October 31, 2012

Kenneth Barr
Chairman
Tarrant County

Bill Moore
Vice Chairman
Collin County

David R. Denison
Director
Denton County

William D. Elliott
Director
Governor's Appointee

Matrice Ellis-Kirk
Director
Dallas County

Michael R. Nowels
Director
Denton County

George (Tex) Quesada
Director
Dallas County

Victor T. Vandergriff
Director
Tarrant County

Jane Willard
Director
Collin County

Gerry Carrigan
Executive Director

Dear County Judges:

We are pleased to provide the NTTA's Action Plan Update in response to the Independent Financial and Performance Review. This is our third formal report of our progress to you, our stakeholders and our customers.

It has been one year since Alvarez & Marsal completed the review, and we are proud to report that 96 percent of the recommendations have been implemented. We have worked with diligent focus to execute these recommendations and continue to see advancement every day. Attached is an observation letter from Ron Orsini validating the progress made to date.

A key component of the County Review recommendations was a new organizational structure to improve NTTA operations. As you know, we recently began implementing organizational changes that streamline the Authority, making it a more efficient and an effective business organization. We also filled the deputy executive director position – John Carreker III joined our staff this week. His vast experience in the payment technology and financial services industry will serve us well, and I believe he will be a key addition to advance our core operations to the next level.

The NTTA also made considerable strides to shore up revenue through strengthened collections processes. Our Top Toll Violators program and our "Pay Up" campaign exemplify the measures we are taking to ensure the Authority collects all tolls due.

The NTTA remains focused at all levels of the organization – from our front line employees to our Board of Directors – on our mission to deliver quality transportation choices. We plan to convene a final meeting early next year to brief you on the last few items in progress to complete this portion of the County Review process.

As we position the NTTA for the future, the County Review will serve as our benchmark to help us track, monitor and assess our performance in the four key areas that the review addressed: transparency, procurement, organization and finance. We welcome your feedback. Your support of the County Review implementation is greatly appreciated.

Sincerely,

Gerald Carrigan
Executive Director

P.O. Box 260729
Plano, TX 75026

5900 W. Plano Parkway
Plano, TX 75093

COUNTY REVIEW ACTION PLAN UPDATE

Transparency | Procurement | Organization | Finance

A summary of progress made to date toward implementing the County Review recommendations.

THIRD REPORTING

July 2012 – October 2012

October 31, 2012

October 22, 2012

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

Dear Gerry:

Per your request, I have reviewed in detail the list covering the status, as of October 11, 2012, of the recommendations in the County Review final report.

Upon reviewing the action plan update document, I am comfortable that the status of each recommendation is accurate based on the information provided to me by you and your team. Furthermore, I am pleased to see recent actions such as:

- A reorganization that increases focus on collections, strategic planning, and innovation
- The hiring of a seasoned business executive with transaction processing experience as Deputy Executive Director
- A re-introduction of performance-based incentive pay in the coming year
- A thorough internal audit risk assessment of the internal collections processes with improvements already underway
- Implementation of additional initiatives to improve collections and deter violations
- Establishment of regular reviews of the Legal Services Protocols, including one just this month

I would like to acknowledge the NTTA employees, Board and you for your willingness to adopt the recommendations of the County Review and more, in order to drive improved governance and operational improvement.

Please let me know if you have any questions.

Regards,

Ronald Orsini
Managing Director

EXECUTIVE SUMMARY

COUNTY REVIEW ACTION PLAN UPDATE

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.
- At the June 20, 2012, Special-Called Board meeting, staff provided the NTTA Board of Directors, county judges and general public with the second formal reporting of progress made of the 82 recommendations. Of these recommendations, 76 percent (62) had been completed and implemented, 18 percent (15) were in progress at that time, 5 percent (4) of the items related to the NTTA's organizational design and were pending future action, and one percent (1) required ongoing action relating to the county judges' decisions.
- As of Oct. 24, 2012, 96 percent (79) of the 82 recommendations have been completed and implemented, with 4 percent (3) of the recommendations still pending. Of the three recommendations, two items are ongoing focus initiatives, and the third item will be completed in fourth quarter 2012.

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:

- o Transparency
- o Procurement
- o Organization
- o 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 October 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 completed this year:
  - Maintenance Management Consultant (MMC) (Contract – May 2012)
  - Financial Advisor (FA) (General Municipal Financial Advisory Service Contract – June 2012, P3 Financial Advisor Contract – August 2012)
  - Traffic and Revenue (T&R) (NTTA System Contract – September 2012, Special Projects System Contract– September 2012)
  - Program Management Consultant (PMC) (Selection approved – September 2012, Contract to be presented for Board approval November 2012)
  - General Engineering Consultant (GEC) (Advertised – September 2012. Selection to be presented for Board approval – December 2012. Contract will be presented to Board for approval upon successful negotiation with most qualified respondent)
  - Legal Services (LS) (Advertisement – April 2012. Registry of firms established June 2012. Assignments for legal services awarded – October 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).

- 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 was developed between management and the employee engagement committee 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 that were reviewed at the Oct. 4, 2012 Legal Services Committee meeting. Periodic reviews of the Protocols will be ongoing.
- A Legal Services request for qualifications (RFQ) was approved by the Board (April 2012). A Registry of legal services firms established June 2012, with 11 assignments from the Registry of firms completed to date.
- General Counsel continues to evaluate appropriate mix of in-house and outside counsel resources to serve NTTA's legal services needs.
- The future state organization was completed in September 2012 and announced to NTTA employees. Communication about the reorganization was also provided to key external stakeholders. Transition plans are currently underway and the new structure is expected to be fully implemented by Jan. 1, 2013. The restructuring provides core operational leadership, supports cross-organizational collaboration and allows the executive director to focus on external industry and Board relationships.
- A deputy executive director was selected and is on board as of Oct. 23, 2012. The new executive's experience in payment technology and financial services will support the NTTA's focus on improved collections and seek new revenue sources.

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 are being updated to determine and develop longer range plan priorities that better inform regional plans.
- 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 TollTag usage.
- The NTTA engaged several industry experts to conduct an end-to-end review of the NTTA collection process. Staff has implemented several 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 separated customer service and collections organizations after the second notice of non-payment (September 2011).

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

  - Enhance transaction capture and processing
  - Raise awareness
  - Enhance collection activity
  - Increase customer options
  - Enhanced deterrents

NEXT STEPS

- Complete implementation of the three remaining items currently in progress.
- Conduct a formal briefing early next year with NTTA member county judges to review the final progress report and solicit input for action items going forward.
- Continue to post updates to the County Review on the NTTA website, and update the report as needed.
- Utilize the County Review as a benchmark to track, monitor and assess NTTA's performance in the four key areas of the County Review – transparency, procurement, organization and finance.

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
1	Transparency Governance	Admin	**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)	Board	Agreed. Recommendation implemented. Board established clear roles/responsibilities at the January 2012 Board retreat. Habits of effective Board members and long-term vision, strategic direction and future of the NTTA were also discussed.	10
2	Transparency Conflicts of Interest	Admin	**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	General Counsel	Agreed. Recommendation implemented. The NTTA Board approved its Ethics and Conflict of Interest Policy by unanimous vote at the January 18, 2012 Board meeting. This was memorialized by Resolution #12-05.	20
3	Transparency Conflicts of Interest	Admin	**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	General Counsel	Agreed. Recommendation implemented. The NTTA Board approved its Ethics and Conflict of Interest Policy by unanimous vote at the January 18, 2012 Board meeting. This was memorialized by Resolution #12-05.	20
4	Transparency Conflicts of Interest	Admin	**Ethics Officer** | NTTA should designate an Ethics Officer to oversee management of the process. This is commonly the in-house General Counsel	General Counsel	Agreed. Recommendation implemented. The NTTA General Counsel was appointed the NTTA's Ethics Officer by the Board at the January 18, 2012 Board meeting.	20
5	Organization Employee Morale	Admin	**Performance Based Pay** | Re-institute performance based incentive pay increases to reward and drive performance	AED of Administrative Services	Agreed. Recommendation implemented. Committees approved and Board adopted staff recommendation to re-institute the "pay for performance" program at the December 2012 Board meeting.	32
6	Organization Employee Morale	Admin	**Engagement Survey** | Administer engagement/morale survey in next year after key changes/decisions have been made to monitor progress and shape future priorities	AED of Administrative Services	Agreed. Recommendation implemented. Biennial employee engagement and morale survey 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

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
7	Organization Performance Management	Admin	**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	AED of Administrative Services	Agreed. Recommendation implemented. Annual business performance management calendar has been developed and aligns the annual performance management calendar to include the Executive Director, General Counsel, Internal Auditor and Board Secretary notwithstanding any interim reviews that may be scheduled. Dates have been added to the agenda forecast for FY 2012.	38
8	Organization Performance Management	Admin	**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	AED of Administrative Services	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
9	Organization Performance Management	Admin	**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	Board	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
10	Organization Performance Management	Admin	**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	ED	Agreed. Recommendation implemented. The Board conducted a review of Gerry Carrigan's performance as Interim Executive Director at the April 18, 2012 Board meeting. This resulted in the unanimous Board approval to appoint Mr. Carrigan as the permanent Executive Director of the NTTA. This item was memorialized by resolution #12-90.	38
11	Organization Performance Management	Admin	**Performance Management Training** | Provide annual performance management training on developing goals, reviewing performance and handling difficult conversations	AED of Administrative Services	Agreed. Recommendation implemented. Annual performance management training was conducted on December 7-8, 2011.	38
12	Organization Future State	Admin	**Succession Planning** | Board should direct ED to develop succession plans for key positions in the organization	ED	Agreed. Recommendation implemented. NTTA succession planning framework developed and implemented as of April 5, 2012. Succession plans for key positions identified are underway and will be completed by June 30.	40

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
13	Procurement Major Consultants	Admin	**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	CFO	Agreed. Recommendation implemented. Clarification language has been incorporated into revised NTTA Procurement Policy that was approved at the April 18, 2012 Board meeting. This was memorialized by Resolution #12-64.	61
14	Procurement Major Consultants	Admin	**Major Consultant Procurements / Board Involvement** | Limit Board involvement in major consultant procurements to review and approval of final contract	CFO	Agreed. Recommendation implemented. Limits of Board involvement have been incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61
15	Procurement Major Consultants	Admin	**Procurement Process - Executive Committee** | Eliminate Executive Committee observers in the evaluation process to allow for sufficient discussion	CFO	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61
16	Procurement Major Consultants	Admin	**Procurement Process - Bid Evaluation** | Reassess bid evaluation committee composition based on pertinent knowledge and/or skills	CFO	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61
17	Procurement Major Consultants	Admin	**Procurement Process - Due Diligence** | Strengthen due diligence around vendor background and credentials	CFO	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61
18	Procurement Major Consultants	Admin	**Procurement Process - Diversity Scoring** | Clearly communicate diversity scoring criteria among all participants	AED of Administrative Services	Agreed. Recommendation implemented. Diversity scoring criteria has been established and will be communicated to scorers and all participants. Criteria has also been incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61
19	Procurement Major Consultants	Admin	**Procurement Process - Bid Announcements** | Do not announce competitive procurement winners prior to Board approval	CFO	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61
20	Procurement General	Admin	**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	CFO	Agreed. Recommendation implemented. Recommendations were incorporated into the revised NTTA Procurement Policy that was approved at the April 18, 2012 Board meeting. This was memorialized by Resolution #12-64.	68

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
21	Procurement General	Admin	**Sole Source Contracts** | For sole sourced contracts, stringently enforce the new policy and institute a more thorough review of deliverables	CFO	Agreed. Recommendation implemented. Recommendations were incorporated into the revised NTTA Procurement Policy that was approved at the April 18, 2012 Board meeting. This was memorialized by Resolution #12-64.	68
22	Procurement Supplier Diversity	Admin	**Benchmarks** | Contact firms such as Mason Tillman, governmental entities similar to NTTA, and other organizations to determine if comparable benchmark information is available	AED of Administrative Services	Agreed. Recommendation implemented. Staff contacted other peer organizations in December 2011 and determined the NTTA metrics are consistent with peer group.	74
23	Procurement Supplier Diversity	Admin	**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	General Counsel	Agreed. Recommendation implemented. The Business Diversity Department web page was updated in December 2011 to provide the NTTA Ethics and Fraud Hotline information and clearly communicate escalation and reporting protocols.	74
24	Finance Long Range Planning	Admin	**Legislative Matters** | Stay proactive in legislative matters impacting NTTA's financial outlook	ED/Board	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
25	Procurement Major Consultants	Admin	**Procurement Process - Staggering** | Stagger procurements as needed so each may be addressed with appropriate time and effort	CFO	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61
26	Transparency Governance	Board	**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	ED	Agreed. Recommendation implemented. Committee structure, roles and responsibilities for Board and staff advisors have been clearly defined by each adopted Committee Charter (November 2011) and are realistic and manageable.	10
27	Transparency Governance	Board	**Re-establish Board Committees** | Committees should be re-established and the purpose, scope, and roles of the committees should be defined by charter	ED	Agreed. Recommendation implemented. Committee structure has been reestablished and is functioning well. Roles and responsibilities for Board and staff were clearly defined by adopted Committee Charters in November 2011.	10

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
28	Organization Employee Morale	Board	**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	ED	Agreed. Recommendation implemented. Initial quarterly update public meeting posted on website to communicate actions/initiatives relative to the County Review to the County Judges. The full interactive County Review action plan matrix was placed on the NTTA website to keep the public abreast of progress made. Going forward, future quarterly meetings and updates will be posted on the NTTA website.	32
29	Organization Performance Management	Board	**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	ED	Agreed. Recommendation implemented. Based on feedback received at the January 2012 Board retreat, 23 proposed strategic performance metrics (Finance, Operations, Administrative Services and Projects) were presented to the Board for input and feedback at the March 21 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
30	Procurement Major Consultants	Board	**Procurement Process - Board Committee Analysis** | Prior to procurement decisions, request analysis by appropriate Board committee and have committee report conclusions to the full Board	CFO	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61
31	Procurement Major Consultants	Board	**Procurement Process - Transition Plan Vetting** | Include stronger transition plan vetting with Board	CFO	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61
32	Transparency Governance	Board	**Strategic Planning - Board Involvement** | Strategic planning process should include meaningful involvement from the Board; the Board and ED should manage to the plan	ED	Agreed. Recommendation implemented. Strategic planning process launched at the January 2012 Board retreat. An updated mission statement, which reflects the NTTA's core operations, was adopted at the March 21, 2012 Board Workshop.	10

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
33	Transparency Conflicts of Interest	Board	**Annual Conflicts and Ethics Training** | The Board should participate in annual conflicts of interest and ethics training	Board Secretary	Agreed. Recommendation implemented. Per the Ethics Policy adopted at the January 18, 2012 Board meeting, the Board committed itself to annual conflicts of interest training. The first session was conducted at the January 2012 Board retreat.	20
34	Transparency Communicate w/Transportation Community	Board	**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	ED	Agreed. Recommendation implemented. The NTTA continues to meet with local, state and federal stakeholders to strengthen relationships, develop partnerships, and increase outreach about NTTA projects. In 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
35	Finance Long Range Planning	Board	**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	ED	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
36	Transparency Communicate w/Public	Board	**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	Chairman	Agreed. Recommendation implemented. At the January Board retreat, a Board communications philosophy was established and Board members completed a communications/media seminar. The Executive Director serves as the point person for Board communications.	27
37	Transparency Communicate w/Public	Board	**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	Chairman	Agreed. Recommendation implemented. Board Chairman has re-established a functional Committee structure empowering the Committee chairs and informing membership. Key staff members assigned as liaisons to the Board Committees. The Executive Director convenes one-on-one sessions with Board Committee chairpersons prior to meetings.	27
38	Transparency Governance	Board	**Meeting Agendas** | Chair and ED should structure meeting agendas to focus attention on the most important policy decisions and updates	ED	Agreed. Recommendation implemented. Chair and ED jointly draft and review Board agenda to manage requisite action items, policy and informational items.	10

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
39	Transparency Board Make-Up	County Commissioners Court	**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	County Judges	Agreed. Recommendation implemented. Three new appointments have diversified the experience and expertise of the Board as recommended.	22
40	Transparency Communicate w/Public	County Commissioners Court	**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	County Judges	Member County Commissioner's court action as required.	27
41	Transparency Board Make-Up	County Commissioners Court	**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	County Judges	Agreed. Recommendation implemented. Three new appointments have diversified the experience and expertise of the Board as recommended.	22
42	Organization Future State	CSPOC	**Customer Service / Collection Separation** | Separate customer service and collections under Director of Customer Service and Collections	AED of Operations	Agreed. Recommendation implemented. The Customer Service and Collections activities have been separated consistent with SB469. The NTTA CSC communicates with TollTag and ZipCash patrons until the issuance of the third notice of nonpayment. At that point, a contracted collection agency handles all communications to/from patrons.	40
43	Organization Major Consultants	CSPOC	**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	AED of Project Delivery	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	55

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
44	Finance Collections	F&A	**ZipCash Cost Reduction** | The NTTA should protect its margin by reducing the incremental cost of ZipCash transactions	AED of Operations	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. Recommendation to size Zip Cash toll rate to shift customer behavior trend was presented and will advance to full Board for consideration in July.	76
45	Finance Collections	F&A	**ZipCash Conversion Marketing** | The NTTA should renew its efforts, and invest marketing dollars to target ZipCash customers for conversion to TollTags	AED of Administrative Services	Agreed. Recommendation implemented and is ongoing. Currently we are 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.	76

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
46	Finance Collections	F&A	**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	AED of Operations	Agreed. Recommendation to be implemented. In addition to the annual review of the collection process in the Revenue Assurance Program, the NTTA engaged a third party collection expert to review and identify process improvements. The analysis supported the Alvarez & Marsal recommendation of separating the collection and customer service activities. The staff recommendation was made and supported by the Board during the committee review of third party review at the April committee meetings. A "hard wall" was supported to be placed between the second and third notice of nonpayment; implementation was initiated in May 2012. In addition to the third party review of the collections process, the citation process automation is included in the scope of the RITE system upgrade to be delivered in September 2012. Staff has entered into discussion with third parties to provide AR factoring, selling of uncollected debt. Staff has also worked with American Express to capture best practice in moving more aggressively toward outbound calling before the third notice of nonpayment. This activity will require skip tracing at a much larger volume than is currently budgeted, and as such will be included in the 2013 budget process currently underway. NTTA has met with each county individually and as an entire group to discuss optimizing the JP court process. The result was an ILA outlining the process, increasing the understanding and consistency of approaches used.	76
47	Transparency Governance	F&A	**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	Internal Audit/ED	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
48	Organization Major Consultants	F&A	**Accountability and Controls** | Institute more defined roles and accountability, such as controls and monitoring of actual work expenses vs. work authorization (i.e. budget)	CFO	Agreed. Recommendation implemented. Recently implemented PeopleSoft commitment control along with procedures. Appropriate staff was trained on October 25, 2011. Training of new staff will occur as needed.	55

County Review Action Plan Update
North Texas Tollway Authority

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
49	Procurement Supplier Diversity	F&A	**Supplier Diversity - Internal Review** | Have Internal Audit schedule periodic reviews of Business Diversity to evaluate control and governance processes	Internal Audit	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
50	Finance Forecasts	F&A	**Coordinate Operational Assumptions** | Continue to monitor the segment data and actively coordinate with the T&R consultant on operational assumptions	CFO	Agreed. Recommendation implemented. Finance staff will continue to work with the T&R consultants to ensure latest data is available to inform projections.	87
51	Finance Forecasts	F&A	**Continue Conservative Cost Budgets** | Continue to be conservative with cost budgets to avoid the need for amendments	CFO	Agreed. Recommendation implemented. Appropriately conservative budgeting philosophy has guided cost budget development for 2012 budgets.	87
52	Finance Forecasts	F&A	**Cash flow Communication to Board** | Develop the capabilities to communicate cash flow to Board members	CFO	Agreed. Recommendation implemented. Finance is providing the information as part of the enhanced MFR presentation.	87
53	Finance Forecasts	F&A	**In-Depth Forecast Details** | Provide in-depth revenue, capital and operating expense forecast details to Board	CFO	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
54	Finance Long Range Planning	F&A	**Road Feasibility Analysis** | Have T&R and engineering consultant update financial and T&R projections road feasibility analysis based on anticipated development start dates	CFO	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

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
55	Finance Long Range Planning	F&A	**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	CFO	Agreed. Recommendation implemented. NTTA will continue to look for opportunities to partner with other entities to leverage resources.	93
56	Organization Major Consultants	Legal (Admin)	**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"	General Counsel	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
57	Organization Major Consultants	Legal (Admin)	**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	General Counsel	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
58	Organization Major Consultants	Legal (Admin)	**Legal Services Protocol Reviews** | New in-house General Counsel to review Legal Services protocols and propose any changes to the Board within six months	General Counsel	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
59	Procurement Supplier Diversity	Legal (Admin)	**D/M/WBE Legal Services Firms** | Pursue direct engagement of D/M/WBE legal services firms	General Counsel	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

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60	Transparency Governance	Staff	**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	ED	Agreed. Recommendation implemented. Interim ED has initiated "one-on-one" briefings related to issues and strategic topics with Directors in advance of Committee/Board meetings.	10
61	Transparency Communicate w/Transportation Community	Staff	**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	ED	Agreed. Recommendation implemented. ED continues to participate and encourage/support active participation by staff. Participation includes executive level involvement in trade and industry groups and serving as panelists and moderators at trade and industry group conferences.	30
62	Organization Future State	Staff	**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	ED	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
63	Organization Major Consultants	Staff	**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	ED	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
64	Transparency Communicate w/Public	Staff	**Post Meeting Minutes** | Detailed minutes from the Board meetings should be posted on NTTA's website to be consistent with best practices	ED	Agreed. Recommendation implemented. Minutes of 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

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
65	Organization Employee Morale	Staff	**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	ED	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
66	Organization Employee Morale	Staff	**On-boarding Materials Focus** | Strengthen operations focus of on-boarding materials for existing and new Board members	AED of Operations	Agreed. Recommendation implemented. On-boarding materials and process have been enhanced for more effective discussions on operations prior to on-boarding of any future new appointees as of December 9, 2011.	32
67	Organization Employee Morale	Staff	**Improved Communication with Board** | Improvements to communication, cooperation across the organization and with the Board are addressed in organizational structure and Board governance recommendations	ED	Agreed. Recommendation implemented. Several actions have been initiated. Key staff liaisons have been assigned to Board Committees for enhanced communication; re-establishment of focused weekly ED/AED/Directors meetings; weekly ED communications to all employees; re-emphasized "customer service" culture (both external & internal).	32
68	Organization Future State	Staff	**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	ED	TBD - Organizational structure to be evaluated.	40
69	Organization Future State	Staff	**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	ED	Agreed. Recommendation to be implemented. Staff is conducting the initial steps to begin the recruitment process including reviewing and updating the job description, identifying a search firm, developing a recruitment plan, and establishing a timeline.	40
70	Organization Future State	Staff	**Reporting Structure - Diversity** | Embed diversity function into the CFO organization for alignment with procurement function	ED	TBD - Organizational structure to be evaluated.	40

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71	Organization Future State	Staff	**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	ED	Agreed. Recommendation to be implemented. Proposed 2012 budget includes additional analyst staffing to establish function as recommended.	40
72	Organization Future State	Staff	**Reporting Structure HR and Communications** | Embed Human Resources and Communications & Marketing into Operations to drive alignment and prioritization of functional support to Operations	ED	TBD - Organizational structure to be evaluated.	40
73	Procurement General	Staff	**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	CFO	Agreed. Recommendation implemented. Re-organization and centralization of the procurement function was completed by January 2012.	68
74	Procurement General	Staff	**Robust Reporting Processes** | Implement more robust reporting processes to allow workload and performance management	CFO	Agreed. Recommendation implemented. Metrics and reporting have been developed and are in use by the Director of Procurement to measure the performance of the Procurement department. Savings are being tracked.	68
75	Procurement General	Staff	**Procurement Skills** | Identify staff skills needed, set up procurement certification plans, and train staff including partnering with departments for construction business skills	CFO	Agreed. Recommendation implemented. Re-organization and centralization of the procurement function address recommendations. Reorganization was completed by January 2012.	68
76	Finance Analytics	Staff	**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	CFO	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
77	Finance Analytics	Staff	**Staff Proposals - Business Case and Analytical Rigor** | Executive Director should ensure staff proposals to the Board include a business case and sufficient analytical rigor	ED	Agreed. Recommendation implemented. New financial and analysis positions have been identified in 2012 budget to support analytics and business case development for staff proposals. Board agenda items include business case and sufficient analytical rigor.	85

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78	Finance Analytics	Staff	**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	CFO	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
79	Finance Analytics	Staff	**Augment Analytics Capabilities** | Hire resources to augment the existing analytics capabilities	CFO	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
80	Transparency Governance	Staff	**Board Materials - Circulation** | Board secretary should circulate Board materials in advance, clearly indicating which topics require decisions and which are for discussion/input	ED	Agreed. Recommendation implemented. Agenda materials are compiled and circulated in advance of meetings to allow review time by Board members and committees.	10
81	Transparency Governance	Staff	**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	Board Secretary	Agreed. Recommendation implemented. Board and Committee past actions related to a specific agenda item are recounted in the item's Executive Summary by originating staff (and coordinated with Board Secretary). Committee reports will also provide additional history.	10
82	Transparency Governance	Staff	**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	ED	Agreed. Recommendation implemented. ED and executive staff have re-energized "mock presentation" meetings to prepare more thorough briefings and Q&A responses to the Committees and Board. Business cases will be provided as needed. Board and Committee past actions related to a specific agenda item are recounted in the item's Executive Summary by originating staff (and coordinated with Board Secretary). Committee reports will also provide additional history.	10

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
1	Transparency Governance	Admin	**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)	Board	Agreed. Recommendation implemented. Board established clear roles/responsibilities at the January 2012 Board retreat. Habits of effective Board members and long-term vision, strategic direction and future of the NTTA were also discussed.	10
2	Transparency Conflicts of Interest	Admin	**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	General Counsel	Agreed. Recommendation implemented. The NTTA Board approved its Ethics and Conflict of Interest Policy by unanimous vote at the January 18, 2012 Board meeting. This was memorialized by Resolution #12-05.	20
3	Transparency Conflicts of Interest	Admin	**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	General Counsel	Agreed. Recommendation implemented. The NTTA Board approved its Ethics and Conflict of Interest Policy by unanimous vote at the January 18, 2012 Board meeting. This was memorialized by Resolution #12-05.	20
4	Transparency Conflicts of Interest	Admin	**Ethics Officer** | NTTA should designate an Ethics Officer to oversee management of the process. This is commonly the in-house General Counsel	General Counsel	Agreed. Recommendation implemented. The NTTA General Counsel was appointed the NTTA's Ethics Officer by the Board at the January 18, 2012 Board meeting.	20
5	Organization Employee Morale	Admin	**Performance Based Pay** | Re-institute performance based incentive pay increases to reward and drive performance	AED of Administrative Services	Agreed. Recommendation implemented. Committees approved and Board adopted staff recommendation to re-institute the "pay for performance" program at the December 2011 Board meeting. The Pay for Performance has also been carried forward to the 2013 Preliminary Operating and Maintenance Budget.	32
6	Organization Employee Morale	Admin	**Engagement Survey** | Administer engagement/morale survey in next year after key changes/decisions have been made to monitor progress and shape future priorities	AED of Administrative Services	Agreed. Recommendation implemented. Biennial employee engagement and morale survey, which included County Review follow-up questions, launched March 20, 2012. There was a 65 percent employee response rate. Survey results were presented at the April 18 Board Meeting. The Employee Engagement Committee continues to work with management to implement key recommendations addressing short, mid, and long-term solutions in the top five areas: (1)employee/management relations, (2)value employees, (3)teamwork, (4)bureaucratic constraints, and (5)career pathing/training.	32

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7	Organization Performance Management	Admin	**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	AED of Administrative Services	Agreed. Recommendation implemented. Annual business performance management calendar has been developed and aligns the annual performance management calendar to include the Executive Director, General Counsel, Internal Auditor and Board Secretary notwithstanding any interim reviews that may be scheduled. Review dates are included in the annual Board agenda forecast.	38
8	Organization Performance Management	Admin	**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	AED of Administrative Services	Agreed. Recommendation implemented. The Annual Executive Incentive Plan for 2012 has been aligned with the current performance measures and the "pay for performance program" re-instituted by the Board in December 2011.	38
9	Organization Performance Management	Admin	**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	Board	Agreed. Recommendation implemented. Executive Director goals to be established in advance of 2013 by the Board. Interim goals were developed in October 2011 and interim status was reviewed by the Board at the January 18, 2012 Board meeting. Board discussed 2013 goals at their October 17 meeting.	38
10	Organization Performance Management	Admin	**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	ED	Agreed. Recommendation implemented. The Board conducted a review of Gerry Carrigan's performance as Interim Executive Director at the April 18, 2012 Board meeting. This resulted in the unanimous Board approval to appoint Mr. Carrigan as the permanent Executive Director of the NTTA. This item was memorialized by resolution #12-90.	38
11	Organization Performance Management	Admin	**Performance Management Training** | Provide annual performance management training on developing goals, reviewing performance and handling difficult conversations	AED of Administrative Services	Agreed. Recommendation implemented. Annual "refresher" performance management training is provided to management staff. Performance management training is mandatory for all new managers/supervisors.	38
12	Organization Future State	Admin	**Succession Planning** | Board should direct ED to develop succession plans for key positions in the organization	ED	Agreed. Recommendation implemented. NTTA succession planning framework developed and implemented as of April 5, 2012. Succession plans for key positions identified were completed June 30. Plans will continue to be updated and aligned with current and future organizational needs for key positions.	40

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13	Procurement Major Consultants	Admin	**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	CFO	Agreed. Recommendation implemented. Clarification language has been incorporated into revised NTTA Procurement Policy that was approved at the April 18, 2012 Board meeting. This was memorialized by Resolution #12-64.	61
14	Procurement Major Consultants	Admin	**Major Consultant Procurements / Board Involvement** | Limit Board involvement in major consultant procurements to review and approval of final contract	CFO	Agreed. Recommendation implemented. Limits of Board involvement have been incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61
15	Procurement Major Consultants	Admin	**Procurement Process - Executive Committee** | Eliminate Executive Committee observers in the evaluation process to allow for sufficient discussion	CFO	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61
16	Procurement Major Consultants	Admin	**Procurement Process - Bid Evaluation** | Reassess bid evaluation committee composition based on pertinent knowledge and/or skills	CFO	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61
17	Procurement Major Consultants	Admin	**Procurement Process - Due Diligence** | Strengthen due diligence around vendor background and credentials	CFO	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61
18	Procurement Major Consultants	Admin	**Procurement Process - Diversity Scoring** | Clearly communicate diversity scoring criteria among all participants	AED of Administrative Services	Agreed. Recommendation implemented. Diversity scoring criteria has been established and will be communicated to scorers and all participants. Criteria has also been incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61
19	Procurement Major Consultants	Admin	**Procurement Process - Bid Announcements** | Do not announce competitive procurement winners prior to Board approval	CFO	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61
20	Procurement General	Admin	**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	CFO	Agreed. Recommendation implemented. Recommendations were incorporated into the revised NTTA Procurement Policy that was approved at the April 18, 2012 Board meeting. This was memorialized by Resolution #12-64. The NTTA Procurement Policy will continue to be reviewed in accordance with the Board's policy review process.	68

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21	Procurement General	Admin	**Sole Source Contracts** | For sole sourced contracts, stringently enforce the new policy and institute a more thorough review of deliverables	CFO	Agreed. Recommendation implemented. Recommendations were incorporated into the revised NTTA Procurement Policy that was approved at the April 18, 2012 Board meeting. This was memorialized by Resolution #12-64.	68
22	Procurement Supplier Diversity	Admin	**Benchmarks** | Contact firms such as Mason Tillman, governmental entities similar to NTTA, and other organizations to determine if comparable benchmark information is available	AED of Administrative Services	Agreed. Recommendation implemented. Staff contacted other peer organizations in December 2011 and determined the NTTA metrics are consistent with peer group.	74
23	Procurement Supplier Diversity	Admin	**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	General Counsel	Agreed. Recommendation implemented. The Business Diversity Department web page was updated in December 2011 to provide the NTTA Ethics and Fraud Hotline information and clearly communicate escalation and reporting protocols.	74
24	Finance Long Range Planning	Admin	**Legislative Matters** | Stay proactive in legislative matters impacting NTTA's financial outlook	ED/Board	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
25	Procurement Major Consultants	Admin	**Procurement Process - Staggering** | Stagger procurements as needed so each may be addressed with appropriate time and effort	CFO	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61
26	Transparency Governance	Board	**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	ED	Agreed. Recommendation implemented. Committee structure, roles and responsibilities for Board and staff advisors have been clearly defined by each adopted Committee Charter (November 2011) and are realistic and manageable.	10
27	Transparency Governance	Board	**Re-establish Board Committees** | Committees should be re-established and the purpose, scope, and roles of the committees should be defined by charter	ED	Agreed. Recommendation implemented. Committee structure has been reestablished and is functioning well. Roles and responsibilities for Board and staff were clearly defined by adopted Committee Charters in November 2011.	10

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28	Organization Employee Morale	Board	**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	ED	Agreed. Recommendation implemented. Initial quarterly update public meeting posted on website to communicate actions/initiatives relative to the County Review to the County Judges. The full interactive County Review Action Plan matrix was placed on the NTTA website to keep the public abreast of progress made. Going forward, future updates to the Action Plan will be posted on the NTTA website.	32
29	Organization Performance Management	Board	**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	ED	Agreed. Recommendation implemented. Based on feedback received at the January 2012 Board retreat, 23 proposed strategic performance metrics (Finance, Operations, Administrative Services and Projects) were presented to the Board for input and feedback at the March 2012 Board Workshop. A metrics report that includes actual performance compared to the target is provided to the Board monthly. A month-over-month trend analysis was developed in August 2012 and is presented at monthly NTTA Board meetings.	38
30	Procurement Major Consultants	Board	**Procurement Process - Board Committee Analysis** | Prior to procurement decisions, request analysis by appropriate Board committee and have committee report conclusions to the full Board	CFO	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61
31	Procurement Major Consultants	Board	**Procurement Process - Transition Plan Vetting** | Include stronger transition plan vetting with Board	CFO	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	61
32	Transparency Governance	Board	**Strategic Planning - Board Involvement** | Strategic planning process should include meaningful involvement from the Board; the Board and ED should manage to the plan	ED	Agreed. Recommendation implemented. Strategic planning process launched at the January 2012 Board retreat. An updated mission statement, which reflects the NTTA's core operations, was adopted at the March 21, 2012 Board Workshop. Ongoing strategic plan "checkups" will be incorporated into the annual strategic planning Board retreat. The 2013 Retreat is scheduled for February 1-2.	10

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33	Transparency Conflicts of Interest	Board	**Annual Conflicts and Ethics Training** | The Board should participate in annual conflicts of interest and ethics training	Board Secretary	Agreed. Recommendation implemented. Per the Ethics Policy adopted at the January 18, 2012 Board meeting, the Board committed itself to annual conflicts of interest training. The first session was conducted at the January 2012 Board retreat.	20
34	Transparency Communicate w/Transportation Community	Board	**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	ED	Agreed. Recommendation implemented. The NTTA continues to meet with local, state and federal stakeholders to strengthen relationships, develop partnerships, and increase outreach about NTTA projects. In 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
35	Finance Long Range Planning	Board	**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	ED	Agreed. Recommendation to be implemented. The NTTA Strategic Plan was discussed at the January 2012 Board retreat. Staff will continue working with the Board and region to determine and develop longer-range strategic plan priorities that better inform regional plans. Long range planning is an ongoing focus item for the Board and will be incorporated into the broader NTTA Strategic Plan. To tie-down current priorities, the Board received a presentation at the October 17 Board meeting and passed a Resolution #12-155 to work with regional partners to advance SH360 and Trinity Parkway projects thru Public/Public model and if not feasible move to a Public/Private model.	93
36	Transparency Communicate w/Public	Board	**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	Chairman	Agreed. Recommendation implemented. At the January Board retreat, a Board communications philosophy was established and Board members completed a communications/media seminar. The Executive Director continues to meet regularly with Board members and serves as the point person for Board communications to and from the Board.	27

| 37 | Transparency Communicate w/Public | Board | **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 | Chairman | Agreed. Recommendation implemented. Board Chairman has re-established a functional Committee structure empowering the Committee chairs and informing membership. Key staff members assigned as liaisons to the Board Committees. The Executive Director convenes one-on-one sessions with Board Committee chairpersons prior to meetings/workshops. | 27 |
| 38 | Transparency Governance | Board | **Meeting Agendas** \| Chair and ED should structure meeting agendas to focus attention on the most important policy decisions and updates | ED | Agreed. Recommendation implemented. Chair and ED jointly draft and review Board agenda to manage requisite action items, policy and informational items. | 10 |

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
39	Transparency Board Make-Up	County Commissioners Court	**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	County Judges	Agreed. Recommendation implemented. Three new appointments have diversified the experience and expertise of the Board as recommended.	22
40	Transparency Communicate w/Public	County Commissioners Court	**Board Member Accountability** | County commissioners courts should hold the Board accountable through appointments for resolving disagreements in working and committee sessions and for effectively supporting and communicating Board decisions	County Judges	Member County Commissioner's court action as required.	27
41	Transparency Board Make-Up	County Commissioners Court	**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	County Judges	Agreed. Recommendation implemented. Three new appointments have diversified the experience and expertise of the Board as recommended.	22
42	Organization Future State	CSPOC	**Customer Service / Collection Separation** | Separate customer service and collections under Director of Customer Service and Collections	AED of Operations	Agreed. Recommendation implemented. The NTTA has separated customer service and collections organizations as recommended (after the second notice of non-payment). Some actions related to this item are detailed in the action/resolution of item # 46.	40
43	Organization Major Consultants	CSPOC	**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	AED of Project Delivery	Agreed. Recommendation implemented. Recommendation incorporated in the Major Consultant Procurement Plan. Approved at the December 2011 Board meeting.	55

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
44	Finance Collections	F&A	**ZipCash Cost Reduction**	The NTTA should protect its margin by reducing the incremental cost of ZipCash transactions	AED of Operations	Agreed. Recommendation implemented. Several Revenue Assurance Program initiatives have been instituted to optimize toll operations (reduce costs, enhance collections, increase transponder penetration, examine ZipCash premium, etc.) to protect NTTA's margin. Industry experts were engaged to assist in analysis and recommendations to further this effort. Focused briefings including options for consideration by the Board were delivered in February, March and April. Staff has delivered measurable success, and will continue to focus on these type of initiatives through the Revenue Assurance Action Plan as we move forward.	76
45	Finance Collections	F&A	**ZipCash Conversion Marketing**	The NTTA should renew its efforts, and invest marketing dollars to target ZipCash customers for conversion to TollTags	AED of Administrative Services	Agreed. Recommendation implemented and is ongoing. NTTA has completed a four-month enforcement campaign, "Pay Up", designed to encourage payment of ZipCash and TollTag bills. A TollTag acquisition campaign is underway and is intended to drive TollTag distribution and toll road usage. Planning is completed for the 2013 marketing campaigns for the NTTA System and Special Projects System. The annual marketing plan identifies strategies, and the annual operations and maintenance budget supports targeted initiatives including: usage on the newly opened Western Extension of the Bush Turnpike, a proposed new TollTag product launch, Get a TollTag Month (with a free year of tolls promotion), violation enforcement and Chisholm Trail awareness, TollTag distribution and TollTag activation. Performance is reported via the Revenue Assurance Plan and through the Monthly Financial Report. Toll penetration rates continue to climb to 75.5 percent and 78 percent after 60 days. TollTag distribution is more than 2.5 million. This represents a 20 percent increase in year over year distribution and a 20 percent increase in TollTag accounts.	76

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
46	Finance Collections	F&A	**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	AED of Operations	The NTTA engaged several industry experts to conduct an end-to-end review of the NTTA collection process. Staff is continuing its focus on implementing a number of the recommendations. Attachment A provides additional detailed information regarding the focus initiatives completed and underway to implement the collection process improvement recommendations. In addition, multiple toll enforcement pilot initiatives are underway, including (1) website posting of repeat toll violators (100 or more unpaid tolls after expiration of third notice of nonpayment), (2) administrative orders prohibiting the vehicles of repeat toll violators, and (3) referral of toll violation cases to outside collections litigation counsel. Other initiatives are in the pipeline and/or the subject of the NTTA's legislative program for 2013 session.	76
47	Transparency Governance	F&A	**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	Internal Audit/ED	Agreed. Recommendation implemented. The F&A committee approved 2012 internal audit work plan in December 2011. Priority audits on "end-to-end" collections and third-party TollTag distributors were added to Internal Audit's plan and are currently underway. The "end-to-end" collections audit was issued on October 10, 2012.	10

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
48	Organization Major Consultants	F&A	**Accountability and Controls** | Institute more defined roles and accountability, such as controls and monitoring of actual work expenses vs. work authorization (i.e. budget)	CFO	Agreed. Recommendation implemented. implemented PeopleSoft commitment control along with procedures. Appropriate staff was trained on October 25, 2011. Training of new staff will occur as needed.	55
49	Procurement Supplier Diversity	F&A	**Supplier Diversity - Internal Review** | Have Internal Audit schedule periodic reviews of Business Diversity to evaluate control and governance processes	Internal Audit	Agreed. Recommendation implemented. Business Diversity is a periodic audit. The Internal Audit 2012 work plan included the Business Diversity audit to address control and governance processes. 2012 Internal Audit Workplan approved at the Dec. 1, 2011 Finance and Audit Committee. This audit was completed and audit report issued July 9, 2012. The audit findings address an opportunity to develop more robust written procedures for the business diversity process. The management action plan was completed and submitted to Internal Audit October 31.	74
50	Finance Forecasts	F&A	**Coordinate Operational Assumptions** | Continue to monitor the segment data and actively coordinate with the T&R consultant on operational assumptions	CFO	Agreed. Recommendation implemented. Finance staff will continue to work with the T&R consultants to ensure latest data is available to inform projections.	87
51	Finance Forecasts	F&A	**Continue Conservative Cost Budgets** | Continue to be conservative with cost budgets to avoid the need for amendments	CFO	Agreed. Recommendation implemented. Appropriately conservative budgeting philosophy will continue to guide the annual budget development process.	87
Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
52	Finance Forecasts	F&A	**Cash flow Communication to Board** | Develop the capabilities to communicate cash flow to Board members	CFO	Agreed. Recommendation implemented. Finance is providing the information as part of the enhanced Monthly Financial Report (MFR) presentation to the Board.	87
53	Finance Forecasts	F&A	**In-Depth Forecast Details** | Provide in-depth revenue, capital and operating expense forecast details to Board	CFO	Agreed. Recommendation implemented. The annual budget and the Five Year Capital Plan documents, taken as a whole, provide the detail forecast of capital and operating expenses planned through 2016. Forecasting will continue in future years as a primary function of the Strategic and Innovative Solutions department.	87
54	Finance Long Range Planning	F&A	**Road Feasibility Analysis** | Have T&R and engineering consultant update financial and T&R projections road feasibility analysis based on anticipated development start dates	CFO	Agreed. Recommendation implemented. Preliminary feasibilities have been developed based on capacity of the System. Feasibilities will be updated based on long range planning priorities established by the Board as discussed in Item #35.	93

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
55	Finance Long Range Planning	F&A	**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	CFO	Agreed. Recommendation implemented. NTTA's focus on identifying opportunities to partner with other entities to leverage resources, including Public/Public model and Public/Private model will be a primary focus of the new Strategic and Innovative Solutions department.	93
56	Organization Major Consultants	Legal (Admin)	**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"	General Counsel	Agreed. Recommendation implemented. General Counsel is supervising work assigned to outside counsel pursuant to the Legal Services Protocols. Approval of the Legal Services RFQ for the procurement of outside legal services in seven categories of legal work was approved at the April 18, 2012 Board Meeting. In early June, 71 responses were submitted by law firms, and assignments from the Registry of firms began In August 2012. At its Oct. 4, 2012 meeting the Legal Services Committee reviewed the Legal Services Protocols and recommended no changes at this time. The Committee will review the Protocols in mid-2013 and recommend any needed changes to the Protocols to the full Board. General Counsel has implemented the Board Counsel contract and made assignments based on contract and the Protocols.	55
Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
57	Organization Major Consultants	Legal (Admin)	**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	General Counsel	Agreed. Recommendation implemented. In January 2012, Legal implemented a law student intern program to provide supplemental internal legal research capabilities. Two students interned in the spring, three students will be serving in the summer and three during the 2012-13 school year. Also in June, Legal added a half-time lawyer position to focus on collections and toll violation enforcement and work closely with the Operations on these issues. NTTA is considering whether to make this a full-time position. General Counsel continues to evaluate appropriate mix of in-house and outside counsel resources to serve NTTA's legal services needs.	55

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
58	Organization Major Consultants	Legal (Admin)	**Legal Services Protocol Reviews** | New in-house General Counsel to review Legal Services protocols and propose any changes to the Board within six months	General Counsel	Agreed. Recommendation implemented. The Legal Services Committee met and considered this item at its Dec. 1, 2011, meeting. At its Oct. 4, 2012, meeting the Committee reviewed the Legal Services Protocols and the County Review recommendations relating to legal services. The Committee concluded that the Protocols should be implemented and the Committee is charged with recommending any needed changes to the full Board by the end of 2013 based on NTTA's experience in implementing the Protocols.	55
59	Procurement Supplier Diversity	Legal (Admin)	**D/M/WBE Legal Services Firms** | Pursue direct engagement of D/M/WBE legal services firms	General Counsel	Agreed. Recommendation implemented. Approximately half of the assignments since the conclusion of the RFQ process to establish a pool of legal services firms in early June 2012 have been to D/M/WBE law firms. NTTA transferred a D/M/WBE legal subcontractor (co-bond counsel) to direct contractor status on January 1, 2012. NTTA continues to follow this model when assigning work pursuant to the Board's Legal Services Protocols.	74
60	Transparency Governance	Staff	**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	ED	Agreed. Recommendation implemented. Executive Director initiated "one-on-one" briefings related to issues and strategic topics with Directors in advance of Committee/Board meetings.	10
Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
61	Transparency Communicate w/Transportation Community	Staff	**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	ED	Agreed. Recommendation implemented. ED continues to participate and encourage/support active participation by staff. Participation includes executive level involvement in trade and industry groups and serving as panelists and moderators at trade and industry group conferences.	30
62	Organization Future State	Staff	**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	ED	Evaluation of organizational structure completed and new future state organization transition plan underway for Jan. 1, 2013 full implementation.	40

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
63	Organization Major Consultants	Staff	**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	ED	Agreed. Recommendation implemented. Core competency positions within the organization have been identified and budgeted accordingly. The 2013 budget includes supplemental staff sourcing for customer service and collections to add capacity. Procurement process is underway to identify a suitable staff sourcing contractor. Going forward, staffing and outsourcing will be considered in each upcoming budget cycle based upon anticipated workload forecasts and business case.	55
64	Transparency Communicate w/Public	Staff	**Post Meeting Minutes** | Detailed minutes from the Board meetings should be posted on NTTA's website to be consistent with best practices	ED	Agreed. Recommendation implemented. Minutes of Board meetings are posted on the NTTA website after approved by the Board.	27
65	Organization Employee Morale	Staff	**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	**ED**	Agreed. Recommendation implemented. Executive Director, Board Chairman and Vice Chairman attended the February 23 and March 27 Employee Engagement Committee meetings, respectively. The Executive Director and Board will have ongoing dialogue with the Employee Engagement Committee to discuss employee issues and provide feedback on the direction of the organization. The Executive Director and the new Deputy Executive Director are scheduled to attend the November 2012 employee engagement committee meeting.	32
66	Organization Employee Morale	Staff	**On-boarding Materials Focus** | Strengthen operations focus of on-boarding materials for existing and new Board members	AED of Operations	Agreed. Recommendation implemented. On-boarding materials and process have been enhanced for more effective discussions on operations prior to on-boarding of any future new appointees as of December 9, 2011. Staff will continue to enhance on-boarding program for new board members and offer "refresher" sessions for current Board members as needed.	32
Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
67	Organization Employee Morale	Staff	**Improved Communication with Board** | Improvements to communication, cooperation across the organization and with the Board are addressed in organizational structure and Board governance recommendations	ED	Agreed. Recommendation implemented. Several actions have been initiated. Key staff liaisons have been assigned to Board Committees for enhanced communication; re-establishment of focused weekly ED/AED/Directors meetings; weekly ED communications to all employees; re-emphasized "customer service" culture (both external & internal).	32

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
68	Organization Future State	Staff	**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	ED	Evaluation of organizational structure completed and new future state organization transition plan underway for Jan. 1, 2013 full implementation.	40
69	Organization Future State	Staff	**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	ED	Agreed. Recommendation implemented. Search process is complete, and the new Deputy Executive Director joined the NTTA staff on Oct. 23, 2012.	40
70	Organization Future State	Staff	**Reporting Structure - Diversity** | Embed diversity function into the CFO organization for alignment with procurement function	ED	Agreed. Evaluation of organizational structure completed and new future state organization transition plan underway for Jan. 1, 2013 full implementation.	40
71	Organization Future State	Staff	**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	ED	Agreed. Recommendation implemented. Evaluation of organizational structure completed and new future state organization transition plan underway for Jan. 1, 2013 full implementation. The New Strategic and Innovation Solutions Department includes a Financial Analysis and Feasibility Review Team. This group will be responsible for performing robust financial analyses for potential projects and business ventures, resource planning and management for current and potential future projects, and for providing analysis in support of Authority-wide decision making.	40
72	Organization Future State	Staff	**Reporting Structure HR and Communications** | Embed Human Resources and Communications & Marketing into Operations to drive alignment and prioritization of functional support to Operations	ED	Evaluation of organizational structure completed and new future state organization transition plan underway for Jan. 1, 2013 full implementation.	40
Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
73	Procurement General	Staff	**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	CFO	Agreed. Recommendation implemented. Re-organization and centralization of the procurement function was completed by January 2012.	68

Item #	Category	Committee	Recommendation	Action Owner/ Exec Level Staff Owner	Action / Resolution of item	A&M Report Page #
74	Procurement General	Staff	**Robust Reporting Processes** | Implement more robust reporting processes to allow workload and performance management	CFO	Agreed. Recommendation implemented. Metrics and reporting have been developed and are in use by the Director of Procurement to measure the performance of the Procurement department.	68
75	Procurement General	Staff	**Procurement Skills** | Identify staff skills needed, set up procurement certification plans, and train staff including partnering with departments for construction business skills	CFO	Agreed. Recommendation implemented. Re-organization and centralization of the procurement function address recommendations. Reorganization was completed by January 2012. The new structure continues to provide added-value for the procurement needs of NTTA departments.	68
76	Finance Analytics	Staff	**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	CFO	Agreed. Recommendation implemented. Evaluation of organizational structure completed and new future state organization transition plan underway for Jan. 1, 2013 full implementation. The New Strategic and Innovation Solutions Department includes a Financial Analysis and Feasibility Review Team. This group will be responsible for performing robust financial analyses for potential projects and business ventures, resource planning and management for current and potential future projects, and for providing analysis in support of Authority-wide decision making.	85
77	Finance Analytics	Staff	**Staff Proposals - Business Case and Analytical Rigor** | Executive Director should ensure staff proposals to the Board include a business case and sufficient analytical rigor	ED	Agreed. Recommendation implemented. New financial and analysis positions have been identified in 2012 budget to support analytics and business case development for staff proposals. Board agenda items include business case and sufficient analytical rigor.	85

78	Finance Analytics	Staff	**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	CFO	Agreed. Recommendation implemented. Evaluation of organizational structure completed and new future state organization transition plan underway for Jan. 1, 2013 full implementation. The New Strategic and Innovation Solutions Department includes a Financial Analysis and Feasibility Review Team. This group will be responsible for performing robust financial analyses for potential projects and business ventures, resource planning and management for current and potential future projects, and for providing analysis in support of Authority-wide decision making.	85
79	Finance Analytics	Staff	**Augment Analytics Capabilities** | Hire resources to augment the existing analytics capabilities	CFO	Agreed. Recommendation implemented. Evaluation of organizational structure completed and new future state organization transition plan underway for Jan. 1, 2013 full implementation. The New Strategic and Innovation Solutions Department includes a Financial Analysis and Feasibility Review Team. This group will be responsible for performing robust financial analyses for potential projects and business ventures, resource planning and management for current and potential future projects, and for providing analysis in support of Authority-wide decision making.	85
80	Transparency Governance	Staff	**Board Materials - Circulation** | Board secretary should circulate Board materials in advance, clearly indicating which topics require decisions and which are for discussion/input	ED	Agreed. Recommendation implemented. Agenda materials are compiled and circulated in advance of meetings to allow review time by Board members and committees.	10
81	Transparency Governance	Staff	**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	Board Secretary	Agreed. Recommendation implemented. Board and Committee past actions related to a specific agenda item are recounted in the item's Executive Summary by originating staff (and coordinated with Board Secretary). Committee reports will also provide additional history.	10
82	Transparency Governance	Staff	**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	ED	Agreed. Recommendation implemented. ED and executive staff have re-energized "mock presentation" meetings to prepare more thorough briefings and Q&A responses to the Committees and Board. Business cases will be provided as needed. Board and Committee past actions related to a specific agenda item are recounted in the item's Executive Summary by originating staff (and coordinated with Board Secretary). Committee reports continue to provide additional history.	10

Responses to County Review Item 46

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

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

Enhance transaction capture and processing

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

Raise awareness

- Communications and Marketing department launched an awareness campaign with billboards, radio spots, online ads and direct customer outreach.
- The second phase of the awareness campaign is the TollTag acquisition campaign, focused on the value and convenience of the using the TollTag as a payment method

Enhance Collection activity

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

Increase Customer options

- Open remote CSC storefronts to provide regional access for customers not wanting to use third party locations.
- Develop and implement smart phone application
- Revive the mobile distribution program targeting high ZipCash user areas

- Expand customer account options to include an account for occasional users with lower prepaid requirements

Enhanced Deterrents

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