage on Authority-issued debt recognized by Texas State Comptroller
- Customer satisfaction with roads reached new high of 80%

# Procurement | policies and procedures including diversity policy compliance

- Major Consultant Procurement Plan adopted by the Board
- New procurement policy adopted which has provisions consistent with state law, best practices, and includes annual reviews
- Four new firms added as major consultants

Date	Major Procurements
May 2012	<b>Maintenance Management Consultant(MMC)</b>
June 2012 August 2012	<b>Financial Advisor (FA)</b> •General Municipal Financial Advisory •P3 Financial Advisor
September 2012	<b>Traffic and Revenue (T&amp;R)</b> •NTTA System •Special Projects System
October 2012	<b>Legal Services (LS)</b> Registry established with 71 firms
November 2012 January 2013	<b>Program Management Consultant and GEC</b> •Program Management Consultant •General Engineering Consultant

## Highlights

- Completed all major consultant procurements within established timeframe adopted by the Board
- Recipient of Achievement of Excellence in Procurement Award from the National Procurement Institute
- Business Diversity participation reached new high of 25%
- Received Qualifications-Based Selection Merit Award from the American Council of Engineering Companies and the National Society of Professional Engineers
- Recognitions for leadership in diversity from the Women Business Council-Southwest, Asian American Contractors, and Regional Hispanic Contractors



# Organization | performance management, current business model and consultant use

- Enhanced monthly performance reporting to Board on organizational-wide metrics
- Launched reorganization to better align resources and increase operational efficiency and effectiveness
- General Counsel supervises work assigned to outside counsel pursuant to Legal Services Protocols approved by Board
- Completed biennial employee engagement survey with an 82% employee satisfaction rating
- New executive leadership (executive director and deputy executive director)
- Board member on-boarding materials enhanced to strengthen focus on operations

## Highlights

- Majority of Board-approved performance metrics met or exceeded established targets (20 of 22)
- New legal assignments follow established Legal Service Protocols
- Created new Strategic and Innovative Solutions department to drive organizational performance and fuel future growth
- Employee engagement survey participation reached 65%, an increase of 15% over prior survey
- Implemented employee engagement scorecard to guide and monitor employee-focused efforts and initiatives resulting from survey

# Finance | liquidity, debt coverage, funding and collections

- Monthly Financial Report enhanced to communicate cash flow position
- Legislative agenda includes toll enforcement remedies for collections
- End-to-end review of collections completed by industry experts
- Customer service and collections activities separated
- Augmentation of customer experience and enhanced collections program underway
- Preliminary road feasibility analysis developed based on System capacity. Ongoing updates based on Board priorities

## Highlights

- Transactions and toll revenues trended up by 20%
- External auditor issued unqualified opinions on both System and Special Project Funds
- Maintained A-level bond credit rating and exceeded debt coverage requirement
- Managed to the pinch point and improved cash flow position
- Partnered with the Texas Department of Transportation for the delivery of SH 360
- Awarded Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officer Association

# COUNTY REVIEW RECOMMENDATIONS

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## *First Six Months*

- ✓ Develop and institute Board-staff governance model and expected working relationship
- ✓ Develop and implement more transparent Board Conflicts of Interest and Ethics policies
- ✓ Conduct procurement of major consultants with proposed improvements using a staggered approach
- ✓ Finalize recommended organization structure
- ✓ Have General Counsel deliver an evaluation of new Legal Services protocols and propose any suggested changes
- ✓ Develop job description for Deputy Executive Director and begin national search
- ✓ Institute enhanced oversight mechanisms and accountability for major consultants
- ✓ Re-establish Board committees

# COUNTY REVIEW RECOMMENDATIONS

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## *Second Six Months*

- ✓ Develop an updated strategic and long-range plan and actively manage to it
- ✓ Comprehensive review of collections organization, processes, systems, and enforcement options by collections specialist, and institute identified improvements
- ✓ Establish improved performance management of Executive Director by the Board
- ✓ Re-institute incentive pay structure (pay-for-performance program)
- ✓ Have any new Board appointments factor in additional experience, demographic and functional backgrounds needed
- ✓ Fill remaining open positions in new organizational structure, including analytics function in Finance

# COUNTY REVIEW RECOMMENDATIONS

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## *Every Three Months*

- ✓ Provide progress report to county judges and public on recommendations in this review

# GO FORWARD ACTIONS

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- Manage to five-year Strategic Plan and deliver on goals and objectives
- Continue internal County Review Action Plan monitoring for ongoing items to optimize organizational performance
- On-going updates to judges and stakeholders in Annual Summary Report, Comprehensive Annual Financial Report, Strategic Plan and other communication channels

# QUESTIONS

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**County Review Action Plan Update  
North Texas Tollway Authority**

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
1	Transparency Governance	Admin	<b>Clear Roles and Responsibilities</b>   Develop clear roles and responsibilities of Board, Board Chairman and Executive Director to ensure smoother operations and clarified expectations. (Detailed recommendations are in full report)	Board	Agreed. Recommendation implemented. Board established clear roles/responsibilities at the January 2012 Board retreat. Habits of effective Board members and long-term vision, strategic direction and future of the NTTA were also discussed. Discussion of roles and responsibilities will continue as needed.	10
2	Transparency Conflicts of Interest	Admin	<b>Board Conflicts of Interest Policy</b>   Board should draft governing policies for matters that might lead to or create the appearance of conflict, ensure its enforcement, and ask each Board and executive staff member to agree in writing to uphold the policy	General Counsel	Agreed. Recommendation implemented. The NTTA Board approved its Ethics and Conflict of Interest Policy by unanimous vote at the January 18, 2012 Board meeting. This was memorialized by Resolution #12-05. General Counsel will continue annual refresher training with the Board.	20
3	Transparency Conflicts of Interest	Admin	<b>Board Conflicts of Interest Policy</b>   At a minimum, the Board conflicts of interest policy should: - Define conflicts of interest - Specify persons who will be covered - Require regular disclosure of information related to conflicts of interest - Specify procedures for handling potential or actual conflicts when they arise	General Counsel	Agreed. Recommendation implemented. The NTTA Board approved its Ethics and Conflict of Interest Policy by unanimous vote at the January 18, 2012 Board meeting. This was memorialized by Resolution #12-05. General Counsel will continue annual refresher training with the Board.	20
4	Transparency Conflicts of Interest	Admin	<b>Ethics Officer</b>   NTTA should designate an Ethics Officer to oversee management of the process. This is commonly the in-house General Counsel	General Counsel	Agreed. Recommendation implemented. The NTTA General Counsel was appointed the NTTA's Ethics Officer by the Board at the January 18, 2012 Board meeting. The General Counsel will continue to serve as Ethics Officer and revisions to the process will be applied as needed.	20
5	Organization Employee Morale	Admin	<b>Performance Based Pay</b>   Re-institute performance based incentive pay increases to reward and drive performance	AED of Administrative Services	Agreed. Recommendation implemented. Committees approved and Board adopted staff recommendation to re-institute the "pay for performance" program at the December 2011 Board meeting. The Pay for Performance has also been carried forward to the 2013 Preliminary Operating and Maintenance Budget. Executive management will continue to review the Pay for Performance program and make necessary modifications as part of the annual budget process.	32
6	Organization Employee Morale	Admin	<b>Engagement Survey</b>   Administer engagement/morale survey in next year after key changes/decisions have been made to monitor progress and shape future priorities	AED of Administrative Services	Agreed. Recommendation implemented. Biennial employee engagement and morale survey, which included County Review follow-up questions, launched March 20, 2012. There was a 65 percent employee response rate. Survey results were presented at the April 18 Board Meeting. The Employee Engagement Committee continues to work with management to implement key recommendations addressing short, mid, and long-term solutions in the top five areas: (1)employee/management relations, (2)value employees, (3)teamwork, (4)bureaucratic constraints, and (5)career pathing/training. Management continues to work with the Engagement Committee on engagement scorecard priorities and other new initiatives. The new survey will be completed in 2014. Management will continue to report to the Board top box scores biennially.	32
7	Organization Performance Management	Admin	<b>Annual Business Performance Calendar</b>   Develop and publish annual business performance management calendar to align budgeting and planning with the annual performance management cycle for management and staff. Align the ED performance review process with the ED's contract renewal period	AED of Administrative Services	Agreed. Recommendation implemented. Annual business performance management calendar has been developed and aligns the annual performance management calendar to include the Executive Director, General Counsel, Internal Auditor and Board Secretary notwithstanding any interim reviews that may be scheduled. Review dates are included in the annual Board agenda forecast. The annual business performance process is ongoing and will be adjusted as needed.	38



**County Review Action Plan Update  
North Texas Tollway Authority**

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
8	Organization Performance Management	Admin	<b>Develop Annual Executive Incentive Plan</b>   Design and develop annual executive incentive plan (EIP) for the ED and ED direct reports. ED and ED direct reports should be measured against the same approved Agency Scorecard metrics to drive greater alignment	AED of Administrative Services	Agreed. Recommendation implemented. The Annual Executive Incentive Plan for 2012 has been aligned with the current performance measures and the "pay for performance program" re-instituted by the Board in December 2011. Executive Management will continue to tie performance goals to the Authority's strategic goals. Performance goals are tied to the five-year Strategic Plan and continue to be set annually and measured against the Agency's scorecard.	38
9	Organization Performance Management	Admin	<b>Develop ED personal goals</b>   Design, develop and approve ED personal goals to be ready for release with, or prior to, the communication of the approved budget annually. Goals should be prioritized and weighted and include requirements of the role/expectations of the ED	Board	Agreed. Recommendation implemented. Interim goals were developed in October 2011 and interim status was reviewed by the Board at the January 18, 2012 Board meeting. Board discussed 2013 goals at their October 17 meeting. Executive Director goals for 2013 have been established and will be adjusted as needed following the Feb.2-3 Board Strategic Planning Retreat. The Board continues to follow its process for establishing, updating, and evaluating the Executive Director's performance against established Agency goals and priorities.	38
10	Organization Performance Management	Admin	<b>Board/ ED Review Process</b>   A minimum of an interim review against performance goals between the Board and the Executive Director should be planned each year	ED	Agreed. Recommendation implemented. The Board conducted a review of Gerry Carrigan's performance as Interim Executive Director at the April 18, 2012 Board meeting. This resulted in the unanimous Board approval to appoint Mr. Carrigan as the permanent Executive Director of the NTTA. This item was memorialized by resolution #12-90. The Board continues to evaluate the Executive Director's goals according to the established annual business performance calendar.	38
11	Organization Performance Management	Admin	<b>Performance Management Training</b>   Provide annual performance management training on developing goals, reviewing performance and handling difficult conversations	AED of Administrative Services	Agreed. Recommendation implemented. Annual "refresher" performance management training is provided to management staff. Performance management training is mandatory for all new managers/supervisors and continues to be a requirement for all "performance raters."	38
12	Organization Future State	Admin	<b>Succession Planning</b>   Board should direct ED to develop succession plans for key positions in the organization	ED	Agreed. Recommendation implemented. NTTA succession planning framework developed and implemented as of April 5, 2012. Succession plans for key positions identified were completed June 30. Management will continue to update and align succession plans for key positions with current and future organizational staffing needs.	40
13	Procurement Major Consultants	Admin	<b>Procurement Policy Clarification</b>   Establish and enforce clear procurement policy and procedures including - Strict clarification of permissible consultant, staff, and Board communications with clear understanding of the beginning and the end of procurement period - Whether QMS or another procedure is in force	CFO	Agreed. Recommendation implemented. Clarification language has been incorporated into revised NTTA Procurement Policy that was approved at the April 18, 2012 Board meeting. This was memorialized by Resolution #12-64. The Procurement Policy will continue to be reviewed and updated as State law changes and as part of the Board's annual policy review process.	61
14	Procurement Major Consultants	Admin	<b>Major Consultant Procurements / Board Involvement</b>   Limit Board involvement in major consultant procurements to review and approval of final contract	CFO	Agreed. Recommendation implemented. Limits of Board involvement have been incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting. A formal "cone of silence" notification process is in place.	61
15	Procurement Major Consultants	Admin	<b>Procurement Process - Executive Committee</b>   Eliminate Executive Committee observers in the evaluation process to allow for sufficient discussion	CFO	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting. The Major Consultant Procurement Plan was fully executed and procurements completed as of December 2012.	61
16	Procurement Major Consultants	Admin	<b>Procurement Process - Bid Evaluation</b>   Reassess bid evaluation committee composition based on pertinent knowledge and/or skills	CFO	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting. The Major Consultant Procurement Plan was fully executed and procurements completed as of December 2012.	61

**County Review Action Plan Update  
North Texas Tollway Authority**

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
17	Procurement Major Consultants	Admin	<b>Procurement Process - Due Diligence</b>   Strengthen due diligence around vendor background and credentials	CFO	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting. The Major Consultant Procurement Plan was fully executed and procurements completed as of December 2012.	61
18	Procurement Major Consultants	Admin	<b>Procurement Process - Diversity Scoring</b>   Clearly communicate diversity scoring criteria among all participants	AED of Administrative Services	Agreed. Recommendation implemented. Diversity scoring criteria has been established and will be communicated to scorers and all participants. Criteria has also been incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting. The Major Consultant Procurement Plan was fully executed and procurements completed as of December 2012.	61
19	Procurement Major Consultants	Admin	<b>Procurement Process - Bid Announcements</b>   Do not announce competitive procurement winners prior to Board approval	CFO	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting. The Major Consultant Procurement Plan was fully executed and procurements completed as of December 2012.	61
20	Procurement General	Admin	<b>Procurement Policy and Procedures</b>   Establish and enforce clear procurement policy and procedures including references to appropriate forms, handling of the 30% rule Board approval (through Board consent agenda), short list process, and non-construction closeout	CFO	Agreed. Recommendation implemented. Recommendations were incorporated into the revised NTTA Procurement Policy that was approved at the April 18, 2012 Board meeting. This was memorialized by Resolution #12-64. The NTTA Procurement Policy will continue to be reviewed in accordance with the Board's annual policy review process.	68
21	Procurement General	Admin	<b>Sole Source Contracts</b>   For sole sourced contracts, stringently enforce the new policy and institute a more thorough review of deliverables	CFO	Agreed. Recommendation implemented. Recommendations were incorporated into the revised NTTA Procurement Policy that was approved at the April 18, 2012 Board meeting. This was memorialized by Resolution #12-64.	68
22	Procurement Supplier Diversity	Admin	<b>Benchmarks</b>   Contact firms such as Mason Tillman, governmental entities similar to NTTA, and other organizations to determine if comparable benchmark information is available.	AED of Administrative Services	Agreed. Recommendation implemented. Staff contacted other peer organizations in December 2011 and determined the NTTA metrics are consistent with peer group. Metrics will continue to be reviewed and fine tuned as diversity objectives are modified to align with current business environment.	74
23	Procurement Supplier Diversity	Admin	<b>Non-Compliance Recourse</b>   To discover and define handling of potential cases of supplier diversity non-compliance, fraud, and/or abuse, include the following in the Business Diversity policy and procedures and communicate to all participants: – NTTA Ethics and Fraud Hotline or other facility to receive confidential reports of issues – Handling and escalation protocol for resolving issues	General Counsel	Agreed. Recommendation implemented. The Business Diversity Department web page was updated in December 2011 to provide the NTTA Ethics and Fraud Hotline information and clearly communicate escalation and reporting rotocols. The escalation protocols will continue to be monitored and updated as needed.	74
24	Finance Long Range Planning	Admin	<b>Legislative Matters</b>   Stay proactive in legislative matters impacting NTTA's financial outlook	ED/Board	Agreed. Recommendation implemented. The Public Affairs Department monitors legislation and legislative initiatives impacting the Authority. The Board remains proactive and engaged in developing legislation. A new legislative director started on December 17th and will work closely with the Board on legislative matters.	93
25	Procurement Major Consultants	Admin	<b>Procurement Process - Staggering</b>   Stagger procurements as needed so each may be addressed with appropriate time and effort	CFO	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting. The Major Consultant Procurement Plan was fully executed and procurements completed as of December 2012.	61
26	Transparency Governance	Board	<b>Defined Board Committee Roles</b>   Responsibilities of Board Committees, and the support from staff and external advisors, should be defined upfront and be realistic and manageable	ED	Agreed. Recommendation implemented. Committee structure, roles and responsibilities for Board and staff advisors have been clearly defined by each adopted Committee Charter (November 2011) and are realistic and manageable.	10

**County Review Action Plan Update  
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Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
27	Transparency Governance	Board	<b>Re-establish Board Committees</b>   Committees should be re-established and the purpose, scope, and roles of the committees should be defined by charter	ED	Agreed. Recommendation implemented. Committee structure has been reestablished and is functioning well. Roles and responsibilities for Board and staff were clearly defined by adopted Committee Charters in November 2011. The Committee Charters will be updated as needed to ensure that roles and responsibilities are in alignment with current business environment.	10
28	Organization Employee Morale	Board	<b>County Review Marketing Plan</b>   Board Chairman and ED should develop a marketing plan to communicate findings from the county review and proposed initiatives to address areas of concern	ED	Agreed. Recommendation implemented. Initial quarterly update public meeting posted on website to communicate actions/initiatives relative to the County Review to the County Judges. The full interactive County Review Action Plan matrix was placed on the NTTA website to keep the public abreast of progress made. The NTTA website has the full reports from each reporting period as well as the final report for the public's reference and review. Updates to be posted as needed.	32
29	Organization Performance Management	Board	<b>Agency Scorecard and Metrics</b>   Leverage and build on Agency Scorecard (presented August 2011) to include core NTTA metrics (i.e., Financial, Operational Excellence, People) - metrics should be explicit, aggressive and provide detail on threshold, target and exceeding performance	ED	Agreed. Recommendation implemented. Based on feedback received at the January 2012 Board retreat, 23 proposed strategic performance metrics (Finance, Operations, Administrative Services and Projects) were presented to the Board for input and feedback at the March 2012 Board Workshop. A metrics report that includes actual performance compared to the target is provided to the Board monthly. A month-over-month trend analysis was developed in August 2012 and is presented at monthly NTTA Board meetings. Staff will continue to enhance metrics reporting to the Board and identify industry benchmarks and best practices. The metrics will continue to be tied to the Authority's strategic goals.	38
30	Procurement Major Consultants	Board	<b>Procurement Process - Board Committee Analysis</b>   Prior to procurement decisions, request analysis by appropriate Board committee and have committee report conclusions to the full Board	CFO	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting. Committee reports with recommendations continue to be provided to the full Board.	61
31	Procurement Major Consultants	Board	<b>Procurement Process - Transition Plan Vetting</b>   Include stronger transition plan vetting with Board	CFO	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting. The Major Consultant Procurement Plan was fully executed and procurements completed as of December 2012. Each procurement had specific and detailed transition plans presented to the Board as part of contract award process.	61
32	Transparency Governance	Board	<b>Strategic Planning - Board Involvement</b>   Strategic planning process should include meaningful involvement from the Board; the Board and ED should manage to the plan	ED	Agreed. Recommendation implemented. Strategic planning process launched at the January 2012 Board retreat. An updated mission statement, which reflects the NTTA's core operations, was adopted at the March 21, 2012 Board Workshop. Ongoing strategic plan "checkups" will be incorporated into the annual strategic planning Board retreat. The 2013 Retreat was held February 1-2. The Board updated the five-year Strategic Plan. An annual planning cycle will guide future timing and associated strategic planning activities.	10
33	Transparency Conflicts of Interest	Board	<b>Annual Conflicts and Ethics Training</b>   The Board should participate in annual conflicts of interest and ethics training	Board Secretary	Agreed. Recommendation implemented. Per the Ethics Policy adopted at the January 18, 2012 Board meeting, the Board committed itself to annual conflicts of interest training. The first session was conducted at the January 2012. The General Counsel provided "refresher" training at the February 2013 Board retreat. The General Counsel will continue to provide "refresher" training for the Board as part of the annual strategic planning retreat.	20

**County Review Action Plan Update  
North Texas Tollway Authority**

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
34	Transparency Communicate w/Transportation Community	Board	<b>Building and Strengthening Relationships</b>   As part of an overall strategy, NTTA's Board and ED should continue to focus on building and strengthening relationships to enable future projects: - Federal and state: USDOT, TxDOT - Regional: RTC, RMAs, NCTCOG, counties - Private: CDA developers	ED	Agreed. Recommendation implemented. The NTTA continues to meet with local, state and federal stakeholders to strengthen relationships, develop partnerships, and increase outreach about NTTA projects. In 2012, the NTTA executed more than 70,000 proactive points of contact with local, state and federal elected officials and stakeholders. Additionally, communications outreach for the CTP project continues, as does communications on the NTTA's toll collection and enforcement process, finance, business diversity initiatives, the County Review, and NTTA System closures and maintenance activities. These efforts will continue to keep the focus on getting in front of the issues.	30
35	Finance Long Range Planning	Board	<b>Long Range Planning</b>   Include long range planning discussions with key staff and Board as part of strategic planning exercise, and share plans with regional transportation leaders so they can plan accordingly	ED	Agreed. Recommendation to be implemented. The NTTA Strategic Plan was discussed at the January 2012 Board retreat. Staff will continue working with the Board and region to determine and develop longer-range strategic plan priorities that better inform regional plans. Long range planning is an ongoing focus item for the Board. To tie-down current priorities, the Board received a presentation at the October 17 Board meeting and passed a Resolution #12-155 to work with regional partners to advance SH360 and Trinity Parkway projects thru Public/Public model and if not feasible move to a Public/Private model. The Board reviewed and updated its 5-year Strategic Plan and received a briefing from staff on the long range planning model at its February 2013 Board retreat. This is an ongoing focused item with the Board.	93
36	Transparency Communicate w/Public	Board	<b>Consistent Communications from Board</b>   Board communications to staff and the public should be consistent with the generally held views of the Board and its decisions	Chairman	Agreed. Recommendation implemented. At the January Board retreat, a Board communications philosophy was established and Board members completed a communications/media seminar. The Executive Director continues to meet regularly with Board members and serves as the point person for Board communications to and from the Board.	27
37	Transparency Communicate w/Public	Board	<b>Information Flow</b>   Chair should be accountable for encouraging all directors to continue to request information and ask questions of staff in working and committee sessions to facilitate fully informed decisions at Board meetings	Chairman	Agreed. Recommendation implemented. Board Chairman has re-established a functional Committee structure empowering the Committee chairs and informing membership. Key staff members assigned as liaisons to the Board Committees. The Executive Director convenes one-on-one sessions with Board Committee chairpersons prior to meetings/workshops. These meetings provide one-on-one opportunity to vet high priority and sensitive issues with the Board in advance of public discussion.	27
38	Transparency Governance	Board	<b>Meeting Agendas</b>   Chair and ED should structure meeting agendas to focus attention on the most important policy decisions and updates	ED	Agreed. Recommendation implemented. Chair and ED jointly draft and review Board agenda to manage requisite action items, policy and informational items.	10
39	Transparency Board Make-Up	County Commissioners Court	<b>Board Members Background</b>   County judges and commissioners courts should consider Board members' backgrounds and functional competencies collectively when appointing new directors with a particular emphasis on finance, the toll industry and regional transportation issues	County Judges	Agreed. Recommendation implemented. Three new appointments have diversified the expertise of the Board as recommended.	22
40	Transparency Communicate w/Public	County Commissioners Court	<b>Board Member Accountability</b>   County commissioners courts should hold the Board accountable through appointments for resolving disagreements in working and committee sessions and for effectively supporting and communicating Board decisions	County Judges	Member County Commissioner's court action as required.	27

**County Review Action Plan Update  
North Texas Tollway Authority**

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
41	Transparency Board Make-Up	County Commissioners Court	<b>Board Member Demographics</b>   Strategically recruit across all demographics by leveraging Board member recommendations, cultivate ongoing relationships with community leaders and corporate organizations, and approach organizations with greater access to desired demographic groups	County Judges	Agreed. Recommendation implemented. Three new appointments have diversified the expertise of the Board as recommended.	22
42	Organization Future State	CSPOC	<b>Customer Service / Collection Separation</b>   Separate customer service and collections under Director of Customer Service and Collections	AED of Operations	Agreed. Recommendation implemented. The NTTA has separated customer service and collections organizations as recommended (after the second notice of non-payment). Some actions related to this item are detailed in the action/resolution of item # 46.	40
43	Organization Major Consultants	CSPOC	<b>PMC and GEC Contracts</b>   Split PMC and GEC contracts and re-procure under new procurement process to separate engineering firms taking care to have a strong transition plan if needed	AED of Project Delivery	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting. The Major Consultant Procurement Plan was fully executed and procurements completed as of December 2012.	55
44	Finance Collections	F&A	<b>ZipCash Cost Reduction</b>   The NTTA should protect its margin by reducing the incremental cost of ZipCash transactions	AED of Operations	Agreed. Recommendation implemented. Several Revenue Assurance Program initiatives have been instituted to optimize toll operations (reduce costs, enhance collections, increase transponder penetration, examine ZipCash premium, etc.) to protect NTTA's margin. Industry experts were engaged to assist in analysis and recommendations to further this effort. Focused briefings including options for consideration by the Board were delivered in February, March and April. Staff has delivered measurable success, and will continue to focus on these type of initiatives through the Revenue Assurance Action Plan as we move forward.	76
45	Finance Collections	F&A	<b>ZipCash Conversion Marketing</b>   The NTTA should renew its efforts, and invest marketing dollars to target ZipCash customers for conversion to TollTags	AED of Administrative Services	Agreed. Recommendation implemented and is ongoing. NTTA has completed a four-month enforcement campaign, "Pay Up", designed to encourage payment of ZipCash and TollTag bills. A TollTag acquisition campaign is underway and is intended to drive TollTag distribution and toll road usage. Planning is completed for the 2013 marketing campaigns for the NTTA System and Special Projects System. The annual marketing plan identifies strategies, and the annual operations and maintenance budget supports targeted initiatives including: usage on the newly opened Western Extension of the Bush Turnpike, a proposed new TollTag product launch, Get a TollTag Month (with a free year of tolls promotion), violation enforcement and Chisholm Trail awareness, TollTag distribution and TollTag activation. Performance is reported via the Revenue Assurance Plan and through the Monthly Financial Report. TollTag penetration rates is currently tracking at 78 percent after 60 days. TollTag distribution is more than 2.5 million. This represents a 20 percent increase in year-over-year distribution and a 20 percent increase in TollTag accounts.	76

**County Review Action Plan Update  
North Texas Tollway Authority**

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
46	Finance Collections	F&A	<b>Collections Process Improvements</b>   The NTTA should continue actively brainstorming, testing, and implementing collections process improvements. Consider automating and aggregating citation processing, AR factoring, separating collections from customer service personnel, outbound calls earlier in the collections process, and continue to evaluate use of the JP courts	AED of Operations	The NTTA engaged several industry experts to conduct an end-to-end review of the NTTA collection process. Staff is continuing its focus on implementing a number of the recommendations. Attachment A provides additional detailed information regarding the focus initiatives completed and underway to implement the collection process improvement recommendations. In addition, multiple toll enforcement pilot initiatives have been launched: (1) website posting of repeat toll violators (100 or more unpaid tolls after expiration of third notice of nonpayment), (2) administrative orders prohibiting the vehicles of repeat toll violators, and (3) referral of toll violation cases to outside collections litigation counsel. In 2013, launched augmentation of customer experience and enhanced collections program. Other initiatives are in the pipeline and/or the subject of the NTTA's legislative program for 2013 session.	76
47	Transparency Governance	F&A	<b>Risk Area Assessment</b>   Reconstituted Finance & Audit Committee to actively assess risk areas and review annual internal audit plans. Priority audits should be conducted on the key end-to-end collections process and the third-party distributors of TollTags	Internal Audit/ED	Agreed. Recommendation implemented. The F&A committee approved 2012 internal audit work plan in December 2011. Priority audits on "end-to-end" collections and third-party TollTag distributors were added to Internal Audit's plan and are currently underway. The "end-to-end" collections audit was issued on October 10, 2012. The third-party distributors of TollTag audit was issued on November 21, 2012. The Finance and Audit Committee will continue to work with Internal Audit Department to actively assess risk areas and conduct priority audits.	10
48	Organization Major Consultants	F&A	<b>Accountability and Controls</b>   Institute more defined roles and accountability, such as controls and monitoring of actual work expenses vs. work authorization (i.e. budget)	CFO	Agreed. Recommendation implemented. Implemented PeopleSoft commitment control along with procedures. Appropriate staff was trained on October 25, 2011. Training of new staff will occur as needed.	55
49	Procurement Supplier Diversity	F&A	<b>Supplier Diversity - Internal Review</b>   Have Internal Audit schedule periodic reviews of Business Diversity to evaluate control and governance processes	Internal Audit	Agreed. Recommendation implemented. Business Diversity is a periodic audit. The Internal Audit 2012 work plan included the Business Diversity audit to address control and governance processes. 2012 Internal Audit Workplan approved at the Dec. 1, 2011 Finance and Audit Committee. This audit was completed and audit report issued July 9, 2012. The audit findings address an opportunity to develop more robust written procedures for the business diversity process. The management action plan was completed and submitted to Internal Audit October 31, 2012. Control and governance procedures will continue to be evaluated and updated as needed.	74
50	Finance Forecasts	F&A	<b>Coordinate Operational Assumptions</b>   Continue to monitor the segment data and actively coordinate with the T&R consultant on operational assumptions	CFO	Agreed. Recommendation implemented. Finance staff will continue to work with the T&R consultants to ensure latest data is available to inform projections.	87
51	Finance Forecasts	F&A	<b>Continue Conservative Cost Budgets</b>   Continue to be conservative with cost budgets to avoid the need for amendments	CFO	Agreed. Recommendation implemented. Appropriately conservative budgeting philosophy will continue to guide the annual budget development process.	87
52	Finance Forecasts	F&A	<b>Cash flow Communication to Board</b>   Develop the capabilities to communicate cash flow to Board members	CFO	Agreed. Recommendation implemented. Finance is providing the information as part of the enhanced Monthly Financial Report (MFR) presentation to the Board. The reporting will continue to be enhanced as needed.	87
53	Finance Forecasts	F&A	<b>In-Depth Forecast Details</b>   Provide in-depth revenue, capital and operating expense forecast details to Board	CFO	Agreed. Recommendation implemented. The annual budget and the Five Year Capital Plan documents, taken as a whole, provide the detail forecast of capital and operating expenses planned through 2016. Forecasting will continue in future years as a primary function of the Strategic and Innovative Solutions department.	87

**County Review Action Plan Update  
North Texas Tollway Authority**

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
54	Finance Long Range Planning	F&A	<b>Road Feasibility Analysis</b>   Have T&R and engineering consultant update financial and T&R projections road feasibility analysis based on anticipated development start dates	CFO	Agreed. Recommendation implemented. Preliminary feasibilities have been developed based on capacity of the System. Feasibilities will be updated based on long range planning priorities established by the Board as discussed in Item #35.	93
55	Finance Long Range Planning	F&A	<b>Leverage System Resources with Outside Parties</b>   In order to build roads faster, explore leveraging the system resources with outside parties similar to the Special Projects System for CTP and PGBT-WE	CFO	Agreed. Recommendation implemented. NTTA's focus on identifying opportunities to partner with other entities to leverage resources, including Public/Public model and Public/Private model will continue as primary focus of the new Strategic and Innovative Solutions department.	93
56	Organization Major Consultants	Legal (Admin)	<b>Legal Services Protocols</b>   Ensure new Legal Services protocols are monitored and enforced, and provide clarification of what work falls under broad categories such as "General TxDOT Matters" and "under appropriate circumstances"	General Counsel	Agreed. Recommendation implemented. General Counsel is supervising work assigned to outside counsel pursuant to the Legal Services Protocols. Approval of the Legal Services RFQ for the procurement of outside legal services in seven categories of legal work was approved at the April 18, 2012 Board Meeting. In early June, 71 responses were submitted by law firms, and assignments from the Registry of firms began in August 2012. At its Oct. 4, 2012 meeting the Legal Services Committee reviewed the Legal Services Protocols and recommended no changes at this time. The Committee will review the Protocols in mid-2013 and recommend any needed changes to the Protocols to the full Board. General Counsel has implemented the Board Counsel contract and assignments are based on the contract and established Protocols.	55
57	Organization Major Consultants	Legal (Admin)	<b>In-House Legal Services Competency</b>   Build internal competency of legal services with new in-house General Counsel and reduce reliance on individual, third-party expertise	General Counsel	Agreed. Recommendation implemented. In January 2012, Legal implemented a law student intern program to provide supplemental internal legal research capabilities. Two students interned in the spring, three students will be serving in the summer and three during the 2012-13 school year. Also in June 2012, Legal added a half-time lawyer position to focus on collections and toll violation enforcement and work closely with the Operations on these issues. General Counsel continues to evaluate appropriate mix of in-house and outside counsel resources to serve NTTA's legal services needs.	55
58	Organization Major Consultants	Legal (Admin)	<b>Legal Services Protocol Reviews</b>   New in-house General Counsel to review Legal Services protocols and propose any changes to the Board within six months	General Counsel	Agreed. Recommendation implemented. The Legal Services Committee met and considered this item at its Dec. 1, 2011, meeting. At its Oct. 4, 2012, meeting the Committee reviewed the Legal Services Protocols and the County Review recommendations relating to legal services. The Committee concluded that the Protocols should be implemented and the Committee is charged with recommending any needed changes to the full Board by the end of 2013 based on NTTA's experience in implementing the Protocols.	55
59	Procurement Supplier Diversity	Legal (Admin)	<b>D/M/WBE Legal Services Firms</b>   Pursue direct engagement of D/M/WBE legal services firms	General Counsel	Agreed. Recommendation implemented. Approximately half of the assignments since the conclusion of the RFQ process to establish a pool of legal services firms in early June 2012 have been to D/M/WBE law firms. NTTA transferred a D/M/WBE legal subcontractor (co-bond counsel) to direct contractor status on January 1, 2012. NTTA continues to follow this model when assigning work pursuant to the Board's Legal Services Protocols.	74
60	Transparency Governance	Staff	<b>Critical Board Topics</b>   ED should engage directors within the guidelines of the Open Meetings Act to ensure they are well versed on critical topics and that directors' questions and concerns are considered	ED	Agreed. Recommendation implemented. Executive Director continues to hold "one-on-one" briefings related to issues and strategic topics with Directors in advance of Committee/Board meetings.	10

**County Review Action Plan Update  
North Texas Tollway Authority**

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
61	Transparency Communicate w/Transportation Community	Staff	<b>Industry Leadership Role</b>   NTTA should play an industry leadership role by having key members of the management team – including the ED – attend and present at industry events and create an ongoing dialogue with leading agencies like HCTRA and Florida Turnpike	ED	Agreed. Recommendation implemented. ED continues to participate and encourage/support active participation by staff. Participation includes executive level involvement in trade and industry groups and serving as panelists and moderators at trade and industry group conferences.	30
62	Organization Future State	Staff	<b>Organizational Structure Reporting</b>   Government Affairs and General Counsel to report to the ED and recommend that the Board outside counsel report directly to the General Counsel with indirect reporting to the Board	ED	Evaluation of organizational structure completed and new future state organization was fully implemented as of January 1, 2013.	40
63	Organization Major Consultants	Staff	<b>Business Model</b>   Retain “lean” staff business model, but ensure critical core competencies exist in-house if there is a permanent need (Florida Turnpike model) - Based on forecasted demand through 2016, consider bringing a limited number of PMC and Legal resources in-house - Consider greater outsourcing of customer service and collections if it is more cost effective and flexible to varying levels of need	ED	Agreed. Recommendation implemented. Core competency positions within the organization have been identified and budgeted accordingly. The 2013 budget includes supplemental staff sourcing for customer service and collections to add capacity. Procurement process is underway to identify a suitable staff sourcing contractor. Going forward, staffing and outsourcing will be considered in each upcoming budget cycle based upon anticipated workload forecasts and business case.	55
64	Transparency Communicate w/Public	Staff	<b>Post Meeting Minutes</b>   Detailed minutes from the Board meetings should be posted on NTTA’s website to be consistent with best practices	ED	Agreed. Recommendation implemented. Minutes of Board meetings are posted on the NTTA website after approval by the Board.	27
65	Organization Employee Morale	Staff	<b>Employee Core Focus Group</b>   Board Chairman and ED should meet with a sampling of employees (core levels and functions) in focus groups to discuss the survey results and gain additional insight to these issues and develop improvement initiatives	ED	Agreed. Recommendation implemented. Executive Director, Board Chairman and Vice Chairman attended the February 23 and March 27 Employee Engagement Committee meetings, respectively. The Executive Director and Board will have ongoing dialogue with the Employee Engagement Committee to discuss employee issues and provide feedback on the direction of the organization. The Executive Director and the new Deputy Executive Director periodically attend monthly employee engagement committee meetings.	32
66	Organization Employee Morale	Staff	<b>On-boarding Materials Focus</b>   Strengthen operations focus of on-boarding materials for existing and new Board members	AED of Operations	Agreed. Recommendation implemented. On-boarding materials and process have been enhanced for more effective discussions on operations prior to on-boarding of any future new appointees as of December 9, 2011. Staff will continue to enhance on-boarding program for new board members and offer "refresher" sessions for current Board members as needed.	32
67	Organization Employee Morale	Staff	<b>Improved Communication with Board</b>   Improvements to communication, cooperation across the organization and with the Board are addressed in organizational structure and Board governance recommendations	ED	Agreed. Recommendation implemented. Several actions have been initiated. Key staff liaisons have been assigned to Board Committees for enhanced communication; re-establishment of focused weekly ED/AED/Directors meetings; weekly ED communications to all employees; re-emphasized "customer service" culture (both external & internal).	32
68	Organization Future State	Staff	<b>Organizational Structure - ED Direct Reports</b>   Reduce the number of direct reports to the ED to include a CFO and Deputy Executive Director providing core organizational leadership, accountability for organizational decisions/direction, support cross organizational collaboration and allow ED to focus on external industry and Board relationships	ED	Evaluation of organizational structure completed and new future state organization was fully implemented as of January 1, 2013.	40



**County Review Action Plan Update  
North Texas Tollway Authority**

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
69	Organization Future State	Staff	<b>Deputy Executive Director</b>   Conduct search for a candidate to fulfill a Deputy Executive Director - preferably with operational transformation/process improvement experience within the toll industry	ED	Agreed. Recommendation implemented. Search process is complete, and the new Deputy Executive Director joined the NTTA staff on October 23, 2012.	40
70	Organization Future State	Staff	<b>Reporting Structure - Diversity</b>   Embed diversity function into the CFO organization for alignment with procurement function	ED	Agreed. Evaluation of organizational structure completed and new future state organization was fully implemented as of January 1, 2013.	40
71	Organization Future State	Staff	<b>Financial Planning and Analysis</b>   Create a Financial Planning and Analysis organization within CFO organization to manage the budgeting process, Agency Scorecard and metrics, reporting and analysis	ED	Agreed. Recommendation implemented. Evaluation of organizational structure completed and new future state organization was fully implemented as of January 1, 2013. The New Strategic and Innovation Solutions Department includes a Financial Analysis and Feasibility Review Team. This group will be responsible for performing robust financial analyses for potential projects and business ventures, resource planning and management for current and potential future projects, and for providing analysis in support of Authority-wide decision making.	40
72	Organization Future State	Staff	<b>Reporting Structure HR and Communications</b>   Embed Human Resources and Communications & Marketing into Operations to drive alignment and prioritization of functional support to Operations	ED	Evaluation of organizational structure completed and new future state organization was fully implemented as of January 1, 2013.	40
73	Procurement General	Staff	<b>Procurement Services Department Involvement</b>   For all procurements, increase Procurement Services Department involvement in requisition and purchase order processing prior to department's soliciting quotes, contracting, and receiving goods/services	CFO	Agreed. Recommendation implemented. Re-organization and centralization of the procurement function was completed by January 2012. The structure will continue to be evaluated as needed to meet current business environment.	68
74	Procurement General	Staff	<b>Robust Reporting Processes</b>   Implement more robust reporting processes to allow workload and performance management	CFO	Agreed. Recommendation implemented. Metrics and reporting have been developed and are in use by the Director of Procurement to measure the performance of the Procurement department. Indirect and direct cost savings are tracked. To date, savings total an approximate \$173K.	68
75	Procurement General	Staff	<b>Procurement Skills</b>   Identify staff skills needed, set up procurement certification plans, and train staff including partnering with departments for construction business skills	CFO	Agreed. Recommendation implemented. Re-organization and centralization of the procurement function address recommendations. Reorganization was completed by January 2012. The new structure continues to provide added-value for the procurement needs of NTTA departments.	68
76	Finance Analytics	Staff	<b>Financial Planning and Analysis Dept.</b>   Create a Financial Planning and Analysis department within Finance that combines the resources from existing departments, serves the entire organization, and leverages all of the systems tools (e.g. RITE, PeopleSoft, Hyperion) the organization has at its disposal	CFO	Agreed. Recommendation implemented. Evaluation of organizational structure completed and new future state organization was fully implemented as of January 1, 2013. The New Strategic and Innovation Solutions Department includes a Financial Analysis and Feasibility Review Team. This group is responsible for performing robust financial analyses for potential projects and business ventures, resource planning and management for current and potential future projects, and for providing analysis in support of Authority-wide decision making.	85
77	Finance Analytics	Staff	<b>Staff Proposals - Business Case and Analytical Rigor</b>   Executive Director should ensure staff proposals to the Board include a business case and sufficient analytical rigor	ED	Agreed. Recommendation implemented. New financial and analysis positions have been identified in 2012 budget to support analytics and business case development for staff proposals. Board agenda items continue to include business case and sufficient analytical rigor.	85

**County Review Action Plan Update  
North Texas Tollway Authority**

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
78	Finance Analytics	Staff	<b>Financial Analyst Manager</b>   Hire a capable upper level manager to report to the CFO, serve the operating departments, coordinate the department's efforts, and deliver business case recommendations to the Board	CFO	Agreed. Recommendation implemented. Evaluation of organizational structure completed and new future state organization was fully implemented as of January 1, 2013. The New Strategic and Innovation Solutions Department includes a Financial Analysis and Feasibility Review Team. This group is responsible for performing robust financial analyses for potential projects and business ventures, resource planning and management for current and potential future projects, and for providing analysis in support of Authority-wide decision making.	85
79	Finance Analytics	Staff	<b>Augment Analytics Capabilities</b>   Hire resources to augment the existing analytics capabilities	CFO	Agreed. Recommendation implemented. Evaluation of organizational structure completed and new future state organization was fully implementing effective as of January 1, 2013. The New Strategic and Innovation Solutions Department includes a Financial Analysis and Feasibility Review Team. This group is responsible for performing robust financial analyses for potential projects and business ventures, resource planning and management for current and potential future projects, and for providing analysis in support of Authority-wide decision making.	85
80	Transparency Governance	Staff	<b>Board Materials - Circulation</b>   Board secretary should circulate Board materials in advance, clearly indicating which topics require decisions and which are for discussion/input	ED	Agreed. Recommendation implemented. Agenda materials are compiled and circulated in advance of meetings to allow review time by Board members and committees. The agenda process will continue to be reviewed to identify future opportunities that further streamline the Board's decision making process.	10
81	Transparency Governance	Staff	<b>Board Materials - Historical Reference</b>   Board secretary should include relevant sections of Board meeting minutes from past meetings in the Board's materials when topics are revisited to ensure attendees have a common historical context	Board Secretary	Agreed. Recommendation implemented. Board and Committee past actions related to a specific agenda item are recounted in the item's Executive Summary by originating staff (and coordinated with Board Secretary). Committee reports also provide additional historical references for the Board.	10
82	Transparency Governance	Staff	<b>Board Materials - Presentations</b>   ED should ensure staff presentations remind Board members of prior decisions, anticipate questions, articulate recommendations, and include a business case for Board decision-making	ED	Agreed. Recommendation implemented. ED and executive staff have re-energized "mock presentation" meetings to prepare more thorough briefings and Q&A responses to the Committees and Board. Business cases will be provided as needed. Board and Committee past actions related to a specific agenda item are recounted in the item's Executive Summary by originating staff (and coordinated with Board Secretary). Committee reports continue to provide historical references for the Board.	10

## Responses to County Review Item 46

Multiple toll enforcement initiatives are underway, including (1) website posting of repeat toll violators (100 or more unpaid tolls after expiration of third notice of nonpayment), (2) administrative orders prohibiting the vehicles of repeat toll violators, and (3) referral of toll violation cases to outside collections litigation counsel. Other initiatives are in the pipeline and/or the subject of the NTTA's legislative program for 2013 session.

The NTTA has also engaged several industry experts to conduct an end-to-end review of the NTTA collection process. Staff is focused on implementing several recommendations as outlined below.

### **Enhance transaction capture and processing**

- Front camera installation substantially completed on all main lanes
- Redundant color camera installation completed on all roadways
- Enhanced quality monitoring process for manual image review
- Completed DocNo project implementation to increase effectiveness of interface with DMV database
- eTags (temporary plate) DMV database integrated onto ZipCash process
- Increased volume of out-of-state pursuit
- Reduced business rule trigger from five transactions to three, with a sweep to two transactions to begin in first quarter 2013

### **Raise awareness**

- Communications and Marketing department launched an awareness campaign ("Pay Up") with billboards, radio spots, online ads and direct customer outreach.
- The second phase of the campaign focused on TollTag acquisition and emphasized the value and convenience of the using the TollTag as a payment method
- TollTag distribution nearly doubled in 2012 compared to 2011, and growth is trending at a continued 14% increase in 2013.
- Campaigns in 2013 continue to focus on customer acquisition and conversion, new products (e.g., mobile app), transaction growth, collection initiatives and toll enforcement remedies.

### **Enhance Collection activity**

- Implemented a "hard wall" separating customer service and collections organizations after the second notice of non-payment as recommended by the Toll Assessment report
- Implemented a pilot program to measure the cost benefit of outbound calling for customers issued a second notice of nonpayment.


## ATTACHMENT A

### **Increase Customer options**

- A new TollTag store opened in March to provide regional access for customers not wanting to use third party locations. Located on President George Bush Turnpike near Belt Line Road, the store serves Irving and the surrounding cities.
- A mobile app is in development and will launch in May. The app will allow TollTag customers to manage their accounts, and it will provide trip rate calculator and interactive traffic maps. A second phase will launch in September to provide ZipCash customers the ability to pay invoices on the go.
- Revived the mobile distribution program targeting high ZipCash user areas
- Future expansion of customer account options to include an account for occasional users with lower prepaid requirements

### **Enhanced Deterrents**

- Posting violators with over 100 unpaid tolls on our website as a means of communication
- Legal pursuit of customers that have violated payment agreements
- Prohibit the use of NTTA facilities for flagrant violators
- Blocking of registration renewals
- Expanded legislative agenda to include additional remedies



## Performance Metrics Report through December 2012

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Gerry Carrigan  
Executive Director

Presented To: NTTA Board of Directors  
February 20, 2013



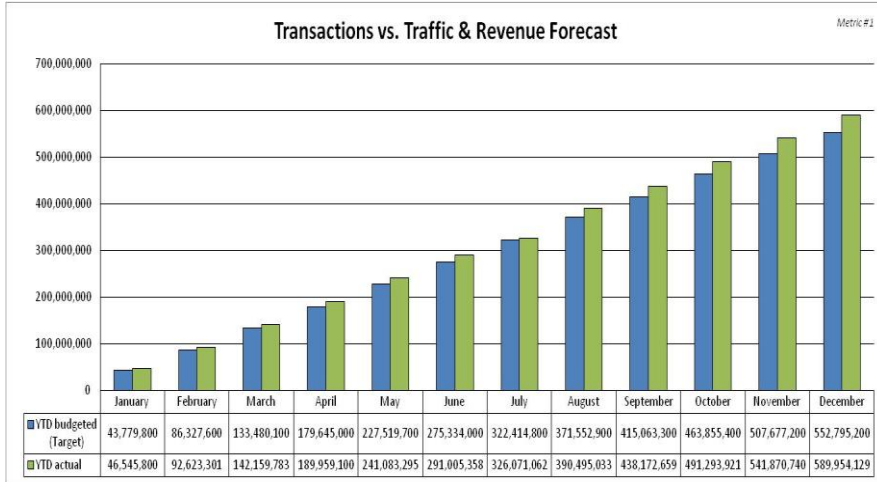
OPEN AND HONEST COMMUNICATION



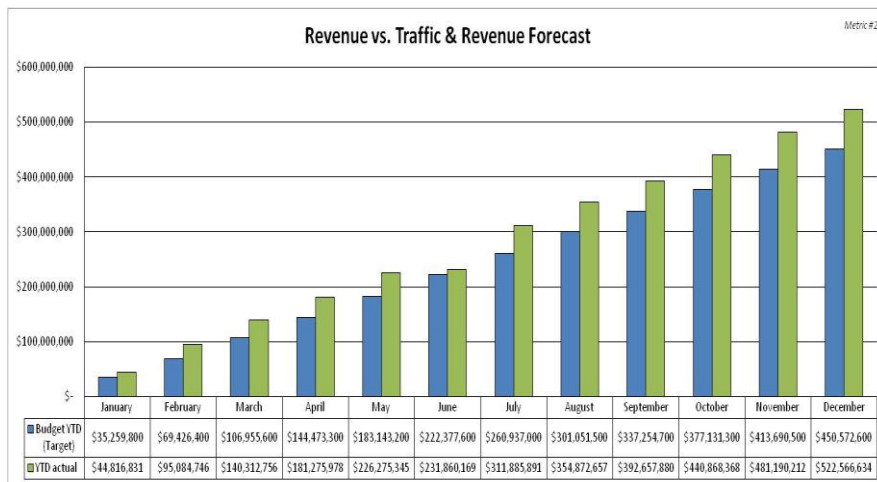
## FINANCIAL METRICS GRAPHS



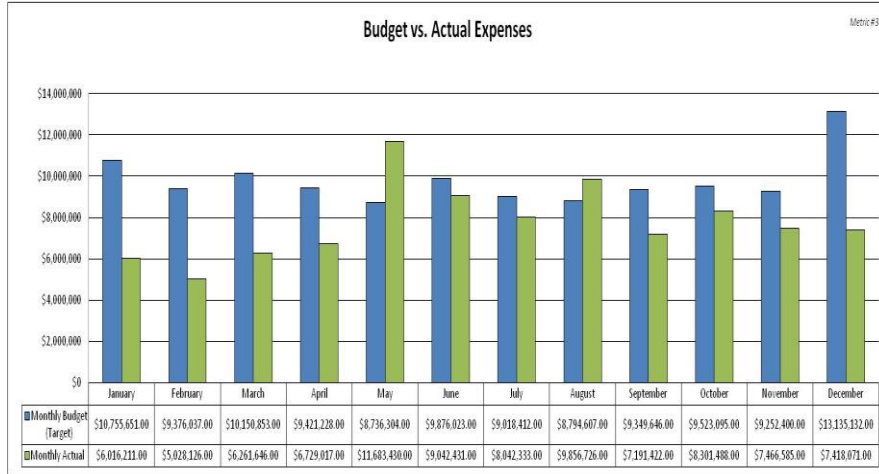
## TRANSACTIONS VS. TRAFFIC & REVENUE FORECAST



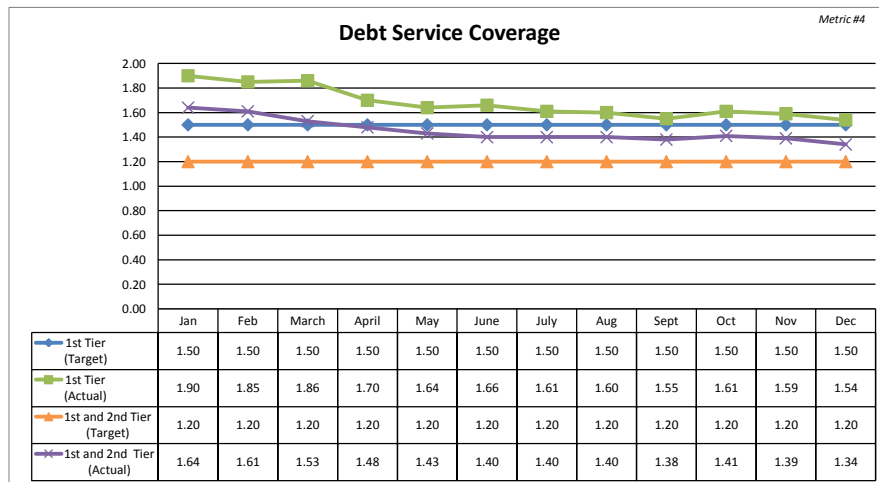
## REVENUE VS. TRAFFIC & REVENUE FORECAST



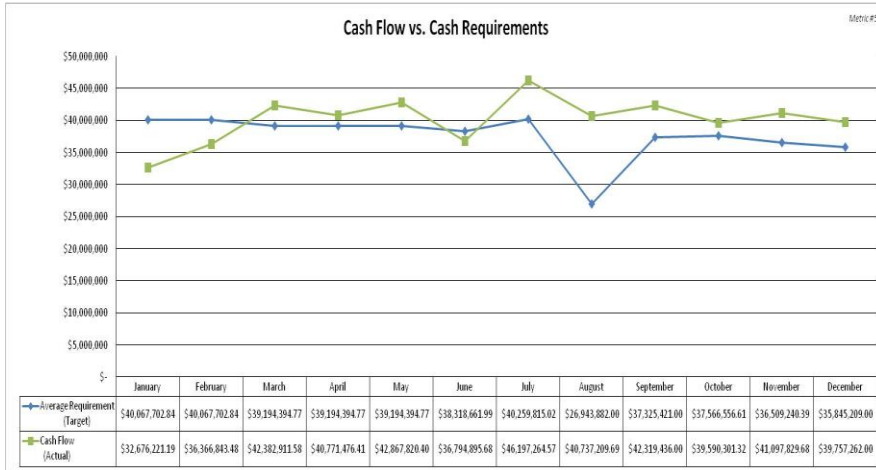
## BUDGET VS. ACTUAL EXPENSES



## DEBT SERVICE COVERAGE

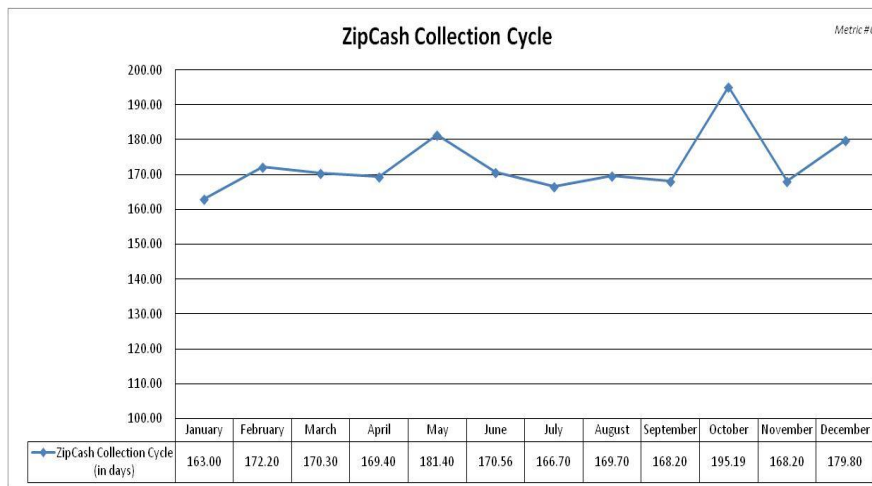


## CASH FLOW VS. CASH REQUIREMENTS



7

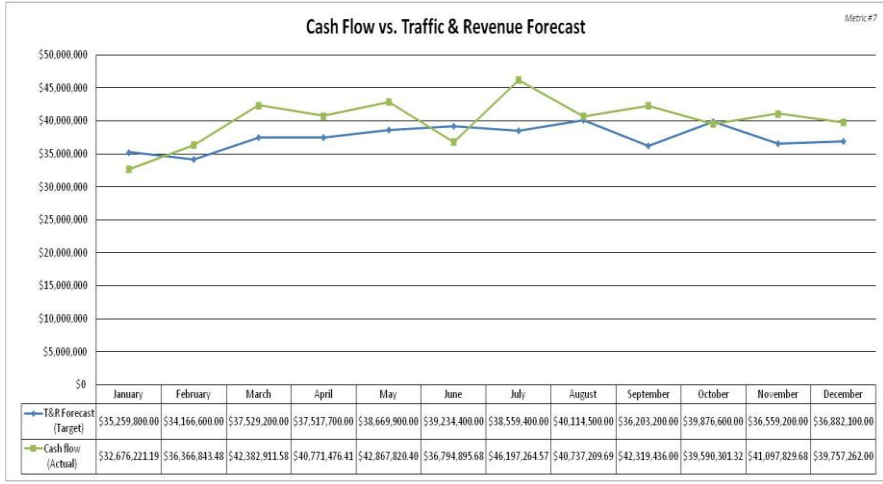
## ZIPCASH COLLECTION CYCLE



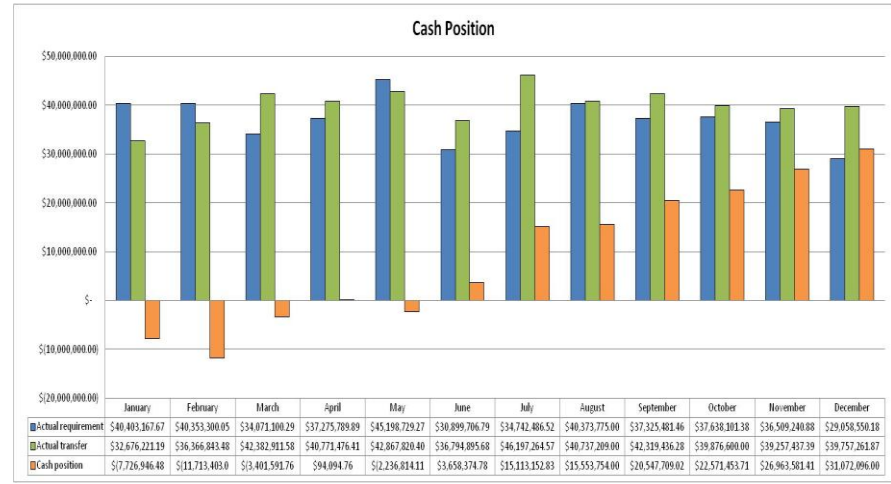
8



## CASH FLOW VS. TRAFFIC & REVENUE FORECAST



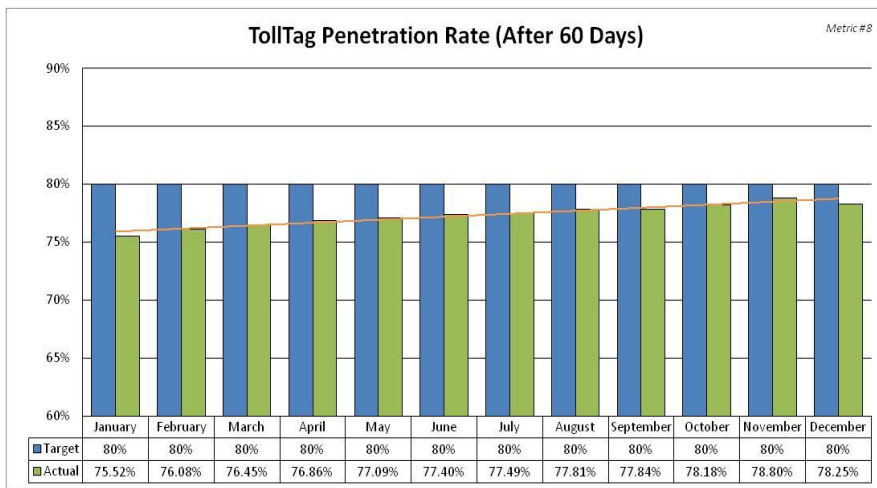
## CASH POSITION



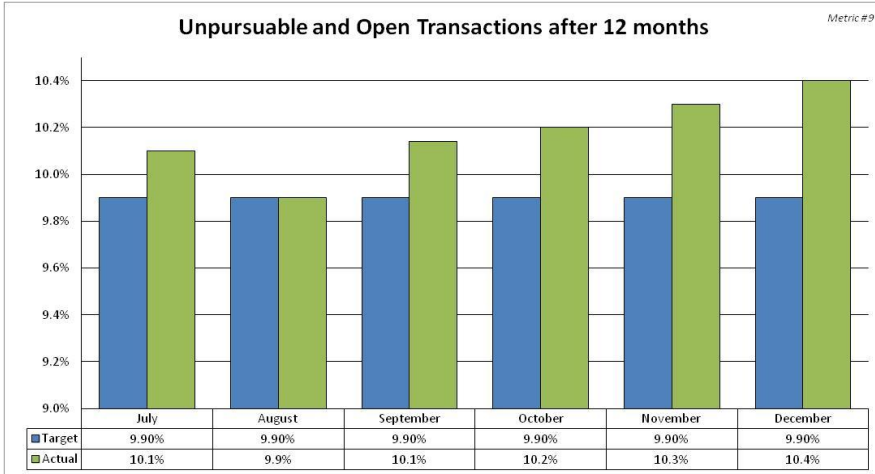
## OPERATIONAL METRICS GRAPHS



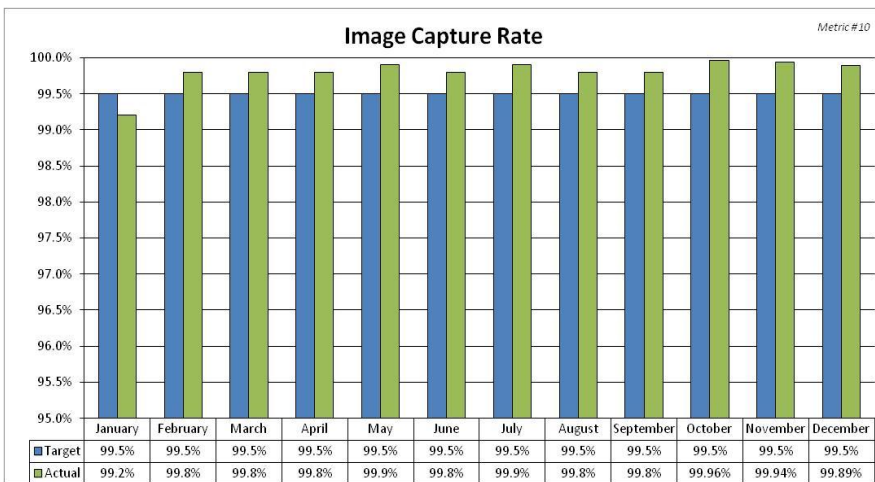
### TOLLTAG PENETRATION RATE



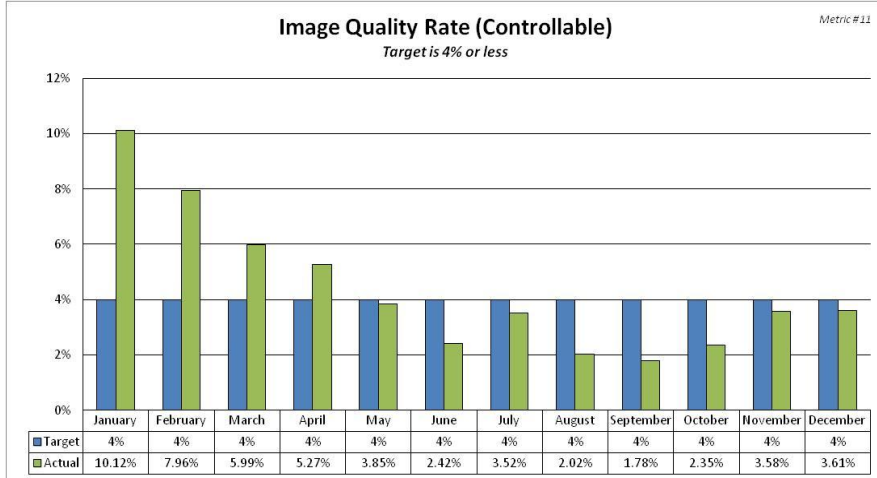
## UN-PURSUABLE AND OPEN TRANSACTIONS AFTER 12 MONTHS



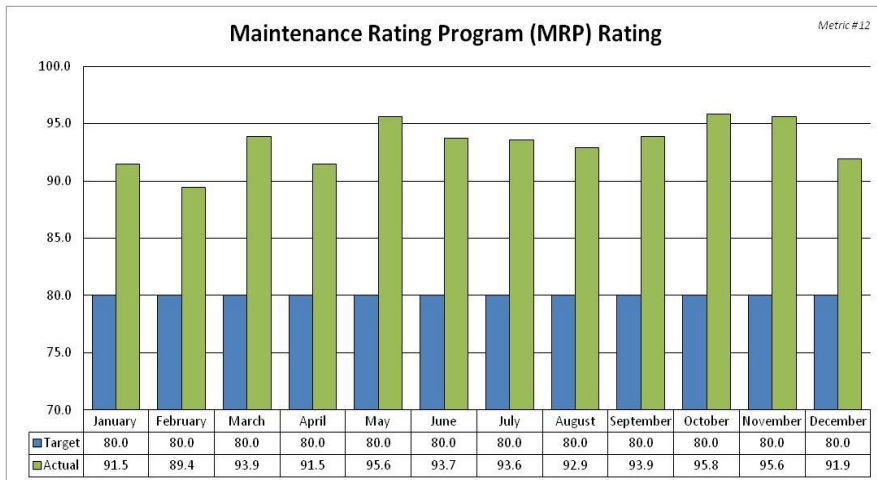
## IMAGE CAPTURE RATE



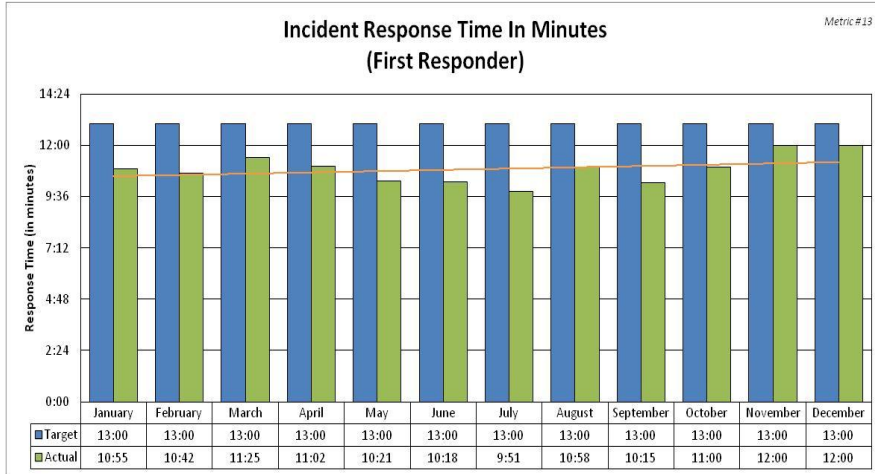
## IMAGE QUALITY RATE (CONTROLLABLE)



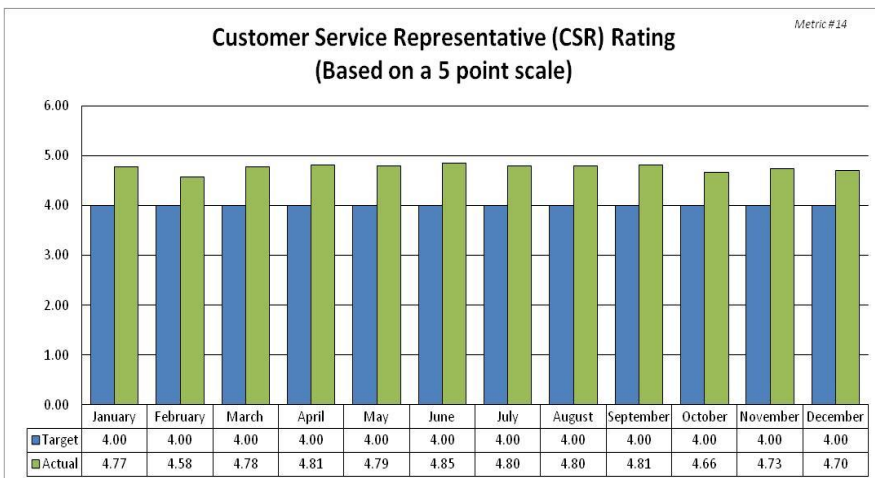
## MAINTENANCE RATING PROGRAM (MRP) RATING



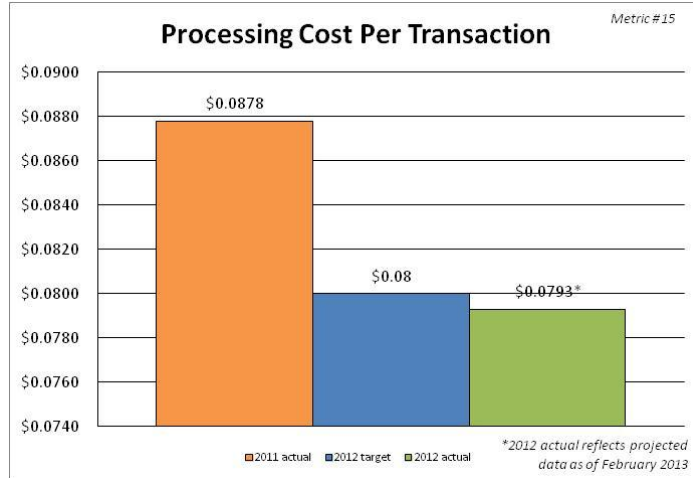
## INCIDENT RESPONSE TIME (FIRST RESPONDER)



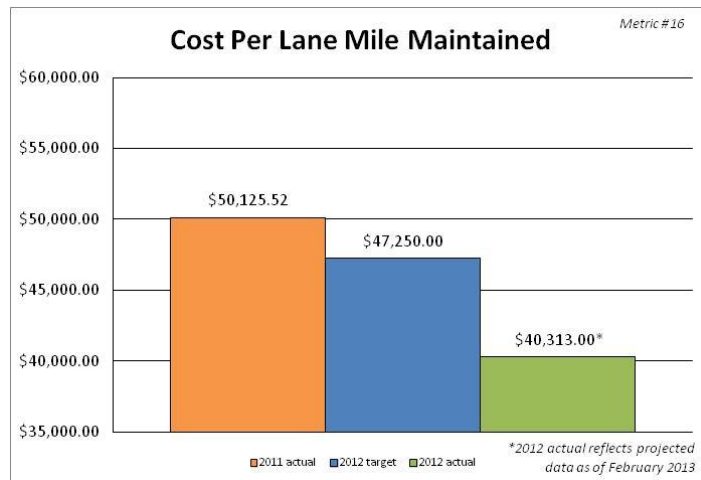
## CUSTOMER SERVICE REPRESENTATIVE (CSR) RATING



## PROCESSING COST PER TRANSACTION



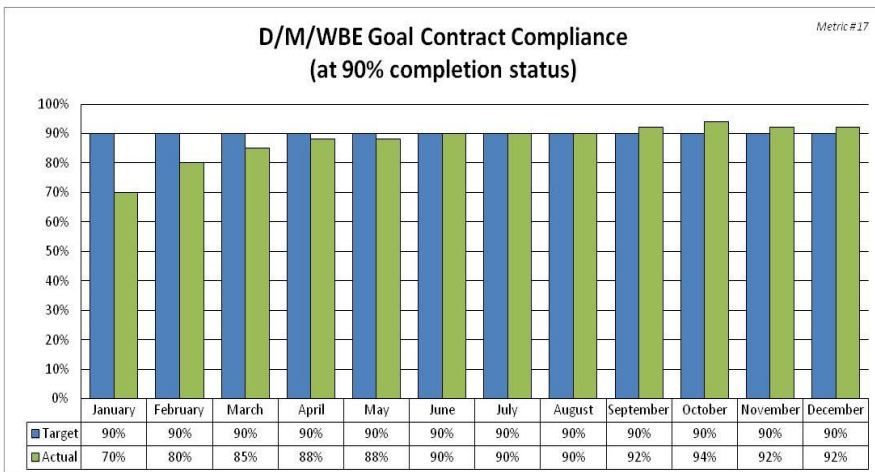
## COST PER LANE MILE MAINTAINED



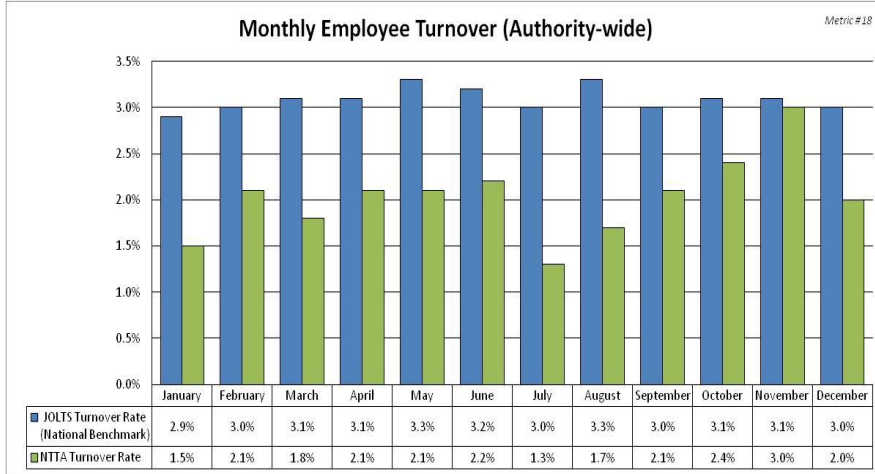
## ADMINISTRATIVE METRICS GRAPHS



## D/M/WBE GOAL CONTRACT COMPLIANCE



# MONTHLY EMPLOYEE TURNOVER (AUTHORITY-WIDE)



# PROJECT DELIVERY METRICS SPREADSHEET





# MAJOR CONSTRUCTION PROJECTS

Metrics #20-22


Project	Budget		Actual Spent to Date		Percent NTTA Budget Spent	Construction Changes				Schedule		
	Budget Amount	NTTA Budget	Actual Spent to Date	Percent NTTA Budget Spent		Construction Contingency	Approved Construction Contract Amount	Change Amount	Percent Change	Construction Contingency	Bond Date	Actual
President George Bush Turnpike Eastern Extension	Section 28-A Frontage Road Construction (M)						\$15,842,359	\$167,630	1.06%			
	Section 28 Construction Services						\$98,539,139	\$1,825,354	1.85%			
	Section 29 Construction Services						\$57,931,781	\$1,494,279	2.59%			
	Section 30 Construction Services						\$123,867,756	\$7,238,387	5.85%			
	Section 31 Construction Services						\$56,971,131	\$1,953,585	3.43%			
	<b>Total Major Construction Contracts</b>						<b>\$351,152,766</b>	<b>\$12,879,435</b>	<b>3.67%</b>			
Project cost funded from construction							\$934,507					
	<b>\$958,000,000</b>	<b>\$538,912,000</b>	<b>\$411,907,583</b>	<b>76.4%</b>		<b>\$38,803,439</b>		<b>\$12,813,742</b>	<b>3.26%</b>	<b>10.0%</b>	Dec-11	Dec-11
Sam Rayburn Tollway	Segment 1 & 2 Const. Pavement Markings						\$10,462,209	\$79,626	0.76%			
	Segment 1-3N Construction						\$69,394,402	-\$8,362,962	-7.76%		Jan-10	Sep-09
	Segment 3-S Construction						\$55,284,676	-\$2,485,334	-4.49%			
	Segment 1 & 2 Steel Wedge Column Mounts						\$854,225	\$482,001	56.54%			
	Segment 1 & 2 Steel Wedge Column Mounts						\$1,041,000	\$442,430	42.50%			
	Segment 1 & 2 Construction of ETC Gainers						\$18,656,190	\$1,238,215	6.64%			
	Landscape & Irrigation Improvements						\$4,852,139	\$116,792	2.51%			
	Segment 4 Construction						\$239,868,319	-\$11,268,168	-4.72%		Jan-11	Dec-10
	ONYT SRT Steel Stockpile Facility						\$2,004,065	\$74,855	3.75%			
	Segment 5 Construction						\$78,431,355	\$3,117,161	3.97%		Jan-12	Nov-11
	Exchange Parkway Improvements						\$15,905,895	-\$12,372	-0.71%			
	Segment 4 Landscape & Irrigation						\$1,304,241	\$30,111	1.93%			
	SRT 3-3SE Operation and Maintenance						\$1,117,280	\$0	0.00%			
	Segment 5 Landscape & Irrigation						\$1,499,271	\$0	0.00%			
	<b>Total Major Construction Contracts</b>						<b>\$482,142,369</b>	<b>-\$15,405,495</b>	<b>-3.19%</b>			
Project cost funded from construction							\$92,212,117					
	<b>\$638,810,700</b>	<b>\$638,810,700</b>	<b>\$608,152,264</b>	<b>95.2%</b>		<b>\$107,464,948</b>		<b>\$81,208,022</b>	<b>19.21%</b>	<b>25.0%</b>		
President George Bush Turnpike Western Extension	Phase 2 & 3 Steel for Mt. A Ramp Gainer						\$551,500	\$124,704	22.61%			
	Phase 2 Construction of 3 Ramp Gainer & 3						\$3,988,485	\$1,242,588	30.71%			
	Phase 3 Construction of 3 Ramp Gainer & 1						\$2,701,666	\$15,609	0.58%			
	Phase 4 Design Build						\$416,019,749	\$7,036,913	1.69%		Oct-12	Oct-12
	Steel Stockpile Construction						\$1,005,530	\$7,422	0.74%			
	<b>Total Major Construction Contracts</b>						<b>\$424,267,930</b>	<b>\$8,728,749</b>	<b>2.06%</b>			
Project cost funded from construction							\$0					
	<b>\$546,598,381</b>	<b>\$534,598,381</b>	<b>\$446,987,957</b>	<b>83.6%</b>		<b>\$34,958,666</b>		<b>\$8,728,715</b>	<b>1.39%</b>	<b>6.5%</b>		
Chisholm Trail Parkway	Section 1 Construction						\$122,560,413	\$219,494	0.18%			
	Section 2 Construction						\$77,762,370	\$2,279,776	2.95%			
	Section 3B Construction						\$58,379,606	\$976,795	1.74%			
	Section 2C Construction						\$21,735,684	\$576,626	2.65%			
	Section 3B Construction						\$91,241,137	\$441,321	0.48%			
	Section 4 Construction						\$39,939,713	\$7,624	0.01%			
Section 5 Construction						\$61,952,017	\$387,273	0.63%				
Section 4 Construction Design-Build						\$167,754,000	\$0	0.00%				
<b>Total Major Construction Contracts</b>						<b>\$659,242,449</b>	<b>\$4,888,421</b>	<b>0.74%</b>				
Project cost funded from construction							\$17,332,094					
	<b>\$1,397,143,856</b>	<b>\$859,792,883</b>	<b>\$362,888,462</b>	<b>42.2%</b>		<b>\$65,225,651</b>		<b>\$22,220,715</b>	<b>3.00%</b>	<b>10.0%</b>	Spring 2014	50%



## NEXT STEPS

- Consolidate the Monthly Financial Report and Monthly Performance Metrics Report into one comprehensive report, the Monthly Financial and Operations Report (MFOR)
- Review current metrics and develop more robust metrics that accurately capture the NTTA's core operations' performance
- Implement MFOR at March Board meeting



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- provide a safe and reliable toll road system
  - increase value and mobility options for our customers
  - operate the Authority in a businesslike manner
  - protect our bondholders
  - partner to meet our region's growing need for transportation infrastructure.