FY 2012-13 Business Plan

Final

Maryland Transportation Authority

Vision

Creating EZ Passage Throughout Maryland

Mission

The Authority will be financial stewards of our dedicated revenue sources to provide vital transportation links that move people and promote commerce in Maryland by:

- Creating and maintaining a transportation network of highways, bridges and tunnels where safety and efficiency are priorities.
- Operating and securing our facilities with innovative technologies.
- Financing transportation facilities that offer convenient choices to travelers.

The Authority's Program Description

All powers, authority, obligations, functions, duties, and discretion relating to the financing, construction, operation, maintenance, and repair of Maryland's toll facilities and any other revenue project authorized and provided for under Title 4 of the Transportation Article, have been vested exclusively in the Maryland Transportation Authority (MdTA). The Authority, consisting of eight members and the Secretary of Transportation serving as Chairman, meets regularly to discuss business related to, and establish policy for, projects and facilities under its jurisdiction. Facilities under jurisdiction of the Authority include: the Susquehanna River Bridge (Thomas J. Hatem Memorial Bridge); the Potomac River Bridge (Harry W. Nice Memorial Bridge); the Bay Bridge (William Preston Lane, Jr. Memorial Bridge); the Baltimore Harbor Tunnel, including the Harbor Tunnel Approach connecting I-95; the Baltimore Harbor Outer Crossing (Francis Scott Key Bridge); the John F. Kennedy Memorial Highway; the Fort McHenry Tunnel and Intercounty Connector (ICC). The MDTA also issues transportation facility revenue bonds to finance projects on behalf of the Maryland Department of Transportation, including projects at the Port of Baltimore, Baltimore/Washington International Thurgood Marshall Airport, Calvert Street parking garage, (Annapolis, Maryland) and WMATA garages. Revenues from these projects – and not the toll revenues- secure the bonds that MDTA issued to fund the projects.

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Strategic Guidance

Strategic direction for this business plan was drawn from a number of higher-level documents including the following:

Maryland Transportation Plan

The Maryland Transportation Plan (MTP) is a 20-year vision for transportation in Maryland. The MTP outlines the State's transportation policies and priorities and helps guide Statewide investment decisions across all methods of transportation. The MTP is one component of the annual State Report on Transportation, which also includes the Consolidated Transportation Program (CTP) and the Attainment Report (AR). The CTP is Maryland's six-year capital budget for transportation projects. The annual AR tracks MDOT's progress toward attaining the goals and objectives of the MTP using outcome oriented performance measures.
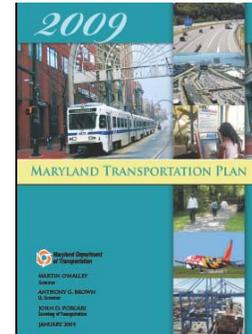
Maryland Strategic Highway Safety Plan

The Maryland Strategic Highway Safety Plan (SHSP) is a statewide, coordinated, comprehensive, traffic safety plan that provides the framework for reducing highway fatalities and serious injuries on all public streets and highways. It establishes overall goals and objectives as well as objectives and strategies within each of seven key areas.

Maryland Statewide Freight Plan

The Maryland Statewide Freight Plan provides a comprehensive overview of the State's current and long-range freight system performance and outlines the investments and policies needed to ensure the efficient movement of freight.

This document serves as an input to the Maryland Transportation Plan and represents the culmination of data analysis and outreach efforts to identify freight policy and project needs and solutions.
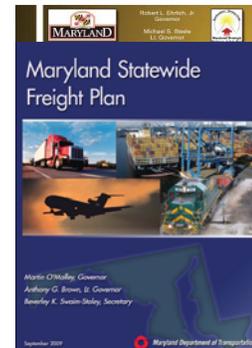
MDTA Strategic Plan

The MDTA's 2010 strategic plan focuses the organization on five goals linked to the agency's mission and is designed to foster its vision of efficiently delivering quality services to both customers and partners.

Management's Assessment

The MDTA's Management Committee convened in the spring of 2011 to discuss recent successes and challenges facing the organization. The Committee reviewed actions taken to address the list of challenges from the previous plan which included (1) Opening of the new facilities (ICC and ETLs), (2) Identifying and Prioritizing System Preservation Needs, and (3) Fiscal Constraints. Considering the process made in those three areas and the environmental assessment from the 2010 Strategic Plan, the Committee slightly revised its list of top challenges facing the organization to include (1) Future Toll Increases, (2) Opening New Facilities, and (3) Fiscal Constraints. Additionally, small teams were assembled to look into lessons learned and recruitment and retention.

> ***Future Toll Increases:*** The MDTA has undertaken a major, multi-billion dollar capital program including the $2.6 billion ICC/MD200, the $1 billion I-95 Section 100 ETL project, as well as system preservation work on legacy facilities, the average age of which is 50 years and two at least 70 years old. Toll increases will be necessary to stay in compliance with existing fiscal policies while covering the debt issued to finance those projects. Managing stakeholder expectations as well communicating the need for increases to our customers and general public will remain challenges for the next few years.

> ***Opening New Facilities:*** In 2010, the Committee first acknowledged the challenges of opening MDTA's first new facility since 1977 (Baltimore City opened the Fort McHenry Tunnel in 1985 before turning the facility over to the Authority). While the MDTA's various divisions were working diligently in their respective areas, the overall coordination and management of the tasks presented an opportunity for improvement. The team collaborated and developed a preliminary plan of action with over 300 interrelated tasks to complete prior to the opening of the ICC/MD200. Progress on those tasks has continued over the past two years and will continue until the ICC and the ETL projects are completed.

> ***Fiscal Constraints:*** In 2010, the Committee reflected on the current state of the economy, declining traffic volumes impacts on our finances, growing debt associated with the ICC and the ETL projects, and growing system preservation needs. The need to constrain the MDTA's budget was obvious. The team developed a comprehensive plan to reduce costs responsibly, change the culture of the organization, and improve accountability. While significant progress has been made over the past two years, MDTA still faces the challenge of funding expensive system preservation projects for its aging facilities.

The impacts of these inter-related challenges are Authority-wide. The efforts of the workgroups and the Management Committee to mitigate these challenges are reflected throughout this plan.

> Every citizen experiences the frustrations of increased congestion, but improving mobility without worsening other problems requires addressing simultaneously the problems of climate change, inadequate funding, institutional reform, environmental protection, energy conservation, safety, equity, and security. The critical transportation issues facing the nation cannot be addressed separately— the issues are interwoven so tightly that remarkable ingenuity and creativity are required to untangle them and make progress. Transportation is so vital to American prosperity and lifestyles that these challenges must be met.
>
> Transportation Research Board – 2009

Business Performance Management

Goal 1. Efficient and Effective Performance: Moving people and goods.

>*The MDTA's Strategic Plan guides us to focus on each of the following: Maintaining traffic capacity through technology while maximizing facility performance, Preserve and improve facilities, and Effectively manage the MDTA capital program and internal business processes.*

Objective 1.1 Increase the percentage of tolls collected *electronically to 75* percent by the end of 2013

Output: The total number of toll transactions *(SC)*
Output: The number of *E-ZPass*® toll transactions
Output: The number of other electronic transactions
Output: Total number of Active *E-ZPass*® Maryland Accounts
Output: Number of *open road* tolling lanes on all facilities
Outcome: The percentage of *E-ZPass*® toll transactions *(SC)*
Outcome: The percentage of electronic transactions
Efficiency: Average peak hour vehicle throughput (all facilities)
Quality: Travel Time Index (TTI)

Strategies:
1.1.1   *Continue to study and implement Electronic Toll Collection (ETC) as feasible at all facilities*
1.1.2   *(DSD) Capture, analyze, and report video and image toll data monthly throughout FY 2012*
1.1.3   *Research ways to move toward new revenue collection with E-ZPass (3rd party, business development)*
1.1.4   *Make E-ZPass more user friendly*
1.1.5   *Continue marketing efforts toward commuters to sign up for E-ZPass*
1.1.6   *Continue to research interoperability and work with surrounding states*
1.1.7   *Continue to keep network running*

Objective 1.2 Annually maintain and/or improve facility conditions through timely and appropriate response to needs identified during inspections.

Output: Number of Priority 1 defects identified during last inspection cycle
Efficiency: Percent of Priority 1 defects addressed

Strategies:

1.2.1   *Continue funding for Open End Contracts*
1.2.2   *Continue to perform annual inspections of facilities*
1.2.3   *Continue to work with the necessary technology infrastructure (ASIR)*

Objective 1.3 Annually, facilitate the on-time performance of Capital Projects through timely internal processes

Efficiency: Percent of capital projects completed on-time

Strategies:

1.3.1   *Continue to provide funding for the contracts in place*
1.3.2   *Finalize SOPs that deal with Capital Projects*
1.3.3   *Develop single system that incorporates all steps, communicates, and tracks Capital Projects*
1.3.4   *Continue to hold quarterly CTP meetings*

Goal 2. Safety and Security: Enhancing Customer and Employee Safety while protecting people and property.

> *The MDTA's Strategic Plan guides us to focus on the following: maintain fatal and injury vehicle-crash rates below the national average; improve traffic-safety and law enforcement effectiveness; reduce workplace accidents, continue to reduce work-related injuries and time lost by providing safety training; improve security, incident preparedness and emergency-response plans; and enhance initiatives to protect the public and employees from criminal activity.*

Objective 2.1 Annually maintain the fatal and injury crash rates on MDTA facilities at a rate lower than the national average.

Input: Vehicle miles traveled on MDTA facilities
Output: Actual fatalities on MDTA facilities[(SC)]
Output: Fatal vehicle collisions on MDTA facilities[(SC)]
Output: Fatal vehicle collisions involving heavy trucks on MDTA facilities
Output: Vehicle collisions involving injuries on MDTA facilities[(SC)]
Output: Vehicle collisions involving injuries and heavy trucks on MDTA facilities
Output: Number of traffic enforcement actions
Output: Number of arrests made (for traffic offenses?)
Output: Number of CVSU inspections [(SC)]
Output: Number of vehicles overweight [(SC)]
Output: Number of vehicles placed out of service [(SC)]
Output: Number of drivers placed out of service
Outcome: The annual fatal collision rate (per 100 million vehicle miles)
Outcome: The injury vehicle collision rate (per 100 million vehicle miles)
Outcome: The annual fatal collision rate (per capita)
Outcome: The injury vehicle collision rate (per capita)

> Motor vehicle fatalities are one of the most significant public health problems facing the Nation today, accounting for nearly 95 percent of transportation-related fatalities and draining more than $230 billion from the economy each year**.** Motor vehicle travel is the primary means of transportation in the U.S. and has the highest fatality and injury rates per capita of all modes.
>
> US DOT - 2010

Strategies:

2.1.1   *Continue to move forward with projects, such as CAD RMS and the 700Mhz project*
2.1.2   *Maintain databases*
2.1.3   *Study and research the implementation of virtual weigh stations*
2.1.4   *Contribute to roadway safety through initiatives of community education, outreach, signage and cleaning of roadways*
2.1.5   *Toll Collectors/Employees involvement in safety of roadways through orientation and "Think Security; if you see something, say something"*
2.1.6   *Continue communication between Operations, Engineering and Police through partnership, quarterly and weekly meetings between Police, Engineering and Operations*
2.1.7   *Gather and analyze accident data to plot trends.*
2.1.8   *Continue emphasis on public education, strict enforcement of aggressive driving, seat and all other motor vehicle laws, and coordinated safety projects in conjunction with Twelve Months of Safety Calendar.*
2.1.9   *Participate in organized safety events: Smooth Operator, Click it or Ticket, Roadcheck, Brake Safety Week, in-house Traffic Safety Initiatives, Checkpoint Strike Force, and commercial traffic safety.*
2.1.10   *Participate in cooperative traffic safety initiatives with State Highway Administration, Motor Vehicle Administration, and Maryland State Police and other Local and County Law Enforcement Agencies.*
2.1.11   *Rotate inspection schedules and locations for commercial vehicle inspections, while increasing the thoroughness of inspection to include trace explosive detection at CVSU scale houses, BWI TM Airport and the Nice Bridge.*
2.1.12   *MDTA Police Collision Reconstruction Unit continues to analyze collision data to develop strategies for enforcement initiatives in frequent collision areas.*
2.1.13   *Manage and annually inspect equipment used by Permit Towers for risk/safety concerns.*

2.1.14   Continue to regulate traffic with the utilization of LPR technology

Objective 2.2 Annually maintain the percentage of MDTA bridges that are structurally deficient to less than 5%.

Input: Total number of MDTA bridges
Output: Number of MDTA bridges that are structurally deficient
Output: Number of MDTA bridges with posted restrictions
Efficiency: Percentage of MDTA bridges identified as structurally deficient

Strategies:

2.2.1   Improve skill sets/levels of operations staff to help with identifying and preventing issues on facilities
2.2.2   Begin to use GIS technology to link to reports
2.2.3   Continue to address the findings from facility inspection reports

Objective 2.3 Implement measures to reduce employee lost-time work injuries and achieve or exceed the State Injured Worker Insurance Fund (IWIF) goals.

Output: Employee safety related training (days)
Output: Injury Care expenditures
Output: # of First Report of Injury (FROI) to IWIF *(SC)*
Outcome: # of lost time cases*(SC)*
Outcome: # Accident leave hours*(SC)*
Efficiency: % of FROI lag > 24 hours
Efficiency: % of FROI lag > 3 days
Output: # of employees with > 3 reports within the last 12 months (rolling year)

Strategies:

2.3.1   Continue to complete SOPs and safety training
2.3.2   Continue to report the Monthly Safety Challenge in newsletter
2.3.3   Implement the lost-time matrix that has been developed
2.3.4   Audit schedule in 2 years

Objective 2.4 Annually, strengthen capacities and readiness to respond to emergencies, criminal activity, and potential terrorist incidents.

Output: # of fire Drills
Output: Number of emergency preparedness exercises
Outcome: Percent of emergency personnel that are National Incident Management System Compliant
Outcome: Percent of exercises rated successful

Strategies:

2.4.1   *Identify classifications that need training*
2.4.2   *Maintain and update the Continuity of Operations Plan (COOP)*
2.4.3   *Develop specific and general plans in case of emergency (for facilities, evacuation, and traffic management?)*
2.4.4   *Maintain back-up systems*

Goal 3 Financial Stewardship: Maintain a Fiscally Sound and Innovative Financial System

The MDTA's Strategic Plan guides us to focus on the following: maintain prudent investment and debt-management strategies, comply with policies and legal covenants, provide comprehensive forecasts and budgets, maintain stable credit ratings that facilitate lower financing costs, increase non-toll revenues, mitigate capital expenditures through public-private partnerships, and reduce expenditures on non-revenue generating programs by recovering appropriate administrative costs.

Objective 3.1 Annually maintain stable credit ratings that facilitate lower financing costs.

Input: Total revenue
Efficiency: Debt service coverage ratio
Output: Operating Expenses
Outcome: Unrestricted cash balance
Quality: Credit Ratings

Strategies:

3.1.1   *Annually maintain a minimum debt service coverage of 2.0*
3.1.2   *Annually maintain a minimum unrestricted cash balance of $350 million*
3.1.3   *Implement toll increases*
3.1.4   *Establish a revenue review process and continue it*

Objective 3.2 Annually maintain the minimum legal coverage ratio of 1.0.

Outcome: Trust agreement coverage ratio (Rate Covenant) [SC]

Strategies:

Objective 3.3 Maintain actual to budget ratio between 90% and 100% for operating funds.

Outcome: Budget Ratio[SC]

Strategies:

3.3.1   *Continue to have Divisions spend what was requested in the appropriate amount of time*
3.3.2   *Increase access and budget/expenditure reports for Business Portal Reports*
3.3.3   *Quarterly budget meetings between Finance and the other Divisions/Offices.*

Objective 3.4 Maintain compliance with State established invoice on-time payment targets.

Input: Total invoices paid
Output: On-time invoice payments
Output: Late invoice payments
Efficiency: % Late

Strategies:

3.4.1   Streamline review process
3.4.2   Report outstanding invoices to Divisions

Objective 3.5 Annually facilitate the on-budget performance of Capital Projects through efficient internal processes.

Output: # of projects advertised
Output: # of projects awarded within 5% of the final engineer's estimate
Quality: % of projects awarded within 5% of the final engineer's estimate
Output: $ value of contracts awarded
Output: # of change orders
Output: $ amount of change orders
Efficiency: % of capital projects completed on-budget

Strategies:

3.5.1   Monitor cash flow spending
3.5.2   *Continue to work on project and program management systems*
3.5.3   *Quarterly update meetings on CTP*
3.5.4   *Re-define capital and operating expenditures*

Goal 4. Customer Service: Improving Performance and Customer Service

The MDTA's Strategic Plan guides us to communicate and respond professionally to customers' needs for assistance and information; improve and expand customer services; develop internal business systems; improve resource allocation and communication; strengthen human-resource capabilities and skill sets; capture institutional knowledge; and improve and streamline information technology, management systems, and business practices.

Objective 4.1 Annually achieve overall customer satisfaction of 80 percent or higher on customer satisfaction surveys.

Input: Customer E-mails and letters
Input: Telephone calls
Input: Media Inquires
Output: News releases
Output: E-mail alerts
Quality: Overall customer satisfaction
Quality: *E-ZPass* customer satisfaction
Quality: Freight carrier customer satisfaction

Strategies:

4.1.1   *Begin to use social media as appropriate to communicate with customers*
4.1.2   *Coordinate with MDOT's freight carrier policy workgroup*
4.1.3   *By December 2011, implement comprehensive customer satisfaction program consisting of quarterly customer satisfaction surveys (DSD) (survey monkey via web link)*
4.1.4   *Improve the Force (Police's newsletter)*
4.1.5   *Improve and update the Police Intranet and Internet webpage*

Objective 4.2 Annually retain a minimum of 85 percent of employees.

Input: Number of employees on July 1
Output: Number of resignations *(SC)*
Output: Number of retirements *(SC)*
Output: Number of terminations *(SC)*
Output: Other losses
Outcome: Retention rate *(SC)*
Outcome: % of employees with 20 years or more of state or MDTA service
Quality: % of employees in each EMPRES rating category
Quality: Number of grievances
Quality: Number of Equal Opportunity complaints

Strategies:

4.2.1   *Complete exit interviews at the RC level*

Objective 4.3 Achieve or exceed State established Minority Business Enterprise and Small Business Reserve Goals for all standard procurement categories.

Input: Total amount of all agency procurement expenditures
Input: Award totals (for each category)
Input: # of waivers requested
Outcome: Percentage MBE participation achieved (for each category)
Outcome: Percent SBR participation achieved
Output: Number of Waivers granted

Strategies:

4.3.1   Complete PIMS
4.3.2   Managers continue to check on procurement expenditures

Goal 5. Environmental Compliance & Stewardship: Adhere to Environmental Laws and Regulations While Incorporating Sustainability into Daily Operations

The MDTA's Strategic Plan guides us to focus on the following: develop and implement environmental standard operating procedures; develop and implement training programs; evaluate existing equipment and processes; coordinate and oversee mitigation projects; coordinate with local, State, and Federal agencies on environmental compliance efforts; increase recycling efforts; utilize green product; reduce the use of consumable office suppliers; reduce energy consumption; improve fuel utilization; engage in sustainable design and construction; and incorporate environmental performance goals for project planning.

Objective 5.1 Annually increase the MDTA's recycling rate by 5% over the 2008 amount of 8.8%.

Efficiency: Recycling percentage**

Strategies:
5.1.1   Annually incorporate two new green products into the MDTA's supply system
5.1.2   Promote recycling program and report on results to employees through e-newsletter

Objective 5.2 Reduce energy consumption by 15% by 2015 *Revise the objective to match the language in the new Energy System Group (ESG)*

Input: Energy expenditures
Efficiency: Percent change from the base year (fiscal year 2008) in energy consumption by all MDTA (State government facilities) (owned and leased) [*Reported in Megawatt hours*]

Strategies:

5.2.1   Install network components
5.2.2   Communicate with MDTA staff the purpose of the ESG contract

Objective 5.3 Improve fuel utilization of the MDTA fleet

Input: # of vehicles
Input: Fuel utilization (Diesel, Bio-Diesel, E-10, E-85, CNG)
Efficiency: Percentage of the MDTA fleet that are hybrid or flex-fueled vehicles
Efficiency: Percentage of newly purchased (since 2010) light duty vehicles in the MDTA fleet that are hybrid or flex-fueled vehicles
Efficiency: Percentage of alternative fuels used

Strategies:

5.3.1   Establish baseline fuel utilization
5.3.2   Installing E-85 pumps at BHT, BB, etc

Performance Management Glossary of Terms

Performance measure:
An indicator that provides information (either qualitative or quantitative) on the extent to which a policy, program or initiative is achieving its outcomes.

Benchmarking:
The process of measuring an organization's internal processes then identifying, understanding, and adapting outstanding practices from other organizations considered to be best-in-class.

Efficiency:
A process characteristic indicating the degree to which the process produces the required output at minimum resource cost.

Input:
Resources (human, material, financial, etc.) used to carry out activities, produce outputs and/or accomplish results.

Quality:
The degree to which a product or service meets customer requirements and expectations.

Outcome:
An external consequence attributed to an organization, policy, program or initiative that is considered significant in relation to its commitments. Outcomes may be described as immediate, intermediate or final, direct or indirect, intended or unintended.

Output:
Direct products or services stemming from the activities of a policy, program or initiative, and delivered to a target group or population.

Scorecard (SC):
Monthly reporting tool that provides an overview of the Maryland Transportation Authority to the Management Committee.

U.S. transportation policy needs to be
more performance-driven, more directly
linked to a set of clearly articulated goals,
and more accountable for results.
(Bipartisan Policy Center, June 2009)

Performance Management Programs

Managing For Results

Maryland Managing for Results (MFR) is a strategic planning, performance measurement, and budgeting process that emphasizes the use of resources to achieve measurable results, accountability, efficiency, and continuous improvement in State government programs.

Maryland Managing for Results started in 1996 when the Governor appointed an Interagency Steering Committee staffed by the Department of Budget and Management to develop the Maryland MFR initiative. The Committee developed a strategic planning approach to management that is enhanced by program performance measurement. As expressed by a Steering Committee member, "*If we have strategic planning without performance measurement, we know that we are going in the right direction, but do not know whether we are getting to where we want to go. If we have performance measurement without strategic planning, we know how fast we are going, but do not know whether we are going in the right direction.*" Maryland implemented a combined approach beginning in July 1997. MFR was implemented over a three year period throughout the Executive Branch of Maryland State government.

StateStat

StateStat is a performance-measurement and management tool implemented by Governor Martin O'Malley to make our State government more accountable and more efficient. Modeled after the CitiStat program that he developed as Mayor of Baltimore City, Governor O'Malley is using this data-based management approach to make Maryland's government work again for the people of our State. The CitiStat program has been studied and emulated by countless jurisdictions from around the globe. CitiStat received the "Innovations in Government" Award by Harvard University's Kennedy School of Government, and Governor O'Malley brought these same principles to the management of statewide services.

> *"High-performing organizations do not measure things just for the sake of measurement. Rather, they report, evaluate, and use performance information as integral parts of their performance measurement systems to:*

> - *inform various levels of management and employees about performance information;*
> - *determine whether corrective action is necessary; and*
> - *determine whether changes are necessary in the performance measurement system, to the measures themselves, or to the organization's goals."*

> *National Performance Review, 1997*

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Transportation
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