

Area Headquarters Consolidation Update

David S. Ekern, P.E.

Commissioner

December 14, 2006

- Customer focused
- Innovative in reducing barriers
- Technology savvy
- Entrepreneurial in attitude

- ***RESHAPING THE ORGANIZATION***
- ***RESHAPING THE WORKFORCE***
- ***RESHAPING THE SYSTEM***

The Focus

- Focusing on Accountability
- Linking Land Use and Transportation
- Funding the System

The Business Plan

- Performance Management
- Asset Management
- Systems Operations & Technology
- Traffic Impact Analysis
- Urban Construction
- Modernizing VDOT

- Outsource interstate maintenance by July 1, 2009 as directed by Section 33.1-49.1 of the Code of Virginia
 - 157 miles already outsourced under Turnkey Asset Maintenance Services Contracts (TAMS)
 - 668 miles are planned to be advertised in FY07
 - 398 miles are planned to be advertised in FY08

1. Determine appropriate number of supervisory teams.
2. Establish locations for key facilities.
3. Integrate with the interstate outsourcing initiative.

- 8-month study followed by field review
- Methodology presented to CTB in September
- Plan announced November 2, 2006
- 13 public information meetings were held between Nov. 13 and Dec. 1
- Final Decisions by December 15, 2006

The review developed a rigorous methodology to address two major questions:

1. How many AHQ superintendents are needed to oversee and manage work?
2. How many locations are needed to support maintenance/ operations?

Methodology

- Workload a function of:
 - Lane Miles
 - Daily Vehicle Miles Traveled per Lane Mile
 - Population
- Calculated workload for all residencies based on these parameters
- Identified residencies with highest workloads
- Adjusted all residencies toward 2005 maximum observed workloads

Three Primary Influences

- Travel time for effective response in inclement weather and emergencies
- Storage of deicing chemicals
- Current and future population served

- 760 citizens attended 13 meetings
- 205 speakers
- Received 130 letters, e-mails and written comments
- 3,000 names on petitions
- General comments and concerns
 - Importance of VDOT staff to communities
 - Safety
 - Emergency response times and disaster preparedness
 - Snow removal
 - School impact
 - Local business impact

Statewide Facilities	Current State	Final Decision
AHQ	207	176
Sub-AHQ	39	16
Other Properties/ Lots	89	56
Staffed Facilities	224	192
Total Number of Facilities	335	248

Statewide Supervisory Teams	Current State	Final Decision
Total Number of Supervisory Teams	214	181



Total Salary Cost Avoidance Since 2002

Date	Strength	Change	Cummulative Change	Cummulative Annual Cost Avoidance*	Through FY07 (Projected)
July 2002	10,192	-	-	-	
July 2003	9,959	233	233	\$14,446,000	
July 2004	9,353	606	839	\$52,018,000	
July 2005	9,130	223	1,062	\$65,844,000	
July 2006	9,090	41	1,103	\$68,355,000	
FY07 Projected	8,830	260	1,362	\$84,444,000	\$285,107,000

* Based upon 2007 Estimated Costs

Other initiatives

- Area Headquarters consolidation expected to produce salary reductions of approximately \$4 million annually
- Outsourcing interstate maintenance is expected to produce approximately \$8.9 million in salary reductions annually
- Implemented overhead and administration reductions of approximately \$16 million in FY 2007

Process for continuous improvement continues...

- Next round of changes may further impact how we deliver services, levels of service, and staffing

- Deputy Commissioner Whirley will oversee implementation – complete by July 1, 2008
- Continuing the journey
 - Examine other areas throughout the department where we can improve service delivery and reduce overhead (project delivery, administrative support)

THANK YOU

Area Headquarters Consolidation Update

David S. Ekern, P.E.

Commissioner

December 14, 2006