



NORTH TEXAS TOLLWAY AUTHORITY

5900 West Plano Parkway | Plano, Texas 75093 | (214) 461-2000 | Fax (214) 528-4826 | www.ntta.org

June 19, 2012

Dear County Judges:

I am pleased to provide you with the NTTA's County Review Action Plan Update in response to the Independent Financial and Performance Review completed by Alvarez & Marsal in October 2011.

The NTTA has embraced the County Review report and is committed to addressing all of the action items. I am pleased to report that 76 percent of the recommendations have been implemented to date.

This update will serve as our second formal reporting of our progress to you, our stakeholders and our customers. We plan to report on our progress again in the fall.

We welcome your feedback. Your support of the county review implementation is sincerely appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerald Carrigan", is written over a faint, larger version of the signature.

Gerald Carrigan
Executive Director

GC/mw

EXECUTIVE SUMMARY

COUNTY REVIEW ACTION PLAN UPDATE

JUNE 20, 2012

BACKGROUND

- At the Feb. 2, 2012, Special-Called Board meeting, staff provided the NTTA Board of Directors, county judges and general public with the first formal reporting of the progress made toward implementing the recommendations (first 90 days). At that time, of the 82 recommendations, 56 percent (44) of the recommendations were completed and implemented, 38 percent (30) were in progress, 6 percent (5) were pending future action, and three recommendations were related to the county judges' decisions.
- As of June 12, 2012, of the 82 recommendations, 76 percent (62) of the recommendations have been completed and implemented, 18 percent (15) are currently in progress, 5 percent (4) relate to the NTTA's organizational design and are pending future action, and one percent (1) requires ongoing action relating to the county judges' decisions.

MAJOR ACCOMPLISHMENTS

- Staff has continued to work toward implementing the 82 recommendations set out in the County Review report that were focused on four areas:
 - Transparency
 - Procurement
 - Organization
 - Finance

Listed below are highlights of key accomplishments of each of the four focus areas. The attached action plan provides a comprehensive update of the recommendations and their status through June 2012.

TRANSPARENCY

- The NTTA Board Committee structure was re-established to ensure items are fully vetted prior to Board review and approval (November 2011).
- The NTTA Board approved its Ethics and Conflicts of Interest Policy and appointed the General Counsel as the NTTA's Ethics Officer (January 2012).
- The NTTA Board adopted an updated mission statement, which reflects the NTTA's core operations and business environment (March 2012).
- The NTTA continues to meet with stakeholders to strengthen relationships, develop partnerships, and increase outreach related to NTTA projects, toll collection and enforcement processes and business diversity initiatives and to provide updates regarding the County Review (Ongoing).
- NTTA staff developed and implemented a redesigned website, which features improved functionality and more robust information about roads, toll rates, customer service, operations, finances and outreach (March 2012).

- Staff conducted biennial customer and stakeholder surveys to gain a better understanding of our customers' perspectives and organizational performance to evaluate communication effectiveness and inform outreach plans (March 2012). Key findings are as follows:
 - Survey results show overall TollTag customer satisfaction is high. Those who are dissatisfied commented most about high toll fees and traffic congestion.
 - More than half of ZipCash customers indicated their intent to become TollTag customers when they learned of differences between TollTag and ZipCash rates.
 - Communication transparency and efforts to provide responsible and innovative toll solutions received the highest approval ratings (71 percent) among elected officials surveyed.

PROCUREMENT

- The NTTA Board approved the Major Consultant Procurement Plan, which includes a master Request for Qualifications template (December 2011). Below are the major consultant procurements scheduled for this year and their statuses:
 - Maintenance Management Consultant (MMC) (Contract – May 2012)
 - Financial Advisor (FA) (Contract - June 2012)
 - Traffic and Revenue (T&R) (Selection – June 2012)
 - Program Management Consultant (PMC) (Approved for advertisement – June 2012, selection – September 2012)
 - General Engineering Consultant (GEC) (Advertisement – September 2012)
 - Legal Services (LS) (Advertisement – April 2012, assignments – July 2012)
- The NTTA Board adopted a new procurement policy, which has provisions consistent with state law and best practices, and will be reviewed annually (April 2012).

ORGANIZATION

- The NTTA Board's on-boarding materials were enhanced to facilitate more effective discussions on operations for incoming Board members (December 2011).
- The NTTA Board appointed a permanent Executive Director (April 2012). Initial steps are underway to begin the recruitment process for the Deputy Executive Director.
- As recommended in the report, the NTTA has separated customer service and collections organizations after the second notice of non-payment (September 2011).
- The NTTA's biennial employee engagement survey was completed by a third party (April 2012). An action plan is in development to address issues raised in the survey.
- Staff developed and presented a performance metrics report with targets, current measurements and reporting frequencies for 23 strategic metrics related to finance, operations, administration and projects (March 2012). Monthly reporting to the Board is ongoing.
- The General Counsel is supervising work assigned to outside counsel pursuant to Legal Services protocols. A Legal Services request for qualifications (RFQ) was approved by the Board (April 2012). Responses to the RFQ are being evaluated by the General Counsel, and assignments from the register of firms are anticipated to begin in July.

FINANCE

- The Monthly Financial Report presentation at Board meetings was enhanced to communicate cash flow (April 2012).
- The preliminary road feasibility analysis has been developed based on the financial capacity of the System. Feasibilities will be updated based on Board priorities.
- The NTTA engaged several industry experts to conduct an end-to-end review of the NTTA collection process. Staff has implemented some of their recommendations, including: a revised quality monitoring process for image review; improvements in non-pursuable transactions due to no DMV record; increased pursuit of out-of-state drivers; and implementation of a “hard wall” separating customer service and collections. Additional actions will be highlighted in the presentation.
- To improve TollTag market share, staff launched a pilot program via direct mail to convert high volume ZipCash users to TollTags; and implemented a program with FC Dallas to improve Hispanic TollTag usage.

Transparency | Covering the areas of governance, conflicts of interest and board composition

Category	Recommendation	Action / Resolution of item	A&M Report Page #	Committee	Action Owner/ Exec Level Staff Owner
Transparency - Board Make-Up	Board Members Background 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	Agreed. Recommendation implemented. Three new appointments have diversified the experience and expertise of the Board as recommended.	22	County Commissioners Court	County Judges
Transparency - Board Make-Up	Board Member Demographics 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	Agreed. Recommendation implemented. Three new appointments have diversified the experience and expertise of the Board as recommended.	22	County Commissioners Court	County Judges
Transparency - Communicate w/Public	Consistent Communications from Board Board communications to staff and the public should be consistent with the generally held views of the Board and its decisions	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 serves as the point person for Board communications to and from the Board.	27	Board	Chairman
Transparency - Communicate w/Public	Information Flow 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	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.	27	Board	Chairman
Transparency - Communicate w/Public	Board Member Accountability County commissioners courts should hold the Board accountable through appointments for resolving disagreements in working and committee sessions and effectively supporting and communicating Board decisions	Member County Commissioner's court action as required.	27	County Commissioners Court	County Judges
Transparency - Communicate w/Public	Post Meeting Minutes Detailed minutes from the Board meetings should be posted on NTTA's website to be consistent with best practices	Agreed. Recommendation implemented. Minutes of the October and November 2011 Board meetings have been posted on the NTTA website. All future minutes will be posted after minutes are approved by the Board.	27	Staff	ED

Transparency | Covering the areas of governance, conflicts of interest and board composition

Category	Recommendation	Action / Resolution of item	A&M Report Page #	Committee	Action Owner/ Exec Level Staff Owner
Transparency - Communicate w/Transportation Community	Building and Strengthening Relationships 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	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 2011, 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 PGBT-WE, PGBT-EE and CTP projects continues, as does communications on the NTTA's toll collection and enforcement process, business diversity initiatives, the County Review, and NTTA System closures and maintenance activities.	30	Board	ED
Transparency - Communicate w/Transportation Community	Industry Leadership Role 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	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	Staff	ED
Transparency - Conflicts of Interest	Board Conflicts of Interest Policy 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	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.	20	Admin	General Counsel
Transparency - Conflicts of Interest	Board Conflicts of Interest Policy 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	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.	20	Admin	General Counsel
Transparency - Conflicts of Interest	Ethics Officer NTTA should designate an Ethics Officer to oversee management of the process. This is commonly the in-house 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.	20	Admin	General Counsel
Transparency - Conflicts of Interest	Annual Conflicts and Ethics Training The Board should participate in annual conflicts of interest and ethics training	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 Board retreat.	20	Board	Board Secretary

Transparency | Covering the areas of governance, conflicts of interest and board composition

Category	Recommendation	Action / Resolution of item	A&M Report Page #	Committee	Action Owner/ Exec Level Staff Owner
Transparency - Governance	Clear Roles and Responsibilities 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)	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.	10	Admin	Board
Transparency - Governance	Defined Board Committee Roles Responsibilities of Board Committees, and the support from staff and external advisors, should be defined upfront and be realistic and manageable	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	Board	ED
Transparency - Governance	Re-establish Board Committees Committees should be re-established and the purpose, scope, and roles of the committees should be defined by charter	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.	10	Board	ED
Transparency - Governance	Strategic Planning - Board Involvement Strategic planning process should include meaningful involvement from the Board; the Board and ED should manage to the plan	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.	10	Board	ED
Transparency - Governance	Meeting Agendas Chair and ED should structure meeting agendas to focus attention on the most important policy decisions and updates	Agreed. Recommendation implemented. Chair and ED jointly draft and review Board agenda to manage requisite action items, policy and informational items.	10	Board	ED
Transparency - Governance	Risk Area Assessment 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	Agreed. Recommendation to be implemented. The F&A committee approved 2012 internal audit work plan in December 2011. Priority audits on "end-to-end" collections and third-party distribution have been added to Internal Audit's plan and will be conducted in 2012. The "end-to-end" collections audit is in progress. The third-party distributor process changed late 2011. In order to have a sufficient population to perform testing on, the audit is scheduled to begin third quarter 2012.	10	F&A	Internal Audit/ED
Transparency - Governance	Critical Board Topics 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	Agreed. Recommendation implemented. Executive Director has initiated "one-on-one" briefings related to issues and strategic topics with Directors in advance of Committee/Board meetings.	10	Staff	ED
Transparency - Governance	Board Materials - Circulation Board secretary should circulate Board materials in advance, clearly indicating which topics require decisions and which are for discussion/input	Agreed. Recommendation implemented. Agenda materials are compiled and circulated in advance of meetings to allow review time by Board members and committees.	10	Staff	ED

Transparency | Covering the areas of governance, conflicts of interest and board composition

Category	Recommendation	Action / Resolution of item	A&M Report Page #	Committee	Action Owner/ Exec Level Staff Owner
Transparency - Governance	Board Materials - Historical Reference 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	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 will also provide additional history.	10	Staff	Board Secretary
Transparency - Governance	Board Materials - Presentations ED should ensure staff presentations remind Board members of prior decisions, anticipate questions, articulate recommendations, and include a business case for Board decision-making	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 will also provide additional history.	10	Staff	ED

Procurement | *Covering the areas of procurement policies and procedures including diversity policy compliance*

Category	Recommendation	Action / Resolution of item	A&M Report Page #	Committee	Action Owner/ Exec Level Staff Owner
Procurement - General	Procurement Policy and Procedures 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	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	Admin	CFO
Procurement - General	Sole Source Contracts For sole sourced contracts, stringently enforce the new policy and institute a more thorough review of deliverables	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	Admin	CFO
Procurement - General	Procurement Services Department Involvement 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	Agreed. Recommendation implemented. Re-organization and centralization of the procurement function was completed by January 2012.	68	Staff	CFO
Procurement - General	Robust Reporting Processes Implement more robust reporting processes to allow workload and performance management	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. Savings are being tracked.	68	Staff	CFO
Procurement - General	Procurement Skills Identify staff skills needed, set up procurement certification plans, and train staff including partnering with departments for construction business skills	Agreed. Recommendation implemented. Re-organization and centralization of the procurement function address recommendations. Reorganization was completed by January 2012.	68	Staff	CFO
Procurement - Major Consultants	Procurement Policy Clarification 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	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.	61	Admin	CFO
Procurement - Major Consultants	Major Consultant Procurements / Board Involvement Limit Board involvement in major consultant procurements to review and approval of final contract	Agreed. Recommendation implemented. Limits of Board involvement have been incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61	Admin	CFO
Procurement - Major Consultants	Procurement Process - Executive Committee Eliminate Executive Committee observers in the evaluation process to allow for sufficient discussion	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61	Admin	CFO
Procurement - Major Consultants	Procurement Process - Bid Evaluation Reassess bid evaluation committee composition based on pertinent knowledge and/or skills	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61	Admin	CFO
Procurement - Major Consultants	Procurement Process - Due Diligence Strengthen due diligence around vendor background and credentials	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61	Admin	CFO

Procurement | *Covering the areas of procurement policies and procedures including diversity policy compliance*

Category	Recommendation	Action / Resolution of item	A&M Report Page #	Committee	Action Owner/ Exec Level Staff Owner
Procurement - Major Consultants	Procurement Process - Diversity Scoring Clearly communicate diversity scoring criteria among all participants	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.	61	Admin	AED of Administrative Services
Procurement - Major Consultants	Procurement Process - Bid Announcements Do not announce competitive procurement winners prior to Board approval	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61	Admin	CFO
Procurement - Major Consultants	Procurement Process - Staggering Stagger procurements as needed so each may be addressed with appropriate time and effort	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61	Admin	CFO
Procurement - Major Consultants	Procurement Process - Board Committee Analysis Prior to procurement decisions, request analysis by appropriate Board committee and have committee report conclusions to the full Board	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61	Board	CFO
Procurement - Major Consultants	Procurement Process - Transition Plan Vetting Include stronger transition plan vetting with Board	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61	Board	CFO
Procurement - Supplier Diversity	Benchmarks Contact firms such as Mason Tillman, governmental entities similar to NTTA, and other organizations to determine if comparable benchmark information is available	Agreed. Recommendation implemented. Staff contacted other peer organizations in December 2011 and determined the NTTA metrics are consistent with peer group.	74	Admin	AED of Administrative Services
Procurement - Supplier Diversity	Non-Compliance Recourse 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	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 protocols.	74	Admin	General Counsel
Procurement - Supplier Diversity	Supplier Diversity - Internal Review Have Internal Audit schedule periodic reviews of Business Diversity to evaluate control and governance processes	Agreed. Recommendation to be implemented. Business Diversity is a periodic audit. The Internal Audit 2012 work plan includes the Business Diversity audit to address control and governance processes. 2012 Internal Audit Workplan approved at the December 1, 2011 Finance and Audit Committee. This audit is scheduled to be completed by third quarter 2012.	74	F&A	Internal Audit
Procurement - Supplier Diversity	D/M/WBE Legal Services Firms Pursue direct engagement of D/M/WBE legal services firms	Agreed. Recommendation implemented. NTTA transferred a D/M/WBE legal subcontractor (co-bond counsel) to direct contractor status on January 1, 2012. NTTA will follow direct contracting model in upcoming legal services procurements.	74	Legal	General Counsel

Organization | Covering the areas of performance management, current business model and consultant use

Category	Recommendation	Action / Resolution of item	A&M Report Page #	Committee	Action Owner/ Exec Level Staff Owner
Organization - Employee Morale	Performance Based Pay Re-institute performance based incentive pay increases to reward and drive performance	Agreed. Recommendation implemented. Committees approved and Board adopted staff recommendation to re-institute the "pay for performance" program at the December 2011 Board meeting.	32	Admin	AED of Administrative Services
Organization - Employee Morale	Engagement Survey Administer engagement/morale survey in next year after key changes/decisions have been made to monitor progress and shape future priorities	Agreed. Recommendation implemented. Biennial employee engagement and morale survey launched March 20, 2012. The survey included County Review follow-up questions. There was a 65 percent employee response rate, which reflects a 15 percent increase over the 2010 participation level. Survey results and analysis were presented at the April 18 NTTA Board Meeting. An action plan is in the process of being developed utilizing employees across the Authority at all levels to address issues raised in the survey.	32	Admin	AED of Administrative Services
Organization - Employee Morale	County Review Marketing Plan Board Chairman and ED should develop a marketing plan to communicate findings from the county review and proposed initiatives to address areas of concern	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. Going forward, future quarterly meetings and updates will be posted on the NTTA website.	32	Board	ED
Organization - Employee Morale	Employee Core Focus Group 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	Agreed. Recommendation implemented. Executive Director, Board Chairman and Vice Chairman attended the February 23 and March 27 Employee Engagement Committee meetings, respectively, and discussed major ideas and feedback received from employees across all departments at various levels of the Authority. 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.	32	Staff	ED
Organization - Employee Morale	On-boarding Materials Focus Strengthen operations focus of on-boarding materials for existing and new Board members	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.	32	Staff	AED of Operations
Organization - Employee Morale	Improved Communication with Board Improvements to communication, cooperation across the organization and with the Board are addressed in organizational structure and Board governance recommendations	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	Staff	ED

Organization | Covering the areas of performance management, current business model and consultant use

Category	Recommendation	Action / Resolution of item	A&M Report Page #	Committee	Action Owner/ Exec Level Staff Owner
Organization - Future State	Succession Planning Board should direct ED to develop succession plans for key positions in the organization	Agreed. Recommendation implemented. NTTA succession planning framework developed and implemented as of April 5, 2012. Succession plans for key positions identified are underway and will be completed by June 30.	40	Admin	ED
Organization - Future State	Customer Service / Collection Separation Separate customer service and collections under Director of Customer Service and Collections	Agreed. Recommendation implemented. The NTTA has separated customer service and collections organizations after the second notice of non-payment. Some actions related to this item are detailed in the action/resolution of item column in item 46.	40	CSPOC	AED of Operations
Organization - Future State	Organizational Structure Reporting 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	TBD - Organizational structure to be evaluated. Legal Services Committee discussed recommendation at December 1, 2011 Committee meeting. Action deferred until organizational structure review is completed for NTTA as a whole.	40	Staff	ED
Organization - Future State	Organizational Structure - ED Direct Reports 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	TBD - Organizational structure to be evaluated.	40	Staff	ED
Organization - Future State	Deputy Executive Director Conduct search for a candidate to fulfill a Deputy Executive Director - preferably with operational transformation/process improvement experience within the toll industry	Agreed. Recommendation to be implemented. The initial steps are underway to begin the recruitment process for the Deputy Executive Director.	40	Staff	ED
Organization - Future State	Reporting Structure - Diversity Embed diversity function into the CFO organization for alignment with procurement function	TBD - Organizational structure to be evaluated.	40	Staff	ED
Organization - Future State	Financial Planning and Analysis Create a Financial Planning and Analysis organization within CFO organization to manage the budgeting process, Agency Scorecard and metrics, reporting and analysis	Agreed. Recommendation to be implemented. Proposed 2012 budget includes additional analyst staffing to establish function as recommended.	40	Staff	ED
Organization - Future State	Reporting Structure HR and Communications Embed Human Resources and Communications & Marketing into Operations to drive alignment and prioritization of functional support to Operations	TBD - Organizational structure to be evaluated.	40	Staff	ED
Organization - Major Consultants	PMC and GEC Contracts 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	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	55	CSPOC	AED of Project Delivery

Organization | Covering the areas of performance management, current business model and consultant use

Category	Recommendation	Action / Resolution of item	A&M Report Page #	Committee	Action Owner/ Exec Level Staff Owner
Organization - Major Consultants	Accountability and Controls Institute more defined roles and accountability, such as controls and monitoring of actual work expenses vs. work authorization (i.e. budget)	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	F&A	CFO
Organization - Major Consultants	Legal Services Protocols 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"	Agreed. Recommendation being 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. 71 responses were submitted by law firms in early June and assignments from the register of firms should begin in July. General Counsel anticipates making recommendations concerning any needed amendments to Protocols to Administration Committee in August. Terms of Board Counsel contract being implemented by General Counsel.	55	Legal (Admin)	General Counsel
Organization - Major Consultants	In-House Legal Services Competency Build internal competency of legal services with new in-house General Counsel and reduce reliance on individual, third-party expertise	Agreed. Recommendation being implemented. In January 2012, Legal implemented a law student intern program to provide supplemental internal legal research capabilities. Two students interned in the Spring and three students will be serving in the summer. A recent graduate of Columbia University law school will begin a one-year transportation law fellowship in June. Also in June, Legal is adding a half-time lawyer position to focus on collections and toll violation enforcement.	55	Legal (Admin)	General Counsel
Organization - Major Consultants	Legal Services Protocol Reviews New in-house General Counsel to review Legal Services protocols and propose any changes to the Board within six months	Agreed. Recommendation being implemented. The Legal Services Committee met and considered this item at the December 1, 2011, Committee meeting. General Counsel anticipates making recommendations concerning any needed amendments to Protocols in August.	55	Legal (Admin)	General Counsel
Organization - Major Consultants	Business Model 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	Agreed. Recommendation implemented. Core competency positions within the organization have been identified and budgeted accordingly. Staffing and outsourcing will be considered in each upcoming budget cycle based upon anticipated workload forecasts and business case.	55	Staff	ED

Organization | Covering the areas of performance management, current business model and consultant use

Category	Recommendation	Action / Resolution of item	A&M Report Page #	Committee	Action Owner/ Exec Level Staff Owner
Organization - Performance Management	Annual Business Performance Calendar 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	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. Dates have been added to the agenda forecast for FY 2012.	38	Admin	AED of Administrative Services
Organization - Performance Management	Develop Annual Executive Incentive Plan 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	Agreed. Recommendation to be implemented. EIP development to be discussed with the Board as an alternative to current structure, and EIP developed by end of third quarter 2012 (as part of preliminary budget process). Executive performance measures in 2012 will incorporate Agency Scorecard metrics.	38	Admin	AED of Administrative Services
Organization - Performance Management	Develop ED personal goals 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	Agreed. Recommendation implemented. Executive Director goals to be established in advance of 2013 by the Board. Interim goals were developed and interim status was reviewed by the Board at the January 18, 2012 Board meeting.	38	Admin	Board
Organization - Performance Management	Board/ ED Review Process A minimum of an interim review against performance goals between the Board and the Executive Director should be planned each year	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.	38	Admin	ED
Organization - Performance Management	Performance Management Training Provide annual performance management training on developing goals, reviewing performance and handling difficult conversations	Agreed. Recommendation implemented. Annual performance management training was conducted on December 7-8, 2011.	38	Admin	AED of Administrative Services
Organization - Performance Management	Agency Scorecard and Metrics 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	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 is in the process of being developed for inclusion in future reports.	38	Board	ED

Finance | Covering the areas of liquidity, debt coverage, funding and collections

Category	Recommendation	Action / Resolution of item	A&M Report Page #	Committee	Action Owner/ Exec Level Staff Owner
Finance - Analytics	Financial Planning and Analysis Dept. 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	Agreed. Recommendation to be implemented. New financial and analysis positions have been identified in 2012 budget to establish the function. Implementation is dependent on the overall direction of the organization.	85	Staff	CFO
Finance - Analytics	Staff Proposals - Business Case and Analytical Rigor Executive Director should ensure staff proposals to the Board include a business case and sufficient analytical rigor	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 include business case and sufficient analytical rigor.	85	Staff	ED
Finance - Analytics	Financial Analyst Manager 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	Agreed. Recommendation to be implemented. New financial and analysis positions have been identified in 2012 budget to establish the function . Implementation is dependent on the overall direction of the organization.	85	Staff	CFO
Finance - Analytics	Augment Analytics Capabilities Hire resources to augment the existing analytics capabilities	Agreed. Recommendation to be implemented. New financial and analysis positions have been identified in 2012 budget to establish the function . Implementation is dependent on the overall direction of the organization.	85	Staff	CFO
Finance - Collections	ZipCash Cost Reduction The NTTA should protect its margin by reducing the incremental cost of ZipCash transactions	Agreed. Recommendation to be 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 have been engaged to assist in analysis and recommendations to further this effort. Focused briefings were delivered to the Board in February, March and April. Staff has delivered measurable success, and continue to focus on these type initiatives through the Revenue Assurance Action Plan.	76	F&A	AED of Operations

Finance | Covering the areas of liquidity, debt coverage, funding and collections

Category	Recommendation	Action / Resolution of item	A&M Report Page #	Committee	Action Owner/ Exec Level Staff Owner
Finance - Collections	ZipCash Conversion Marketing The NTTA should renew it's efforts, and invest marketing dollars to target ZipCash customers for conversion to TollTags	Agreed. Recommendation implemented and is ongoing. Currently, the NTTA is running a GoTag campaign. An enforcement campaign to encourage payment and TollTag conversion will launch in Mid-June. Annual marketing plan identifies strategies, and the annual operations and maintenance budget will support initiatives targeting specific ZipCash demographics. Performance will be reported via the quarterly updates of the Revenue Assurance Program. Briefing was completed in March 2012 to the CSPOC Committee. TollTag Distribution - 22 percent increase in TollTag distribution and a 20 percent increase in TollTag accounts year over year. High Volume ZipCash Users - Launched pilot program via direct mail to convert high volume ZipCash users to TollTags Hispanic Outreach - Launched a program with FC Dallas to improve Hispanic outreach and TollTag usage.	76	F&A	AED of Administrative Services
Finance - Collections	Collections Process Improvements 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	<ul style="list-style-type: none"> The NTTA engaged several industry experts to conduct an end-to-end review of the NTTA collection process. Staff is focused on implementing a number of the recommendations including: a revised quality monitoring process for image review; improvements in non-pursuable transactions due to no DMV record; increased pursuit of out-of-state drivers; and implementation of a hard wall separating customer service and collections. Additional actions will be highlighted in the presentation. TollTag penetration rate increased from 76.04% in Oct. 2011 to 77.73% in Feb. 2012 <ul style="list-style-type: none"> - ZipCash conversion users converted to TollTag account holders through CSC adjustment - Developed additional account types to address/remove barriers (September implementation) Increased pursuable transactions through image capture from 96.07% in Oct. 2011 to 97.27% in Mar. 2012 <ul style="list-style-type: none"> - Front camera installation substantially completed on all main lanes - Redundant color camera installation completed on DNT, SRT, 85% of PGBT(complete Nov), LLTB and MCLB - Enhanced quality monitoring process for manual image review 	76	F&A	AED of Operations

Finance | Covering the areas of liquidity, debt coverage, funding and collections

Category	Recommendation	Action / Resolution of item	A&M Report Page #	Committee	Action Owner/ Exec Level Staff Owner
		<p>Reduced non-pursuable transactions due to no DMV record from 3.48% in Oct. 2011 to 2.82% in Apr. 2012</p> <ul style="list-style-type: none"> - Completed DocNo project implementation - eTags (temporary plate) DMV database integrated onto violation process (June) - Increased volume of out-of-state pursuit (Feb.) <p>Reduced the number of non-invoiced transactions from 1.4% Oct. 2011 to 1.2% in Apr. 2012 by lowering the number of transactions to invoice, and increased the amount of collected administrative fees by 20% in May,</p> <ul style="list-style-type: none"> - Reduced business rule trigger from 5 transactions to 3 (currently implementing), with a sweep to two transactions to begin in first quarter 2013 - Implemented a “hard wall” separating customer service and collections organizations after the second notice of non-payment as recommended by the Toll Assessment report - Developed an implementation plan for additional toll remedies currently available 			
Finance - Forecasts	Coordinate Operational Assumptions Continue to monitor the segment data and actively coordinate with the T&R consultant on operational assumptions	Agreed. Recommendation implemented. Finance staff will continue to work with the T&R consultants to ensure latest data is available to inform projections.	87	F&A	CFO
Finance - Forecasts	Continue Conservative Cost Budgets Continue to be conservative with cost budgets to avoid the need for amendments	Agreed. Recommendation implemented. Appropriately conservative budgeting philosophy has guided cost budget development for 2012 budgets.	87	F&A	CFO
Finance - Forecasts	Cash flow Communication to Board Develop the capabilities to communicate cash flow to Board members	Agreed. Recommendation implemented. Finance is providing the information as part of the enhanced Monthly Financial Report (MFR) presentation.	87	F&A	CFO
Finance - Forecasts	In-Depth Forecast Details Provide in-depth revenue, capital and operating expense forecast details to Board	Agreed. Recommendation implemented. The annual budget and the 5 year capital plan documents, taken as a whole, provide the detail forecast of capital and operating expenses planned through 2016.	87	F&A	CFO
Finance - Long Range Planning	Legislative Matters Stay proactive in legislative matters impacting NTTA’s financial outlook	Agreed. Recommendation implemented. The Government Affairs Department monitors legislation and legislative initiatives impacting the Authority. The Board remains proactive and engaged in developing legislation.	93	Admin	ED/Board
Finance - Long Range Planning	Long Range Planning 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	Agreed. Recommendation to be implemented. The NTTA Strategic Plan was discussed at the January 2012 Board retreat. Plans are to work with the Board and region to determine and develop longer-range strategic plan priorities that better inform regional plans.	93	Board	ED

Finance | Covering the areas of liquidity, debt coverage, funding and collections

Category	Recommendation	Action / Resolution of item	A&M Report Page #	Committee	Action Owner/ Exec Level Staff Owner
Finance - Long Range Planning	Road Feasibility Analysis Have T&R and engineering consultant update financial and T&R projections road feasibility analysis based on anticipated development start dates	Agreed. Recommendation to be implemented. Preliminary feasibilities have been developed based on capacity of the System. Feasibilities will be updated based on priority established by the Board.	93	F&A	CFO
Finance - Long Range Planning	Leverage System Resources with Outside Parties 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	Agreed. Recommendation implemented. NTTA will continue to look for opportunities to partner with other entities to leverage resources.	93	F&A	CFO