

Policy 10: Accountability and Transparency



Summary

Strengthen accountability and transparency in the delivery of Minnesota's transportation system. To strengthen accountability and transparency in its decision-making, Mn/DOT will set clear and measurable objectives, track progress toward meeting objectives, and report results on a regular, ongoing basis to policymakers and the traveling public. Mn/DOT will develop new approaches and venues to proactively and regularly engage partners and stakeholders in the decision making process at both the project and broader system levels. A new project scoping, cost estimating, and cost management process will improve Mn/DOT's ability to deliver projects on time and within budget.

- 10A. Strengthen Performance Tracking and Reporting:** Mn/DOT will promote accountability by setting clear and measurable objectives, tracking progress, and regularly reporting results.
- 10B. Implement New Project Scope, Cost, and Schedule Controls:** Mn/DOT will implement new project scoping, cost estimating, and cost management processes to improve Mn/DOT's ability to deliver projects within the schedule and budget promised to the public, contractors, and affected communities.
- 10C. Strengthen Stakeholder Involvement:** Mn/DOT will increase stakeholder involvement and encourage input in its transportation planning and decision making through organizational enhancements and process improvements.
- 10D. Communicate Needs and Proposed Approach:** Mn/DOT will strive to improve stakeholders' understanding of how Mn/DOT identifies and addresses needs in the planning and management of the state transportation system through expanded dialog and enhanced reporting.

Accountability and transparency requires clearly stated and measurable objectives and regular progress reports.

Background and Context

To operate effectively and to meet the policy objectives set forth in this plan, it is essential that transportation agencies establish and continually cultivate the public's trust and confidence. Transportation agencies must proactively seek public input and continue to encourage the public's involvement in developing transportation plans and guiding investment decisions. Agencies must also ensure that decisions clearly support policy objectives. Accountability and transparency requires clearly stated and measurable objectives and regular progress reports. In the context of this plan, accountability and transparency are defined as follows.

Accountability

Collectively, transportation agency accountability can be measured by the degree to which the agency is able to deliver planned projects and by how consistent investment and operational decisions are with established priorities.

Transparency

Transparency means achieving accountability for public expenditures by proactively and regularly involving stakeholders. Transparency is achieved when an agency's planning process, investment decision making criteria, program status, and performance results are accessible and understandable to the Legislature, transportation stakeholders, and the general public.

Transparency at Mn/DOT includes providing stakeholders with information, engaging them in the decision making process, and working collaboratively with them to identify and refine the objectives of the agency and to develop strategies to meet these objectives.

Strategies

10A. Strengthen Performance Tracking and Reporting

Mn/DOT will promote accountability by setting clear and measurable objectives, tracking progress and regularly reporting results.

Mn/DOT will set performance objectives that align with stated policy priorities.

Mn/DOT will set performance objectives that align with stated policy priorities in the areas of safety, mobility, community and economic development, and system preservation; invest to meet those objectives; measure progress; and innovate and adjust to stay on course.

Mn/DOT currently uses performance criteria to guide capital investments and annual operational budgets. System and agency performance results are regularly reviewed at all levels of Mn/DOT management. The ongoing measurement and review process assists Mn/DOT in evaluating the efficiency of service delivery and assessing the effectiveness of program activities. This objective based approach enhances accountability and prompts innovation by keeping the focus on the outcome.

10B. Implement New Project Scope, Cost, and Schedule Controls

Mn/DOT will implement new project scoping, cost estimating, and cost management processes to improve Mn/DOT's ability to deliver projects within the schedule and budget promised to the public, contractors, and affected communities.

It is Mn/DOT's objective that the sum of project costs included in the four-year Statewide Transportation Improvement Program (STIP) will not exceed reasonable revenue forecasts, resulting in a program that reflects only those projects that can be realistically delivered. Meeting this objective will require greater certainty in project scope and cost estimates.

Changes to project scope and underestimation of project costs are two of the primary causes of cost overruns, and subsequently, delays in program delivery.

Changes to project scope and underestimation of project costs are two of the primary causes of cost overruns, and subsequently, delays in program delivery. Mn/DOT will address this through two initiatives: 1) establishment of a uniform and comprehensive project scoping process and 2) development and implementation of consistent project cost estimating and cost management (CE/CM) procedures and supporting policies.

When poorly scoped projects are included in the four-year STIP significant modifications are often required prior to the project being let for construction. If the scope of a project increases, the change can have a ripple effect throughout the entire four-year construction program. To address these issues, Mn/DOT adopted new policies in 2007 requiring a comprehensive and rigorous scoping process to be completed and documented before a project can be entered into the STIP.

Escalation of project costs at any stage of project development can have a negative impact on the entire STIP. The objective of the CE/CM initiative is to adopt formal processes and tools for project cost estimating, cost estimate management, and cost control that can be uniformly applied statewide. Mn/DOT is committed to making the organizational changes and dedicating the resources necessary to apply the tools and processes developed during this effort. Beginning in 2009, Mn/DOT will adopt and phase in the needed organizational changes and the use of formal processes, protocols, and communications related to program cost management and control, including:

- Define requirements for projects to enter the four-year STIP, which will include scoping report and baseline cost estimate and identify a project contingency (in year-of-construction dollars).
- Establish formal review of project cost variation, including documentation, timing and accountability.
- Establish an authorization process and chain of responsibility for the approval of cost variations.
- Uniformly apply tools to address risk in the estimation process.

The impact of these new policies will be reflected in annual program delivery performance.

Mn/DOT will introduce a series of Commissioner Forums to engage state and national leaders.

10C. Strengthen Stakeholder Involvement

Mn/DOT will increase stakeholder involvement and encourage input in its transportation planning and decision making through organizational enhancements and process improvements.

Mn/DOT is committed to engaging stakeholders in the establishment of objectives and the selection of strategies to meet these objectives. Mn/DOT will employ the following methods to ensure meaningful input from the stakeholders.

- a. Mn/DOT will continue to improve organization and approach to foster greater stakeholder access and involvement in decision making. To accomplish this objective, several changes have been made, including:
 - Adding a Transportation Ombudsman who will be responsible for independently investigating complaints from the public and determining

whether the department's decision making may have been unreasonable, unfair, arbitrary, or improper.

- Establishing an Office of External Partnering to actively seek input from the department's partners.
 - Expanding the role of market research as a function within the organization. Market research is a customer based technique used to inform planning and operational decisions. It is a tool for developing a greater understanding of Minnesota citizen's priorities and level of satisfaction with transportation investment decisions and services.
 - Introducing a series of Commissioner Forums to engage state and national leaders in discussions of the emerging transportation issues. Additionally, the Legislature has established a Transportation Strategic Management and Operations Advisory Task Force to recommend areas for organization and operational improvements.
- b. Mn/DOT supports Context Sensitive Solutions (CSS) as a policy and approach to project selection and design. The Federal Highway Administration defines CSS as "a collaborative, interdisciplinary approach that involves all stakeholders to develop a transportation facility that fits its physical setting and preserves scenic, aesthetic, historic and environmental resources, while maintaining safety and mobility. CSS is an approach that considers the total context within which a transportation improvement project will exist." Furthermore, CSS principles require early, continuous and meaningful involvement of stakeholders and the public throughout the project development process. Engagement is a critical component to successful use of CSS principles.
- c. Mn/DOT will support the development of public involvement skills for its agency and its partners by providing "Hear Every Voice" training and guidance statewide. Mn/DOT's Hear Every Voice initiative seeks to support employee learning and implementation of effective public participation. It is based on the principle that engaging the public is not an option but an essential requirement. The initiative acknowledges that public input is critical in every aspect of Mn/DOT's day-to-day business, including funding decisions, programming, planning, community and partner relations, and statutory and political requirements.

10D. Communicate Needs and Proposed Approach

Mn/DOT will strive to improve stakeholders' understanding of how Mn/DOT identifies and addresses needs in the planning and management of the state transportation system through expanded dialog and enhanced reporting.

As part of the outreach effort for this statewide plan update, regional and local transportation stakeholders were given the opportunity to identify and discuss transportation issues. A recurring theme was the need for Mn/DOT to do a better job of "telling the story" (that is, describing the transportation needs and revenue forecasts to both elected officials and the general public). Stakeholders also expressed a need for better understanding of funding sources and how projects are selected.

This desire for transparency extends to the Legislature. The 2008 Minnesota Legislature (Laws of Minnesota 2008, Chapters 152, 287, 350) mandated 28 transportation related reports or studies for which Mn/DOT is either directly responsible or plays a significant supporting role. Although the reports and studies identified in the legislation cover a wide range of subjects, many are requests for detailed and comprehensive reports on current agency practices, programs and projects.

- a. Mn/DOT will expand its dialog with Area Transportation Partners (ATP) to include a broader discussion of revenue projections, system performance trends, project status, and program decision making processes and criteria.
- b. Mn/DOT's investment process uses eight regional partnerships called Area Transportation Partnerships. ATPs include representatives from metropolitan planning organizations, regional development commissions, cities, counties, townships, transit providers, tribal governments, other interested parties, and Mn/DOT. ATPs are responsible for recommending a four-year program for federally funded projects. Mn/DOT will conduct regular interactive meetings with these local partners at least annually to foster a greater shared understanding of issues and procedures.
- c. Mn/DOT will expand and standardize reporting to the Legislature and the public. Mn/DOT will present regular reports to the Legislature on the internal performance management practices and reports developed over the last 15 years. Reports will provide status on the condition and performance of the transportation system, fiscal needs, and key issues and the progress on key initiatives (e.g., bonding projects, legislatively mandated projects and programs). Mn/DOT will present to the Legislature at least annually and to legislative staff biannually or quarterly.

Mn/DOT will also expand the use of its website to increase the availability and accessibility of information.

Mn/DOT will also expand the use of its website to increase the availability and accessibility of information on transportation system performance, project status, and program decision-making processes and criteria. Currently, Mn/DOT publishes an annual Department Results Scorecard that shows the degree to which Mn/DOT is meeting its 13 top department performance measures. Mn/DOT will reshape, update, and expand the scorecard to better reflect new priorities and allow for increased public understanding of Mn/DOT's objectives and status in meeting those objectives.

Performance Measures and Indicators

Performance measures, indicators, and targets provide quantitative information to transportation authorities and decision makers. This information is tracked over time to monitor progress. Several performance measures and indicators have been either developed or identified for this policy area. A number of these measures and/or indicators are selected for representation and discussion within this policy and are **bolded** below. A full description of all performance measures and indicators associated with this plan is provided in Appendix D.

- **Projects Let on Schedule, STIP Projects, Current Year**
- **Projects Let on Schedule, STIP Projects, Fourth Year**
- Construction Cost Overruns
- **Customer Satisfaction with Reliability of Mn/DOT Communications**

Developmental Measures

- Variation in Total Project Cost
- Number and Value of Contract Amendments (Supplemental Agreements) During Construction

Projects Let on Schedule (Current and Fourth Year)

Every year, Mn/DOT commits to a four-year published program of transportation projects, the Statewide Transportation Improvement Program (STIP). This program includes projects of all sizes and types throughout the state. To enhance accountability for delivering projects on schedule, Figure 7.10.1 shows Mn/DOT has established two measures to track the letting of projects listed in the STIP. The first measure focuses on projects in the first year of the STIP and tracks the percent that are let for construction in that year; the target for this measure is 90 percent. The second measure focuses on projects entering the STIP and tracks the percent that are let for construction in the planned year or earlier; the target for this measure is 60 percent.

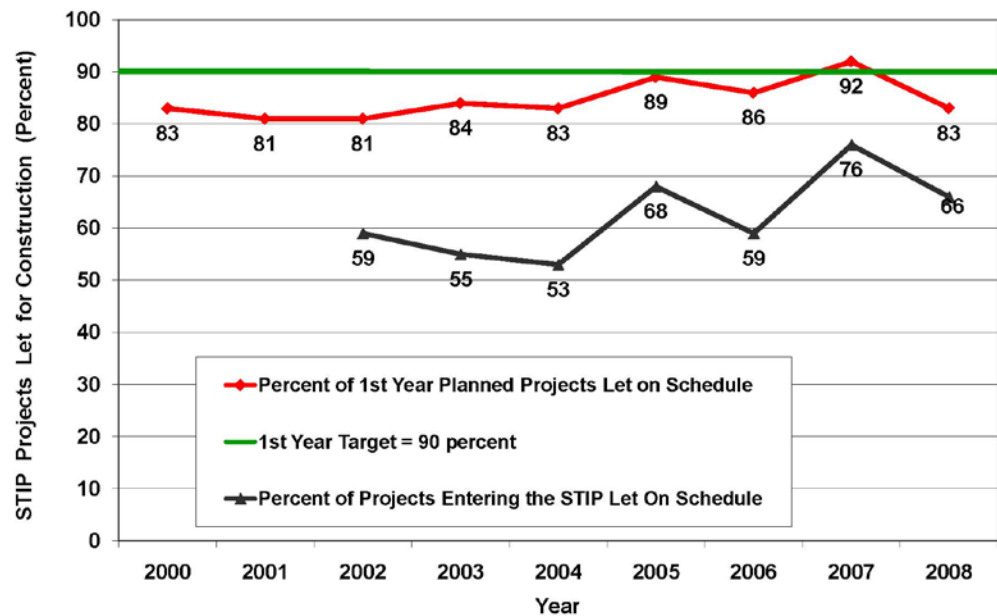


Figure 7.10.1 Mn/DOT Project Letting Timelines 2000 through 2008

Source: Mn/DOT Office of Project Scope and Cost Management

Projects enter the STIP four years in advance of their scheduled letting date. The performance target is to have 60 percent of these projects let by the end of that fourth year as scheduled. For projects that are scheduled to be let in the next year (first year planned projects), much greater certainty of schedule is expected and, therefore, the target is higher, 90 percent.

Improvements to Mn/DOT's cost estimating, cost management, and scoping processes are expected to improve project timeliness and program certainty in the coming years.

Customer Satisfaction with Reliability of Mn/DOT Communications

Customer perceptions are measured annually through the Omnibus survey. The Omnibus is a telephone survey of a representative statewide sample of 800 citizens. Each year customers are asked the question; “Thinking about all the different communications provided by the Department of Transportation, how reliable are these communications in your opinion?” Respondents use a 1-10 scale to rate the reliability of Mn/DOT communications, 1 being low and 10 being high. This is a measure of the percent of respondents to the survey that rate reliability at 7 or higher. The target for this measure is 60 percent. Results for 2002 through 2008 are shown in Figure 7.10.2.

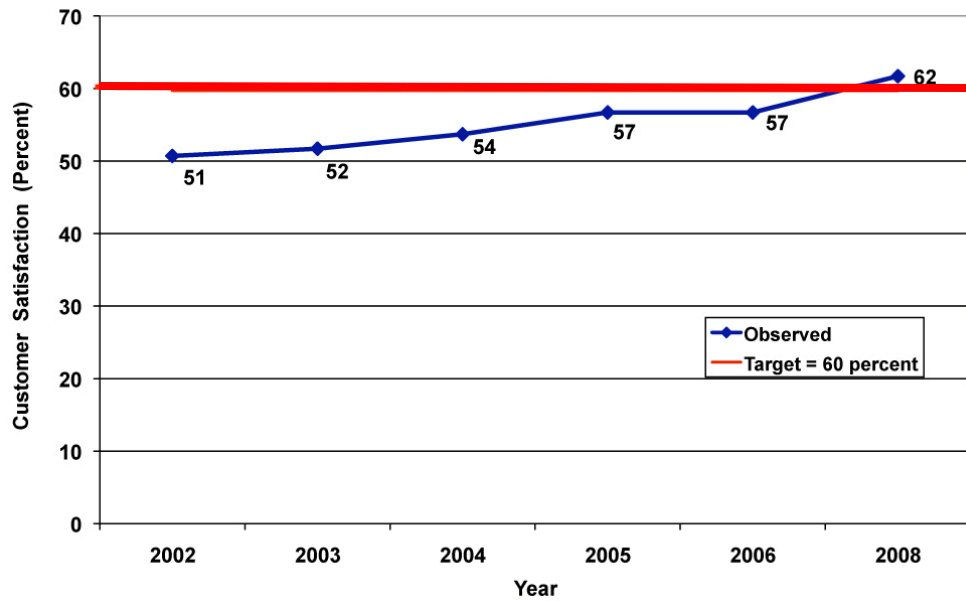


Figure 7.10.2 Percent of Customers Satisfied with the Reliability of Mn/DOT Information

Source: Mn/DOT Office of Policy Analysis, Research, and Innovation

Additional transparency performance measures are being developed to assess the agency’s effectiveness in establishing and maintaining public trust.