



# NORTH TEXAS TOLLWAY AUTHORITY

## 2016 COUNTY REVIEW FINAL REPORT SUMMARY

July 2016



# PROJECT OBJECTIVES AND SCOPE

The objectives are:

- To evaluate the current business state against the recommendations from the 2011 County Review
- To identify additional improvement opportunities

<b>Finance</b>	<b>Organization</b>	<b>Transparency</b>	<b>Procurement</b>
<ul style="list-style-type: none"><li>• Liquidity and debt coverage compliance</li><li>• Funding alternatives</li><li>• Collection practices and customer experience efforts</li></ul>	<ul style="list-style-type: none"><li>• Organizational structure and management effectiveness.</li><li>• Current business model and business effectiveness</li></ul>	<ul style="list-style-type: none"><li>• Governance</li><li>• Conflicts of interest and ethics</li><li>• Diverse composition of the NTTA Board</li></ul>	<ul style="list-style-type: none"><li>• Procurement policy and procedures</li><li>• Diversity policy</li></ul>

- NTTA contracted A&M to conduct the 2016 review in order to leverage prior knowledge of NTTA and its subsequent work for other government and transportation-related organizations
- The assessment was completed in 7 weeks in May and June 2016 and delivered to the County Judges and NTTA Board in July 2016

# OVERALL OBSERVATIONS

- NTTA has implemented or addressed all of A&M's 2011 recommendations
  - All issues identified have been addressed in each of the 82 recommendations
  - In some cases issues were addressed differently than A&M recommended, but their remedies have been generally effective
- Significant improvements have been made in the last five years, most notably in the areas of:
  - Improved collections efforts
  - Strengthened organization
  - Improved Board-Staff communications and coordination
  - Strengthened ethics policies and practices
  - Greater contractor diversity
  - Greater employee morale and engagement
  - More transparent procurement policies
  - Enhanced analytics and management reporting
  - More active participation in the region and toll industry
- NTTA is performing in the top tier of the nation's toll authorities on all key dimensions evaluated
- NTTA has fully cooperated with A&M and has been open to additional recommendations in the spirit of continuous improvement

In the course of A&M's updated assessment, new opportunities were identified and shared with the staff. Several are already underway. Notable recommendations include the following:

## **Finance**

- Adjust toll premium to reflect cost to collect ZipCash transactions
- Enhance vehicle registration block process via enhanced communications with customers and counties

## **Organization**

- Improve customer service levels in the call center via enhanced staffing, processes and use of technology
- Continue bi-annual employee surveys and key issue follow up
- Execute on an IT roadmap to enhance customer service, collections and overall analytics
- Formalize succession planning for key positions
- Align strategic priorities with performance management goals

## **Transparency**

- Build awareness of and actively manage Internal Audit priorities and results

## **Procurement**

- Conduct a procurement process review and update procedures to improve efficiencies

# FINANCE

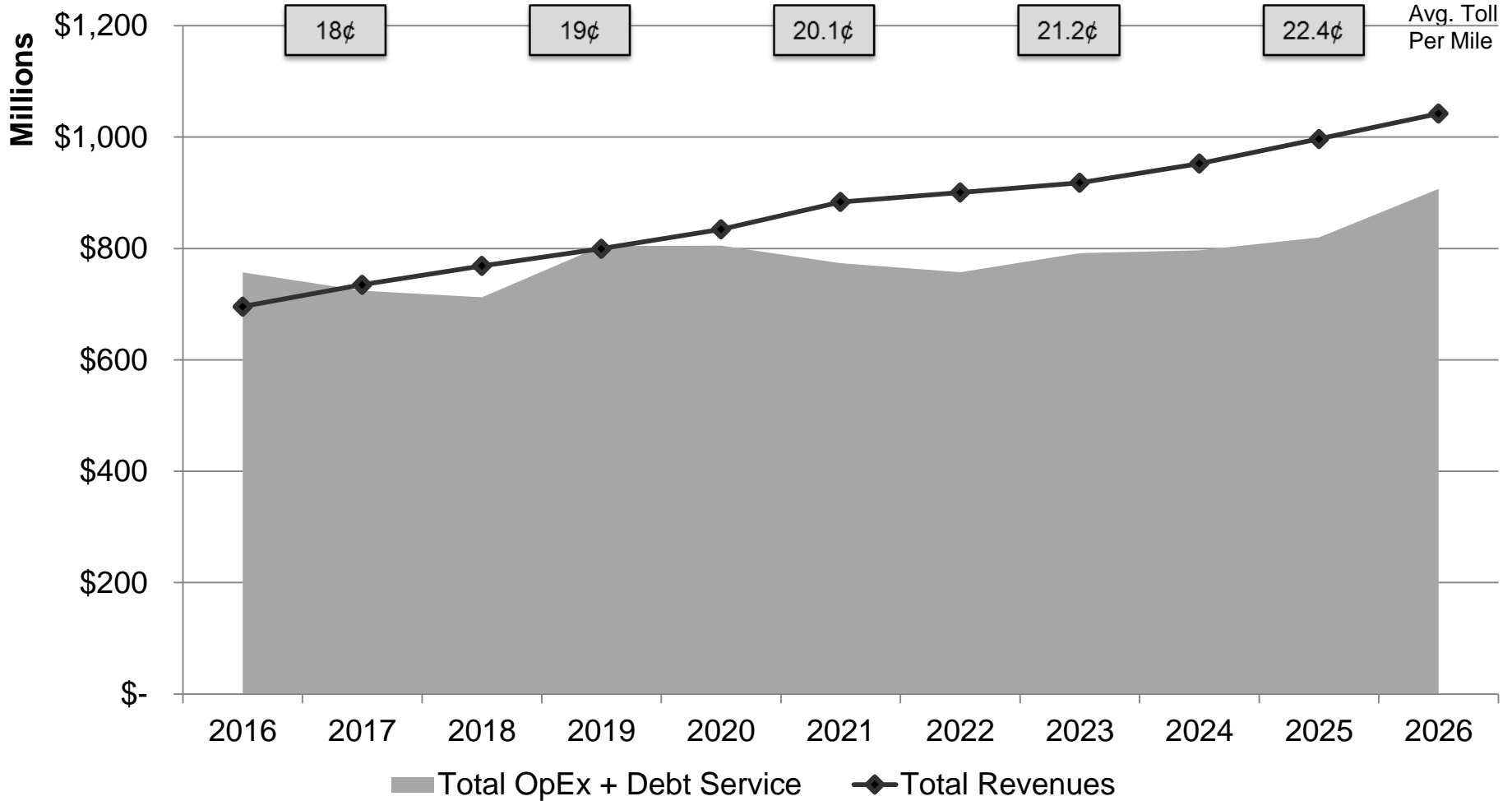


Finance highlights and accomplishments since 2011 include the following:

- There have been significant improvements in collections and enforcement:
  - The collections organization has been reorganized and new talent has been added
  - The collections process has been revamped to contact customers earlier and more frequently
  - Various toll enforcement remedies such as vehicle bans, impounding and vehicle registration blocks have been implemented
  - NTTA currently obtains information from 27 states to provide DMV information for out-of-state license plates, and plans to grow this to 50 states by the end of the year
- NTTA has maintained high TollTag penetration during periods of significant growth via numerous initiatives, such as: fleet and university partnerships, marketing campaigns, new store openings, incentive programs and social media usage
- All TSA agreements moving forward include zero collections risk for NTTA
- NTTA's free cash flow is forecasted to be sufficient for debt service obligations, but is not expected to grow significantly until after 2021

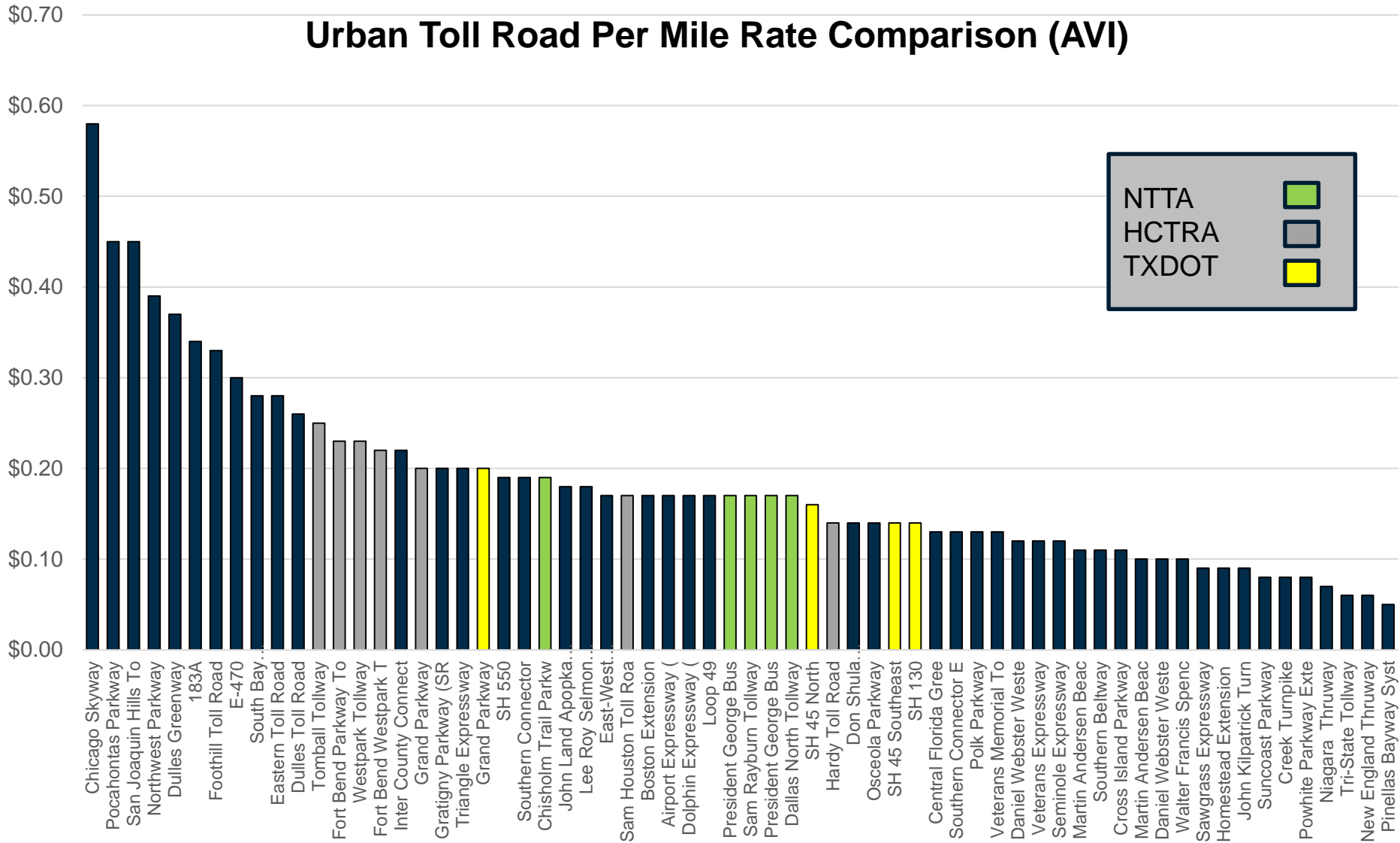
# NTTA CASH FLOW PROJECTIONS

NTTA forecasts cash flow in excess of operating expenses and debt service starting to grow in 2021.



# TOLL RATE COMPARISON

NTTA has relatively low toll rates per mile relative to many other agencies.



NTTA ■

HCTRA ■

TXDOT ■

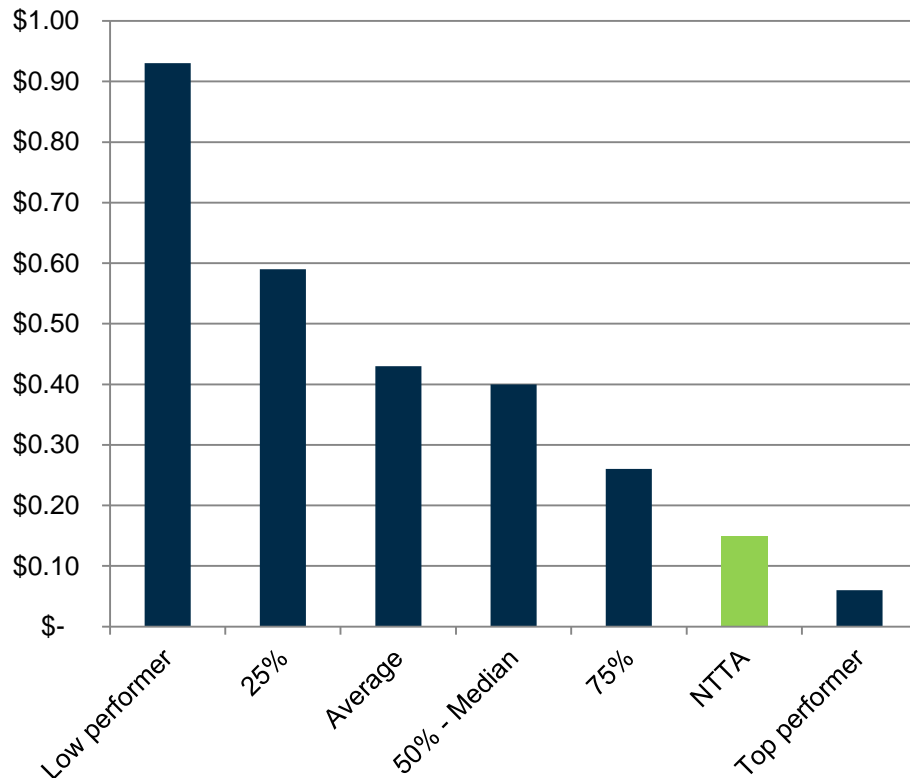
Source: CDM Smith 2016



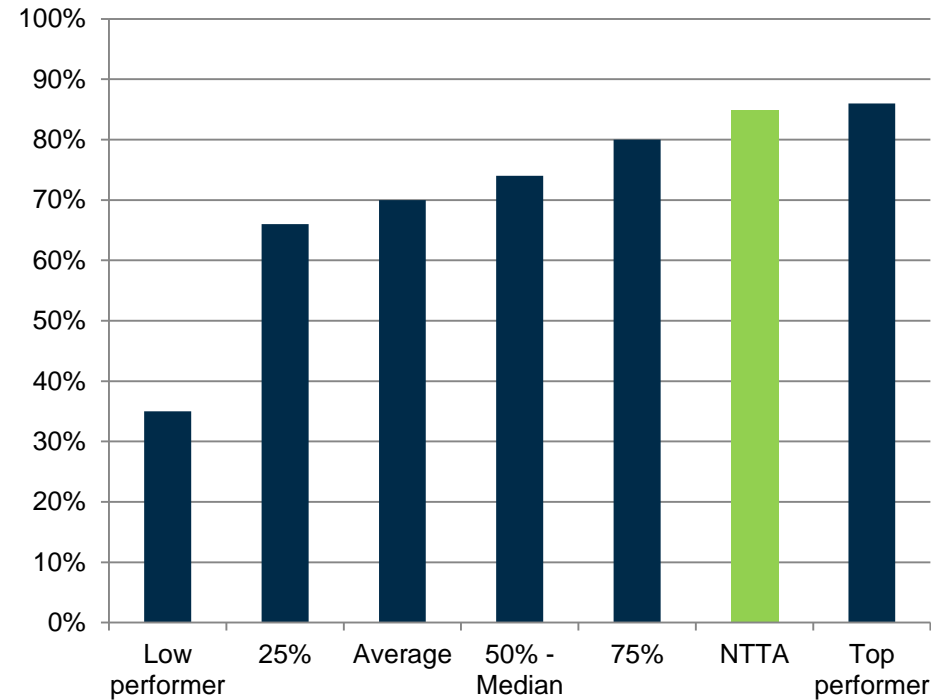
# INDUSTRY COMPARISON: COST PER TRANSACTION AND OPERATING MARGIN

Based on the 2015 KPMG Toll Benchmarking Study, NTTA is an industry leader in cost per transaction and operating margin.

### Total Cost Per Transaction



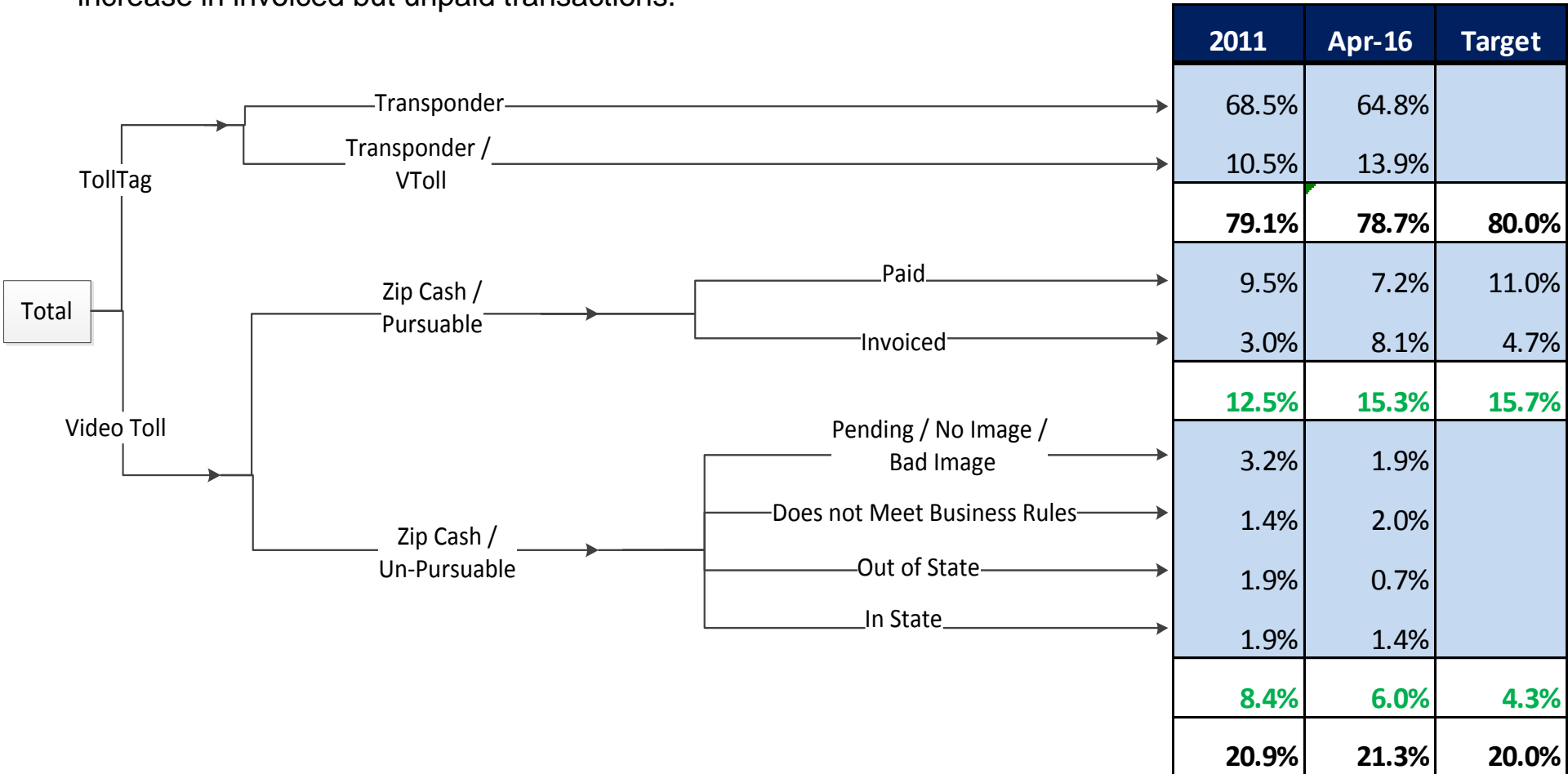
### Toll Operating Margin



- Benchmarks include toll operating, customer account management costs, and administrative costs

# NTTA TRANSACTIONS - 5 YEAR TREND

While total transactions have grown 50 percent since 2011 through geographic expansion, high TollTag penetration has been maintained. Reducing “unpursuables”, as well as other factors, have led to an increase in invoiced but unpaid transactions.

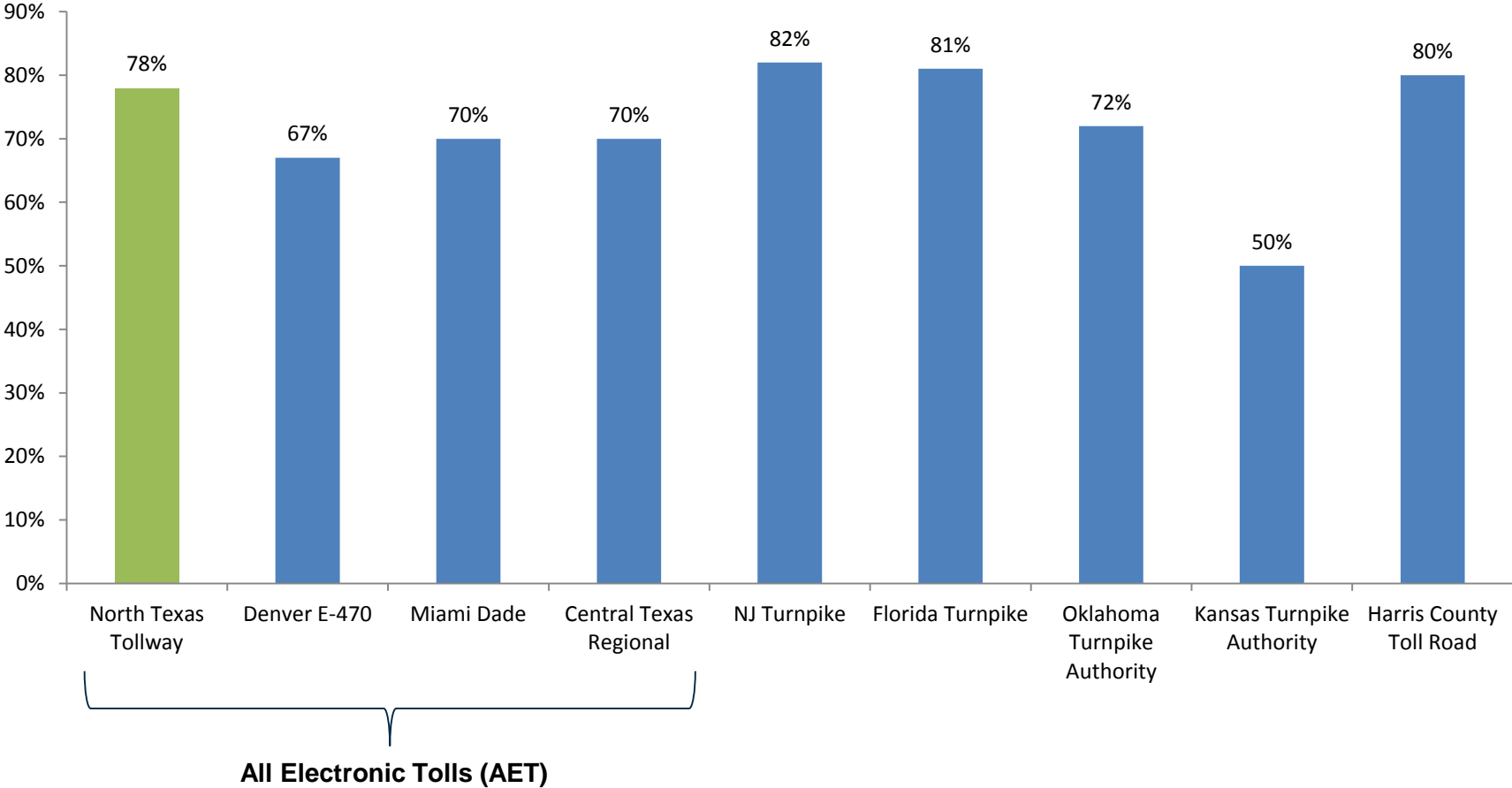


# TRANSPONDER ADOPTION BENCHMARKS



NTTA is among the leaders in the industry when it comes to the percentage of tolls being collected electronically, and may be near the upper limit of TollTag adoption.

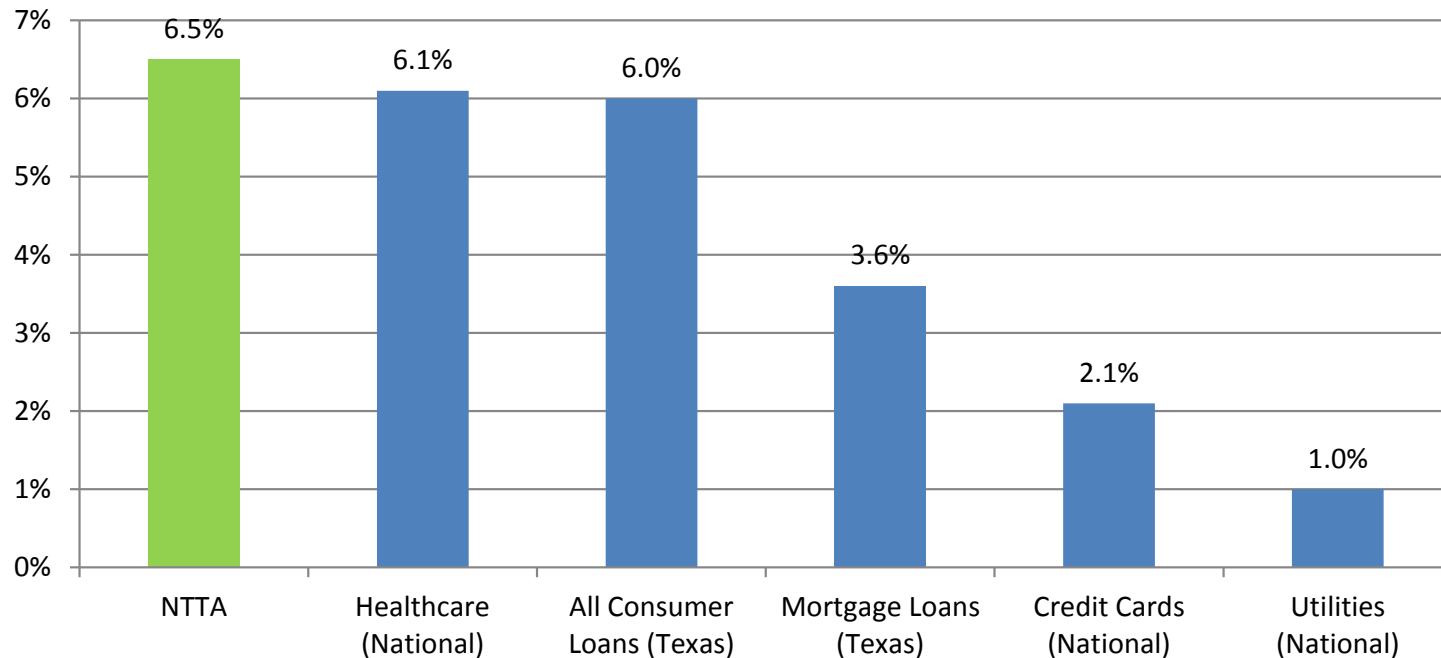
## Transponder Adoption Rates



# UNCOLLECTED INVOICES - COMPARISON ACROSS INDUSTRIES

NTTA's collection rate is in line with hospitals, who also don't control who uses their services, and overall consumer loans in Texas.

### Uncollected Payments as a % of Total Invoiced



# ZIPCASH EQUITY ANALYSIS

TollTag customers effectively subsidize ZipCash customers at the current ZipCash premium. By raising the ZipCash premium to approximately 90%, NTTA is indifferent to customer payment type, assuming no change in collection rate.

<i>Per Transaction</i>	TollTag		ZipCash	
	Current		Current	Equity
Rate	\$ 1.02		\$ 1.60	\$ 1.93
Collection Rate	100%		55%	55%
Tolls Collected	\$ 1.02		\$ 0.88	\$ 1.06
Admin Fees	\$ -		\$ 0.24	\$ 0.24
Total Collections	\$ 1.02		\$ 1.12	\$ 1.30
Marginal Cost to Collect	\$ (0.08)		\$ (0.36)	\$ (0.36)
Net Cash	\$ 0.94		\$ 0.76	\$ 0.94

The average ZipCash transaction yields less cash than a TollTag transaction.

Staff should analyze further to validate costs, collections rate, and any impact to future collection rate if the premium were increased.

# VEHICLE REGISTRATION BLOCK (VRB) EFFORTS

The vehicle registration block program, started in the Fall of 2013 in Dallas County, has been very effective for NTTA. In some instances, VRB efforts take significant time investment from the counties. Effectiveness and satisfaction levels can be increased via better communication between NTTA and the counties.

<i>FY15</i>				
<i>County</i>	<i>Blocks Submitted</i>	<i>Blocks Placed*</i>	<i>Blocks Removed</i>	<i>Tolls+ fees (MM)</i>
<b>Dallas</b>	16,383	12,325	2,651	\$1.1
<b>Collin</b>	25,469	19,119	3,549	\$2.5
<b>Tarrant</b>	581	444	85	\$0.4
<b>Denton</b>	804	588	134	\$0.1
<b>Others</b>	10,620	7,797	1,921	\$0.6
<b>Totals</b>	53,857	40,273	8,340	\$4.7

<i>FY16YTD</i>			
<i>Blocks Submitted</i>	<i>Blocks Placed*</i>	<i>Blocks Removed</i>	<i>Tolls+ fees (MM)</i>
51,250	42,129	2,585	\$3.0
22,650	18,033	1,421	\$2.0
20,585	17,025	2,119	\$1.7
16,885	13,487	2,080	\$2.2
12,831	10,480	1,126	\$1.2
124,201	101,154	9,331	\$10.1

\* Of the records submitted, the DMV determines which ones are eligible to be flagged.

- Currently NTTA has formal contracts with six counties (Dallas, Denton, Tarrant, Johnson, Rockwall and Grayson) to enforce the blocked registrations of scofflaws. There are agreements in development with Parker and Hunt counties

**Opportunities for continued improvements in Finance include:**

Focus Areas	2016 Recommendations
ZipCash Equity	<ul style="list-style-type: none"> <li>Adjust the ZipCash premium so that NTTA is financially indifferent to how customers choose to pay</li> </ul>
Vehicle Registration Blocks	<ul style="list-style-type: none"> <li>Work with counties and the DMV to ensure the process is clear to customers and that relevant information is available to all parties and all participating registration locations to properly advise the customer and minimize county tax office involvement</li> </ul>

# ORGANIZATION





Organization highlights and accomplishments since 2011 include the following:

- **Relationship with Board**

- The Executive Director has strong working relationships and communication channels with each Board member
- Board committees have been re-established
- AEDs have direct interaction with the Board and work together in Committee meetings

- **Business Management**

- The Consolidated Performance Metrics report is presented at each Board meeting
- Staff and Board continually refine the metrics reviewed

- **Business Model / Contractor Spend**

- Staffing models reflect “core competencies” in departments, reduced dependency on outside contractors
- Spend for the 6 “major” consultants has declined significantly

- **Performance Management**

- Board sets Executive Director goals and conducts performance reviews at annual retreats
- Employee performance evaluated on competencies, shift to goal-based evaluations set for 2017
- All employees receive feedback prior to any merit increases

- **Organization Structure**

- Legal Services, Customer Service, Infrastructure, IT and Public Affairs have been restructured
- Numerous leadership roles have been filled with external hires in the past three years

- **Employee Engagement**

- Employee morale and engagement has increased significantly since 2011

# NTTA AWARDS 2012 - 2016

NTTA has received numerous awards in recent years for its road projects, financial management, operations, customer service, and vendor / community relations

Operational Performance	Year
Transportation Research Board - Don Capelle Award for leadership for TEXpress Lanes	2016
CMAA North Texas - Project Achievement Award, Transportation Greater than \$15 Million	2015
American Council of Engineering Companies - Engineering Excellence Awards (2 Awards in 2014)	2014
National Procurement Institute - Achievement of Excellence in Procurement Award	2012-2014
Regional Hispanic Contractors Association - Project of the Year	2014
Texas Public Works Association - In-House Project of the Year	2014
Texas Public Works Association - Innovation Award	2014
Texas Public Works Association - Leader of the Year	2014
Texas Public Works Association - Operations Excellence	2014
Texas Public Works Association - Project of the Year	2014
American and Road Transportation Builders Association - Workzone Safety Awareness Award	2013
Design-Build Merit Award - Phase 4 Development of the PGBT-WE	2013
Engineering News Record - Best Highway Bridge Project	2013
Roads & Bridges Magazine - No. 7 on list of Top 10 road projects	2012

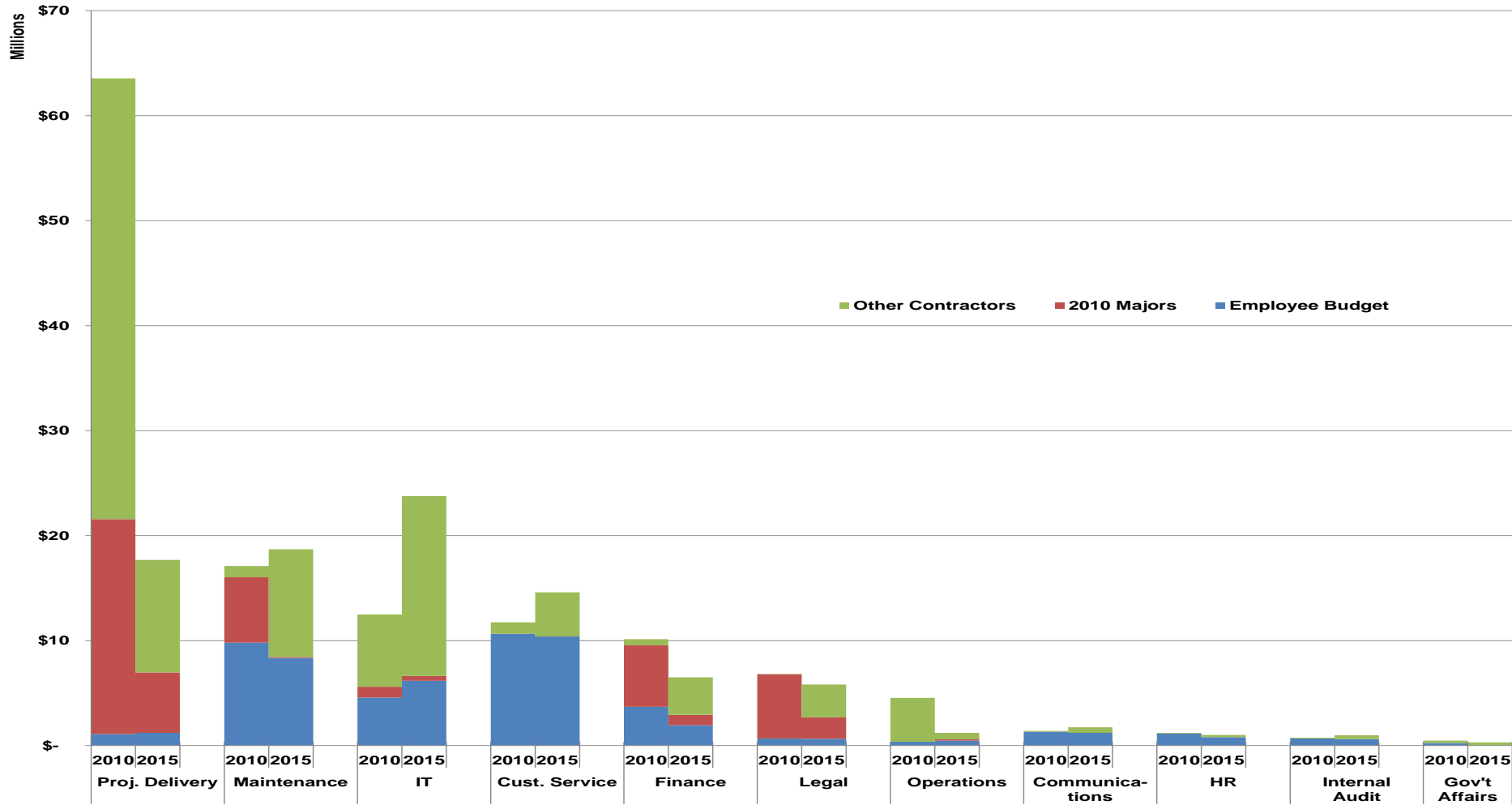
Financial Performance	Year
Government Finance Officers Association - Certificate of Achievement for Excellence in Financial Reporting (6 Certificates)	2012-2016
Bond Buyer's - Southwest Deal of the Year	2015
Texas Comptroller Association - Platinum Leadership Award	2014
The Institute of Internal Auditors - Recognition of External Quality Assessment	2014
Texas Comptroller Association - Gold Leadership Award	2012-2013
Government Treasurers Association of Texas - Certificate of Distinction for the Authority's Investment Policy	2012

Customer Service	Year
International Association of Business Communicators - Dallas Quill Awards (6 Awards in 2015)	2015
Dallas Observer - NTTA's Tollmate is one of the top 10 mobile apps for Dallasites	2014
IBTTA - Toll Excellence Award, Customer Service and Marketing Outreach	2014
International Association of Business Communicators - Gold Quill Award of Excellence	2014
International Association of Business Communicators - Silver Quill Award of Excellence (2 Awards )	2014
Total Training Network - Customer Excellence Award	2013

Community Involvement	Year
RTC - Earth Day Recognition	2016
American Association for Affirmative Action - President's Award	2014
Asian American Contractors Assoc. of Texas - Mercury Award	2014

# SPEND BY CATEGORY FOR PROFESSIONAL SERVICES

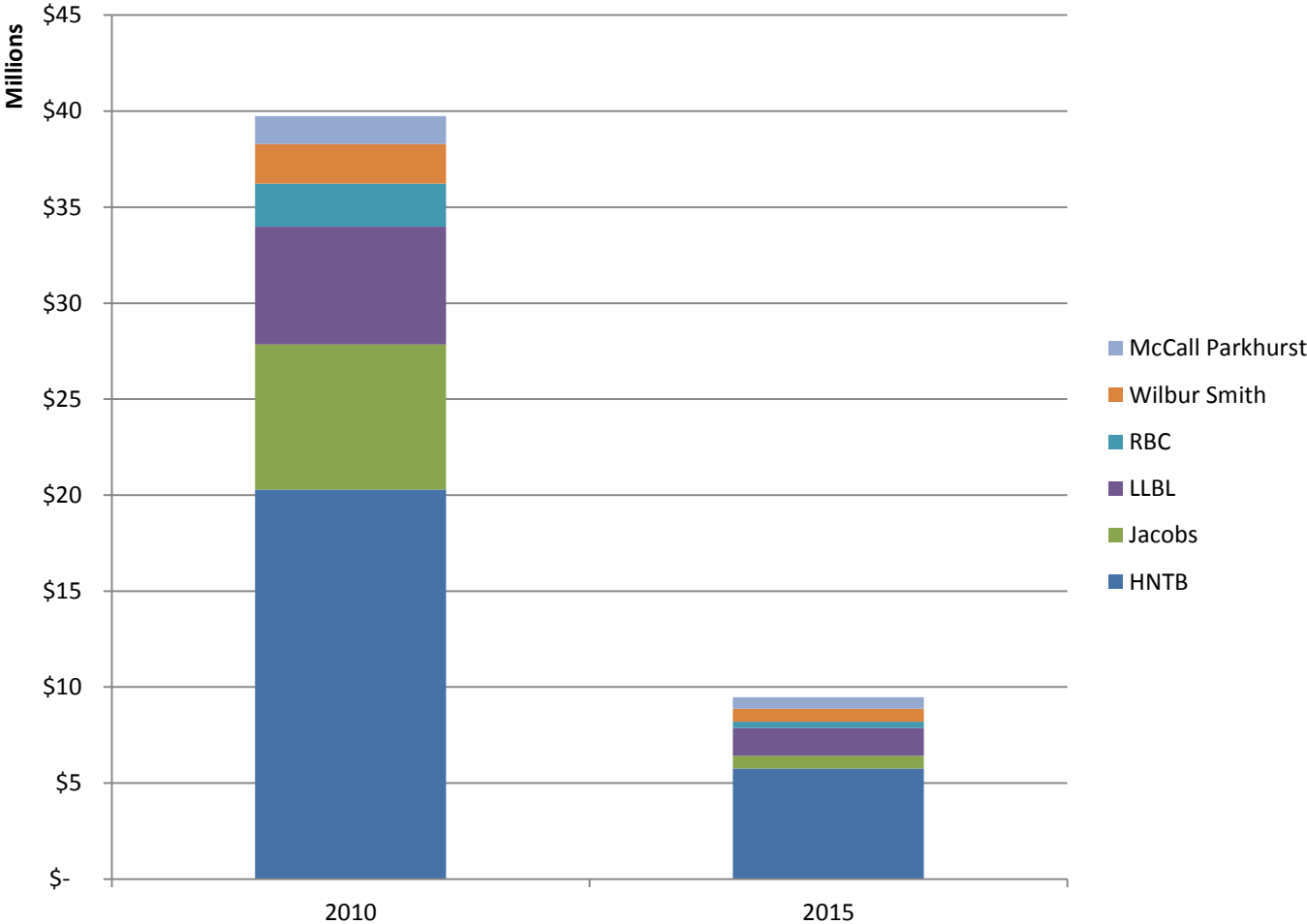
There has been a significant change in use of long-tenured, “major” consultants since 2011. Departments vary widely in use of contractor services.



# REDUCING RELIANCE ON “MAJOR” CONSULTANTS

Spend with 2011 “majors” declined 76% since the last assessment, showing commitment to diversity within the contractor pool.

## 2011 Major Consultants



Source: NTTA 2010 & 2015 Expenditure data

Succession planning and internal talent development is a fundamental component of risk management. Although the Executive Director discusses succession planning informally with direct staff, no formal plan currently exists.

Observations	Best Practices for NTTA
<ul style="list-style-type: none"> <li>Executive coaches have been hired to work with Assistant Executive Director's (AED's) individually and as a leadership team</li> <li>AED's are expected to design and implement their own performance development plan</li> <li>Board chair and members would like visibility to succession plan</li> <li>Best practices indicate a written succession plan for the Executive Director of an organization of this size is appropriate</li> </ul>	<ul style="list-style-type: none"> <li>Create a "depth chart" for each position indicating key strengths and readiness timing (e.g. immediate, 1 year, etc.) for each candidate</li> <li>Review depth charts and readiness timing with Board in executive session</li> <li>Refresh and review depth charts and readiness timing annually with Board</li> </ul>



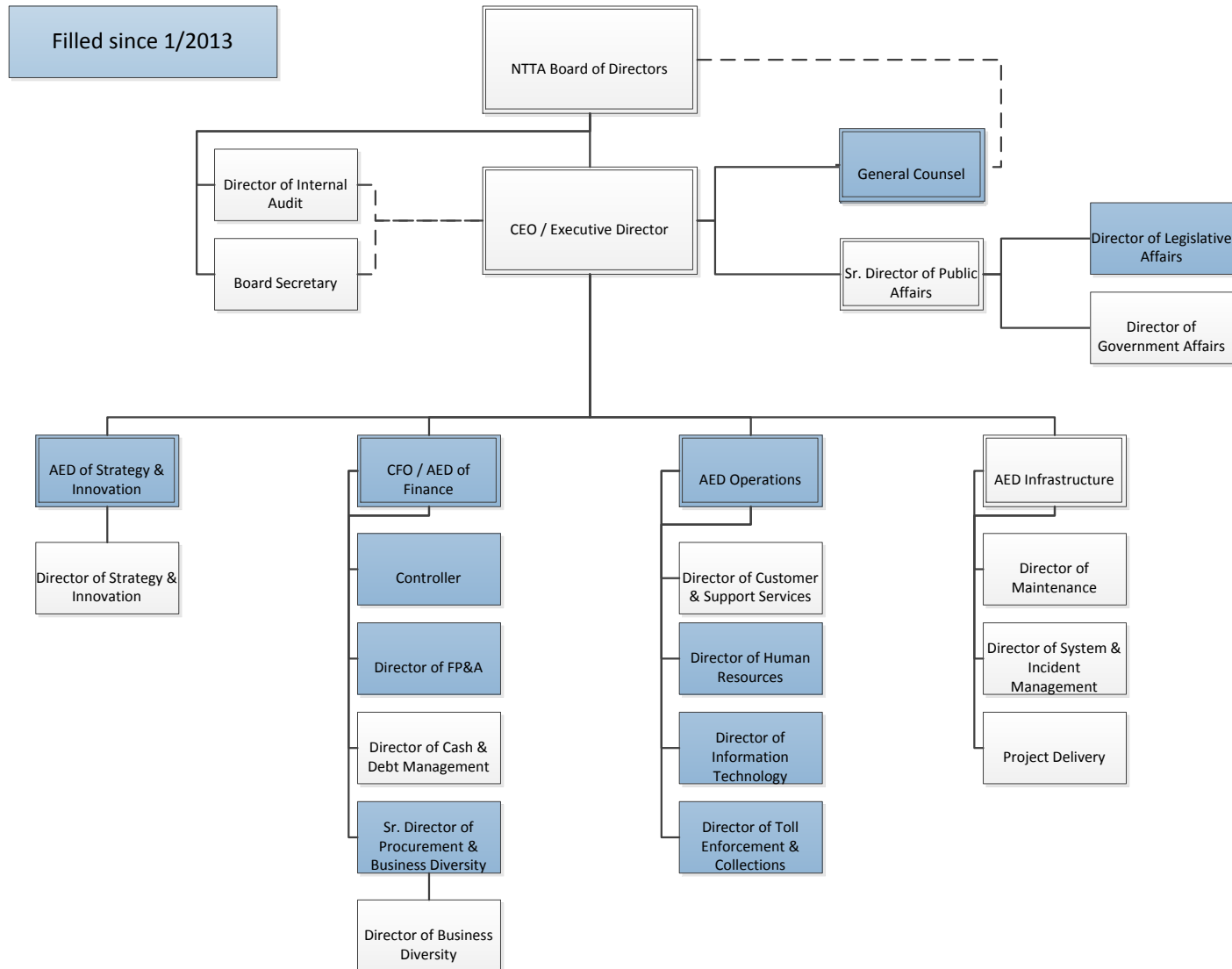
National Service Research (NSR) conducted NTTA employee engagement surveys in 2012 and 2014

- 73% of all NTTA employees responded to 2014 survey
- Employee morale, engagement and satisfaction has improved significantly since 2011
- Biggest improvements over 2012 include opportunities to work on projects/committees, executive ethical behavior, teamwork, environment to produce quality work, NTTA progress and strategic direction
- Top 5 Rated Responses: cultural diversity, job expectations, friendly/supportive co-workers

Biggest Improvements Over 2012 Employee Survey	% "Agree" in 2011	% "Agree" in 2012	% "Agree" in 2014
Work Opportunities	NA	64%	81%
Ethical Behavior	NA	74%	90%
Comfort Reporting Ethical Violations on Hotline	NA	72%	85%
Work Environment Supports Teamwork	NA	72%	85%
Pace/Environment Encourages Quality Work	NA	73%	82%
NTTA Made Progress/Right Direction	NA	80%	88%
Clear Work Expectations	77%	88%	90%
Comfort to Question Management	31%	NA	80%

# MANAGEMENT TURNOVER

Since 2013, about 40% of key management positions have been replaced.



Since 2011, NTTA has made significant steps to improve information technology. -

- New Director of Information Technology hired in 2014.
- Business Intelligence (BI) and Project Management functions created in 2014.
  - BI has increased analytical capabilities: ZipCash Analysis by zip code, TollTag penetration by facility, habitual violator mapping, transactions by gantry, TER Remedy Report, etc.
- Overall IT performance: uptime for applications/internal business systems is 99.8%.
- Help Desk process modernized through ServiceNow automation and 1:1 staff support.
- Industry “best practices” for cyber security are in force.
- Significant performance and functionality limitations for back office systems (RITE) are known, plans for replacement in 2019.
- Majority of 2016 IT projects for current platforms support operations and infrastructure.
- 2017 IT Roadmap should include broader business requirements including customer service and collections that are feasible with current system limitations.



Opportunities for continued improvements in the Organization include:

Focus Areas	2016 Recommendations
Succession Plan	<ul style="list-style-type: none"> <li>Formalize and share a succession plan with Board</li> </ul>
Employee Engagement	<ul style="list-style-type: none"> <li>Conduct employee engagement survey in 2016 and repeat every two years</li> <li>Develop and implement action plans resulting from the survey by department</li> </ul>
Recruitment and Retention	<ul style="list-style-type: none"> <li>Conduct “lessons learned” on management vacancies that occurred in past three years to develop stronger job descriptions/role requirements/cultural fit assessments for recruiting</li> </ul>
Performance Management	<ul style="list-style-type: none"> <li>Ensure strategic goals are cascaded through all departments as part of transition to goal-based performance management in 2017</li> </ul>
Information Technology	<ul style="list-style-type: none"> <li>Execute on an IT roadmap to enhance customer service, collections and overall analytics</li> </ul>

Contact Center highlights and accomplishments since 2011 include the following:

## **Organization Changes:**

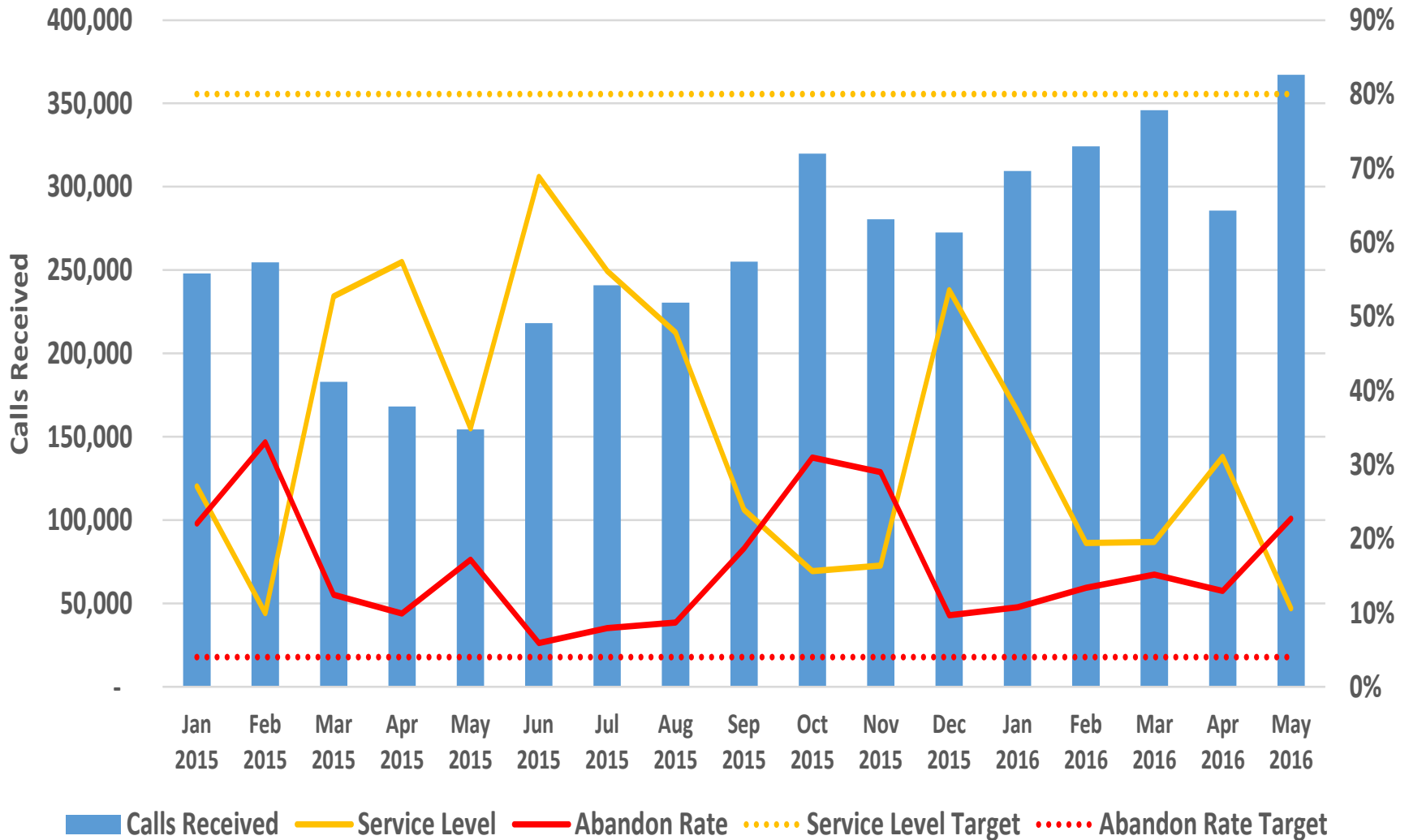
- New Director of Contact Center & Collections – August 2014
- Customer Care and Collections activities are divided but with staff cross-training
- New Workforce Force Management Manager – January 2016
- Increased outsourcing and part-time resources to better handle call volume
- Introduced new reporting and analytical capabilities
- Introduction of a call back team

## **Process and Technology Changes:**

- Redesign of call center
- New upgraded Cisco telephony – May 2016
- Introduction of the NTTA App
- Increased focus on quality monitoring
- Currently in review of Contact Center technology to address current needs plus put a roadmap together for future needs

# CALL CENTER METRICS

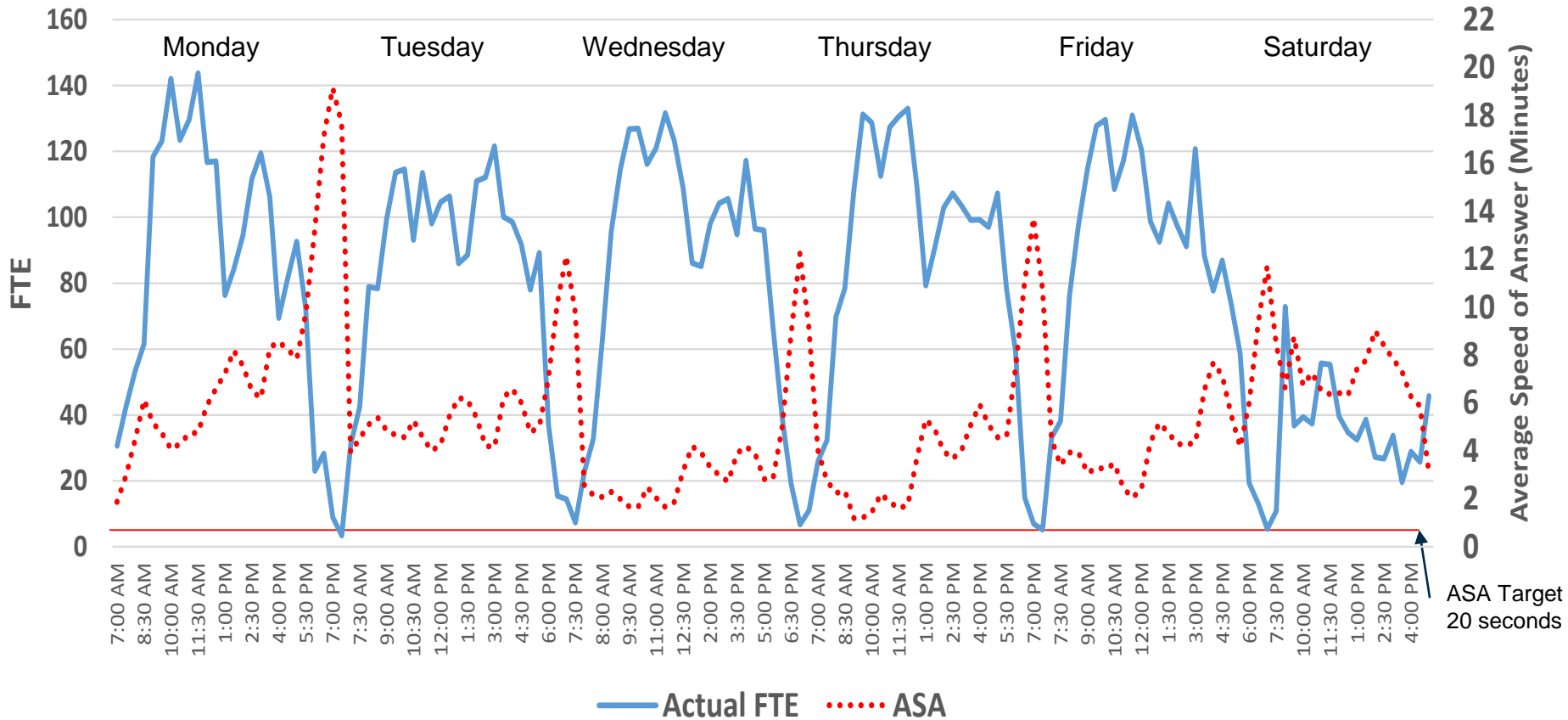
- Key performance metrics are not usually close to target.
- A number of technology and staffing enhancements are underway to improve service levels



# AVERAGE SPEED OF ANSWER

The Average Speed of Answer across all queues and intervals is over 3 minutes

## Staffing and Avg. Speed of Answer by Time of Day



ASA Target 20 seconds

# CUSTOMER SERVICE – IMPROVEMENT OPPORTUNITIES

Opportunities for improvements in Customer Service include:

Focus Areas	2016 Recommendations
Staffing Efficiency/Capacity	<ul style="list-style-type: none"> <li>• Hire more agents - continue to create flexibility in the staffing capabilities – e.g. Outsourcers and increase of part time agents, home agents, etc.</li> <li>• Reset target service level from 80/20 to 70/30 until the call center stabilizes and then re-evaluate</li> </ul>
Self-Service	<ul style="list-style-type: none"> <li>• Enhance/promote self-service capabilities (Online and phone).</li> </ul>
Customer Analytics	<ul style="list-style-type: none"> <li>• Continue to build capabilities to provide clarity into how customers interact with the entity</li> <li>• Develop more sophisticated forecasting models to plan for call spikes (e.g. invoicing)</li> </ul>
Proactive Communication	<ul style="list-style-type: none"> <li>• Define where the points of contact need to be to reduce calls and improve the customer experience</li> </ul>
Customer Journey maps	<ul style="list-style-type: none"> <li>• Refresh Customer Journey Maps to better understand the touchpoints, systems, and processes that are used in customer interactions. Adjust processes accordingly</li> </ul>
Reporting/Metrics	<ul style="list-style-type: none"> <li>• Continue enhancement of reporting and develop standard reports</li> <li>• Board metrics could include Service Level, Abandon Rate, Customer Satisfaction, First Call Resolution</li> </ul>

# TRANSPARENCY



NTTA has made significant improvements in transparency since 2011. Highlights include:

## **Board**

- Executive Director and Board roles and responsibilities are clearly defined
- Board meeting agenda and materials focus on critical topics, meetings run efficiently
- New Board members fulfill requirements for functional expertise and community relationships

## **Strategic Planning**

- The 5 yr. strategic plan, near and medium term priorities are in place and refreshed each year
- Board and staff participate in annual strategic planning process

## **Regional and Local Relationships**

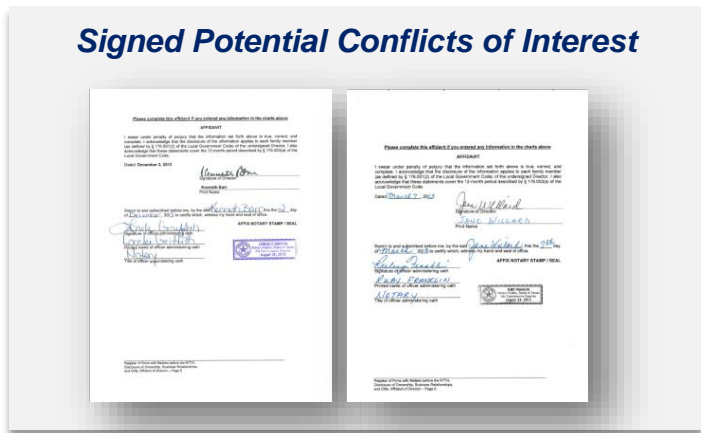
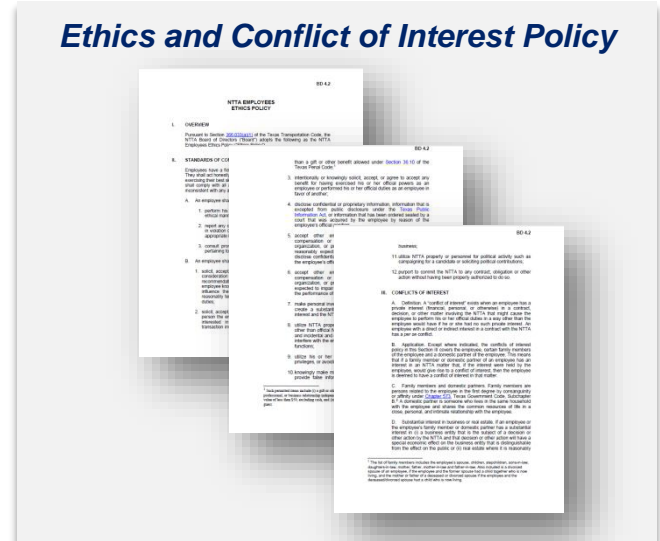
- Relationships with TxDOT, CINTRA, NCTCOG/RTC remain strong
- Tax Assessors including those in Denton, Dallas and Tarrant counties support NTTA's vehicle registration block program

## **Ethics / Conflicts of Interest**

- Board appointed the NTTA General Counsel to be the Ethics Officer in 2012
- Conflict of interest policy and training in place, administered by General Counsel

# ETHICS AND CONFLICT OF INTEREST

- NTTA has an established an Ethics and Conflict of Interest Policy
- Board members receive Ethics and Conflict of Interest training at each Board retreat
  - Training is conducted by the General Counsel
  - Training material is comprised of:
    - NTTA's Ethics Policy
    - Open Government
    - Disclosure Obligations
    - Cybersecurity Training
- Board members indicate when they have potential conflict of interest for a discussion/decision





Internal Audit has a robust agenda each year. However some action items remain open from past audits

Internal Audits by Year			
2013	2014	2015	2016
<ul style="list-style-type: none"> <li>• Reconciliation Process</li> <li>• Conflicts of Interest Policy</li> <li>• Operational Reports</li> <li>• Contract Compliance</li> <li>• Data Center</li> <li>• Inventory Controls</li> <li>• Revenue Sharing</li> <li>• Limited Scope-Fleet Vehicle Usage</li> <li>• Vender to Employee Data Analysis</li> <li>• Petty Cash/Change Fund</li> <li>• Call Center Software - Cisco Upgrade</li> <li>• Accounting Controls</li> <li>• Employee and Board Expense Review</li> <li>• Access Review</li> <li>• Limited (SCIP) Application Access Review</li> </ul>	<ul style="list-style-type: none"> <li>• Employee Evaluation Process</li> <li>• Software License Agreement Compliance</li> <li>• Image Review Process</li> <li>• Business Diversity Department (BDD) Control and Governance Process</li> <li>• Agreement Compliance</li> <li>• Third Party Trust Compliance</li> <li>• Consolidated Performance Report</li> <li>• Toll Payments</li> <li>• First Responder TollTags</li> <li>• Performance Compliance - Collection Company</li> <li>• VTolls</li> <li>• Time and Material Charges</li> <li>• TSA Compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Disposal Process</li> <li>• Patch Compliance - 1</li> <li>• Claims Management</li> <li>• Life, Accidental Death and Dismemberment (AD&amp;D), and Disability Benefits</li> <li>• Prism Three-Way Match - 2</li> <li>• Logging and Monitoring - 2</li> <li>• Payroll Process</li> <li>• General Computer Controls</li> <li>• P-card</li> <li>• Contract Management</li> </ul>	<ul style="list-style-type: none"> <li>• Invoicing and Payment Applications Processes</li> <li>• Customer Service Center and Collections Area Access</li> <li>• Cash posting process</li> <li>• Procurement process</li> <li>• Employee and Board expense review</li> <li>• Toll enforcement remedies (TER) and Application Review</li> <li>• Toll Services Agreement (TSA) processes</li> <li>• IT Secure Sockets Layer (SSL) certificates</li> <li>• Contract management</li> </ul>

■ Internal Audit report with unresolved action items

■ Internal Audits planned but not started

■ Internal Audits completed

Internal Audit is responsible for <i>or</i> participates in the following projects					
Fraud and Ethics	External Audit	Action Plans	Collections	Diversity	IT
<ul style="list-style-type: none"> <li>• Fraud and Ethics Hotline</li> <li>• Credit card transactions</li> </ul>	<ul style="list-style-type: none"> <li>• Assistance with external audit of NTTA system</li> </ul>	<ul style="list-style-type: none"> <li>• Management action plans</li> </ul>	<ul style="list-style-type: none"> <li>• Tolling Services Agreement (TSA)</li> <li>• Toll Enforcement Remedies (TER)</li> <li>• DMV agreement compliance monitoring</li> </ul>	<ul style="list-style-type: none"> <li>• Program spend validation – A&amp;D study</li> <li>• BDD attainment calculation validation</li> </ul>	<ul style="list-style-type: none"> <li>• Toll system procurement</li> </ul>

Opportunities for continued improvements in Transparency include:

Focus Areas	2016 Recommendations
Internal Audit	<ul style="list-style-type: none"> <li>• Internal audit to provide quarterly updates on top audit topics to Board</li> <li>• Conduct internal audit for fuel cards</li> <li>• Improve past due action item tracking and resolution by department</li> </ul>
Board Materials	<ul style="list-style-type: none"> <li>• Provide materials for major topics to board further in advance of meetings</li> </ul>
Ethics and Fraud Hotline	<ul style="list-style-type: none"> <li>• Redirect fraud and ethics hotline to General Counsel/Ethics Officer</li> </ul>

# PROCUREMENT



Procurement and Diversity highlights and accomplishments since 2011 include the following:

- The procurement policy clearly outlines the guidelines and defines the roles and responsibilities of all parties involved throughout the process
- Detailed procedures have been created that provide guidance on how the key procurement process steps are to be executed.
- These forms outline the roles and responsibilities of all parties involved, key process steps and links to the templates used
- The evaluation criteria (which includes the diversity scoring criteria) are outlined in the solicitation documents.
- Standard contract templates are used by the department to eliminate variation in contract terms
- The solicitation process has been revised to provide the Board with an appropriate level of involvement
- NTTA's Diversity Program continues to perform well, achieving 31% attainment in 2015
- The number of registered D/M/WBE suppliers has more than tripled since 2011
- The PRISM contractor compliance monitoring tool has been fully implemented and it allows the Diversity team to proactively track each contractors progress against the goal assigned.

# PROCUREMENT PROCESS

The procurement process is well understood by all parties involved.

Requestor creates requisition (PRF1 form) and Procurement provides feedback as necessary

BDD sets diversity goal

Procurement develops procurement plan and solicitation document

Requestor prepares the request to advertise (RTA) summary and Procurement submits for Board approval

NTTA Board reviews and approves/rejects request

Procurement publishes the solicitation (newspapers, online portal, email to potential bidders)

Procurement publishes the solicitation (newspapers, online portal, email to potential bidders)

Hold pre-qualification conference

Submit responses to questions

Receive and compile responses from bidders

Complete initial review of the bidders and approve short list

Conduct oral presentation and evaluate short-listed bidders

Conduct supplier reference check, as necessary

Prepare the request to negotiate (RTN) summary for Board approval

NTTA Board reviews and approves/rejects the request to negotiate

Conduct negotiations and final contract

Prepare the contract approval executive summary for Board approval

NTTA Board reviews and approves/rejects contract approval request

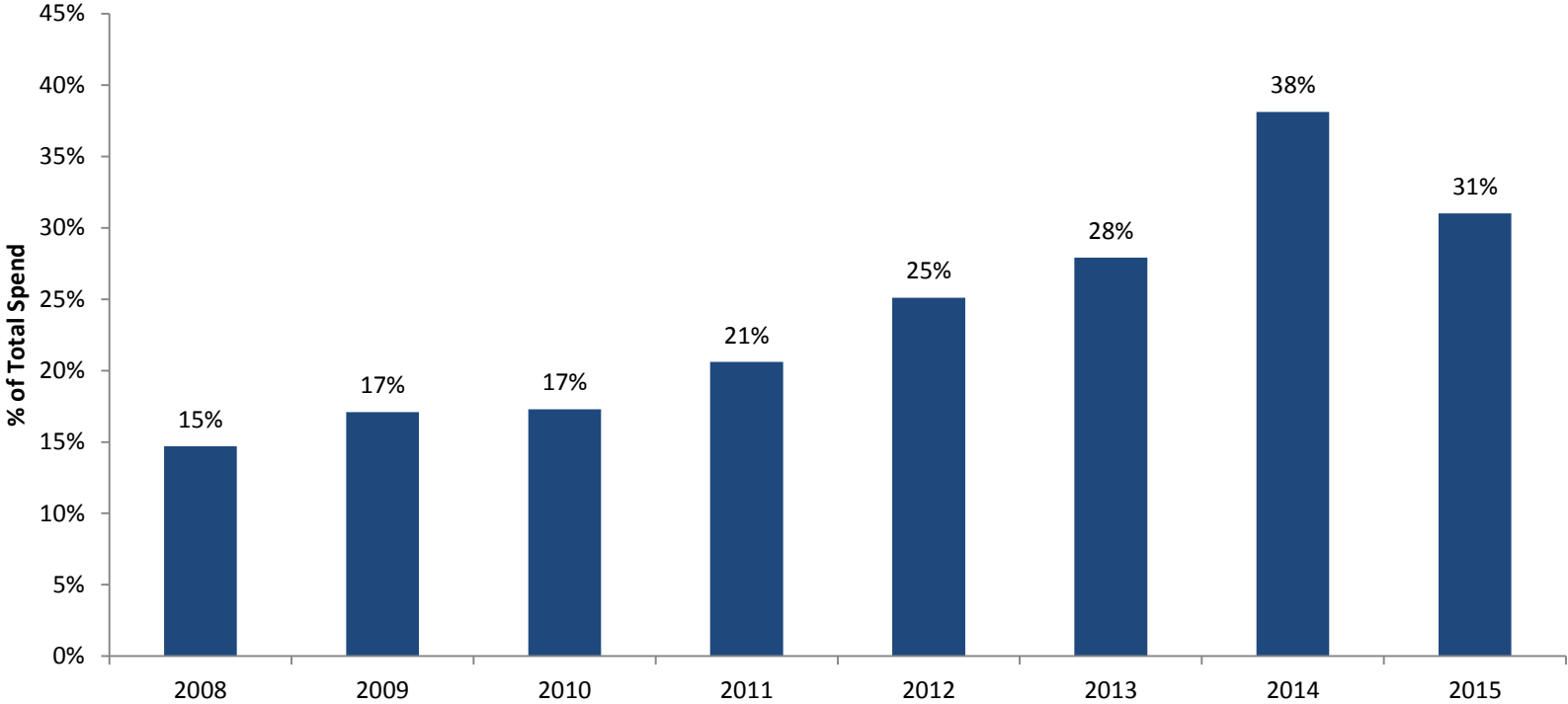
## Observations:

- The process is transparent and has the controls in place ensure the process is fair and competitive
- Procurement buyers and department representatives all know their respective roles in the process
- The three checkpoints with the Board provide adequate opportunity for Board members to ask questions and provide feedback

# DIVERSITY ATTAINMENT

NTTA has continued to increase the use of D/M/WBE as a percentage of total spend. The attainment has increased from 15% in 2008 to 31% of spend in 2015

## Historical Diversity Goal Attainment



# DIVERSITY GOALS COMPARISON

NTTA's diversity goals and performance are inline with other agencies in the region.

<i>Organization</i>	<i>Goal</i>	<i>Actual</i>	<i>TYPE</i>
<b>NTTA</b>	None	31%	DMWBE
<b>TXDOT</b>	12%	12%	DBE
<b>DFW</b>	34%	37%	M/WBE
<b>Dallas ISD</b>	30%	47%	M/WBE
<b>City of Houston</b>	PS - 24%/GS-11%/CN-34%	23%	M/WBE
<b>City of Dallas</b>	PS-36%/GS-18%/CN-25%	22%	M/WBE
<b>HISD</b>	PS - 25%/GS-20%/CN-20%		M/WBE
<b>DART</b>	32%	57%	DMWBE
<b>ISHTA</b>		20%	DMWBE
<b>CDOT</b>	10%		DBE
<b>FDOT</b>	10%	14%	DBE
<b>MIAMI DADE TRANSIT</b>	18%	18%	DBE
<b>OKDOT</b>	10%		DBE

- TXDOT is the closest match to NTTA since it primarily provides road construction and maintenance.

**Opportunities for continued improvements in Procurement include:**

Focus Areas	2016 Recommendations
Procurement Process Efficiency	<ul style="list-style-type: none"> <li>• Conduct a detailed process review of the procurement process (using Lean tools) to improve the efficiency of the operations</li> </ul>
Diversity Scoring	<ul style="list-style-type: none"> <li>• Create a new RFP/Q form to request past D/M/WBE teaming information that is used to score the responses.</li> </ul>



## IN CONCLUSION...

- NTTA's board and staff have implemented or addressed all of the recommendations from the 2011 County Review
- Significant improvements have been made in the last five years across the organization
- NTTA is performing in the top tier of the nation's toll authorities on the key dimensions evaluated
- NTTA has fully cooperated with A&M in this assessment and has been open to additional recommendations for improvement outlined in this report



# NORTH TEXAS TOLLWAY AUTHORITY

## 2016 COUNTY REVIEW

July 2016

