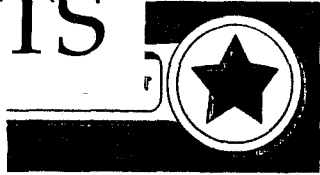


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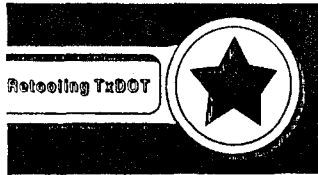
TTS



# **Right-of-Way Retooling Project**

**Phase 2 - Business Cases  
and Recommendations**

**February 15, 1995**

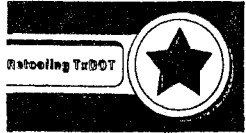


# **Right-of-Way Retooling Project**

**Phase 2 - Business Cases  
and Recommendations**

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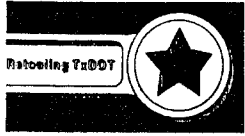




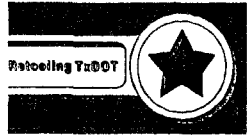
# Business Cases and Recommendations

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# **I. Executive Summary**

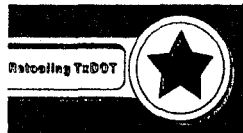


## Executive Summary

This document represents the culmination of Phase 2 of the Right-of-Way Acquisition Retooling Project. The objectives of this phase were to strengthen the change imperative, develop process visions for each of the sub-processes identified in Phase 1 and build business cases for each proposed process change initiative. The process visions described in this report are the result of an intense effort of brainstorming, challenging current practices and idea development by visioning teams made up of approximately 40 participants. These teams included right-of-way personnel from the division and district levels, representatives from the Aviation, Design, and Construction and Maintenance Divisions, and stakeholders from outside of the Department, including representatives from the Federal Highway Administration, a utility company, two appraisal firms, and a private acquisition firm.

The process visions developed during this phase are supported by 25 recommendations. These recommendations have been grouped and prioritized into six process change initiatives based on their impact and linkages. The process change initiatives are:

- streamlined parcel acquisition process,
- coordinated utility adjustment process,
- automated right-of-way system,
- streamlined eminent domain process,
- streamlined appraisal process, and
- integrated project development process.

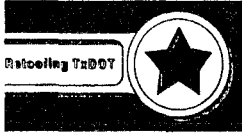


## Executive Summary (continued)

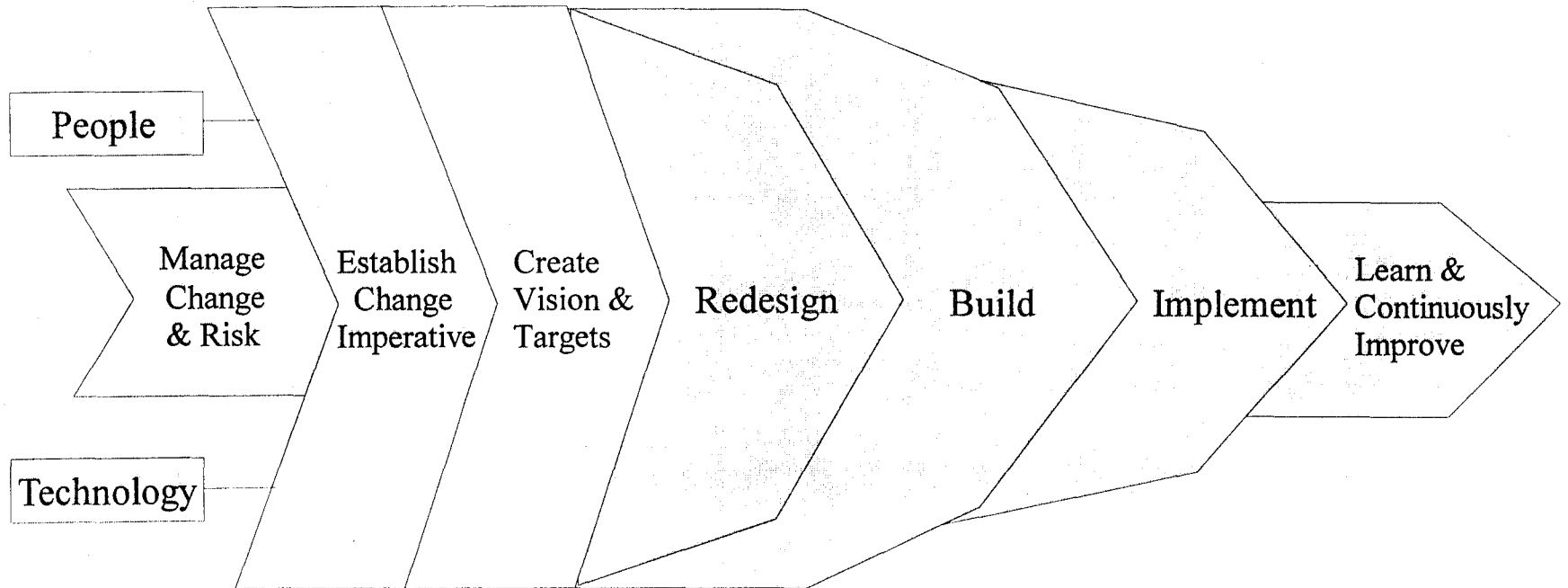
A number of assumptions were developed using a typical 75 parcel project in order to build the business cases. Based on these assumptions, implementation of the proposed change initiatives could achieve as much as a six month reduction in the right-of-way acquisition cycle time, along with significant savings in delayed benefits. Based on a Highway Economic Evaluation Model (HEEM) calculation, each day of delay costs \$120,000 in user benefits for a particular Houston project. By acquiring right-of-way six months earlier, a savings in delayed benefits of \$14.4 million would be realized. Additionally, these change initiatives will significantly improve service levels to the Department's customers and vendors by assuring timely payments and enabling projects to go to letting without delay.

A key element of the new visions is the streamlining of current processes. This includes a fundamental shift in review and approval authority from the Right of Way Division to the districts. Consequently, many review and approval activities that are currently performed at the division level may be eliminated. This reduction in division right-of-way activity levels may result in the need to reassign or terminate division FTE's.

The process change initiatives will enable the Department to realize the goals of the right-of-way acquisition vision statement and as a result, fulfill a number of the Department's strategic objectives. However, implementation of many of the process change initiatives must be carefully coordinated using a phased and/or pilot approach which will require considerable time, effort and investment.



## Executive Summary (continued)

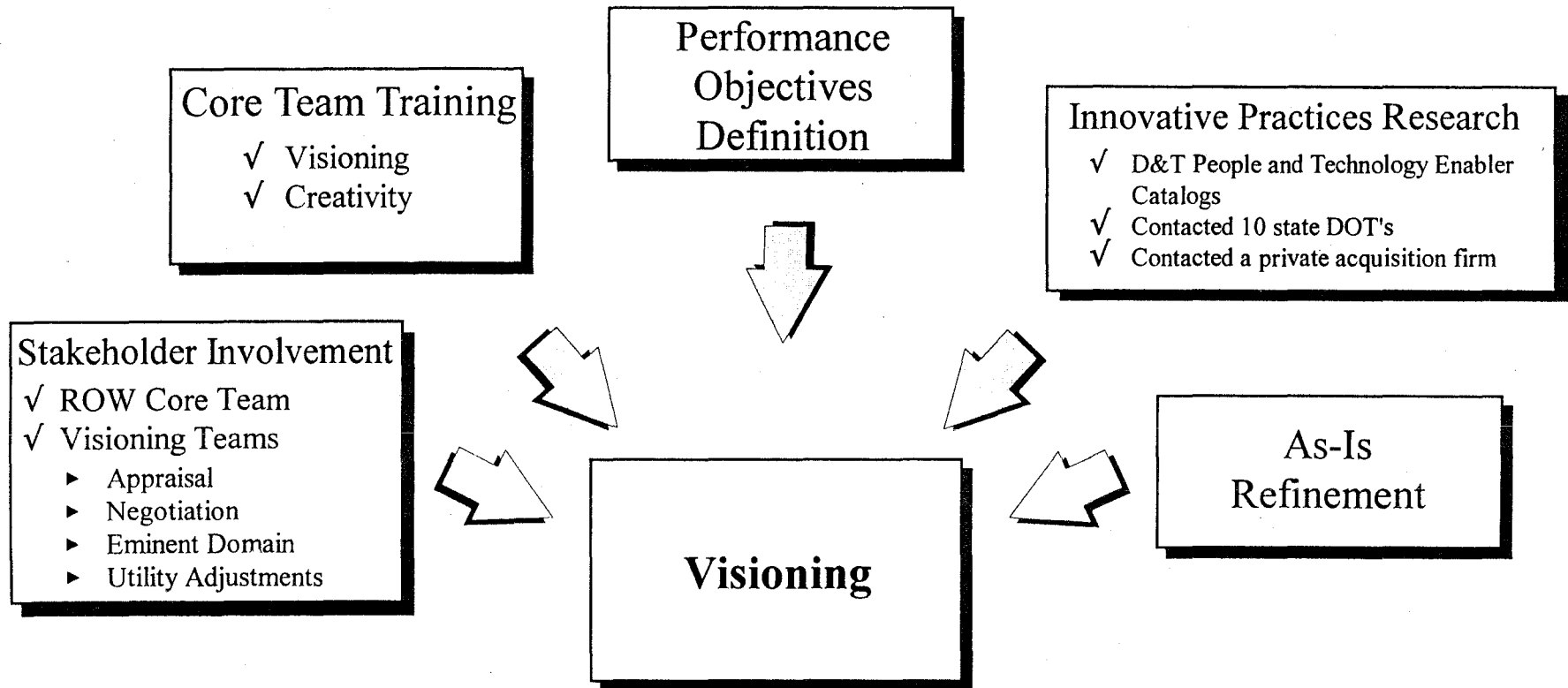


Source: Deloitte & Touche LLP



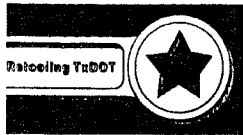
## Executive Summary (continued)

Since Phase 1, an intense series of activities aimed at developing a comprehensive vision for the right-of-way acquisition process have been completed.



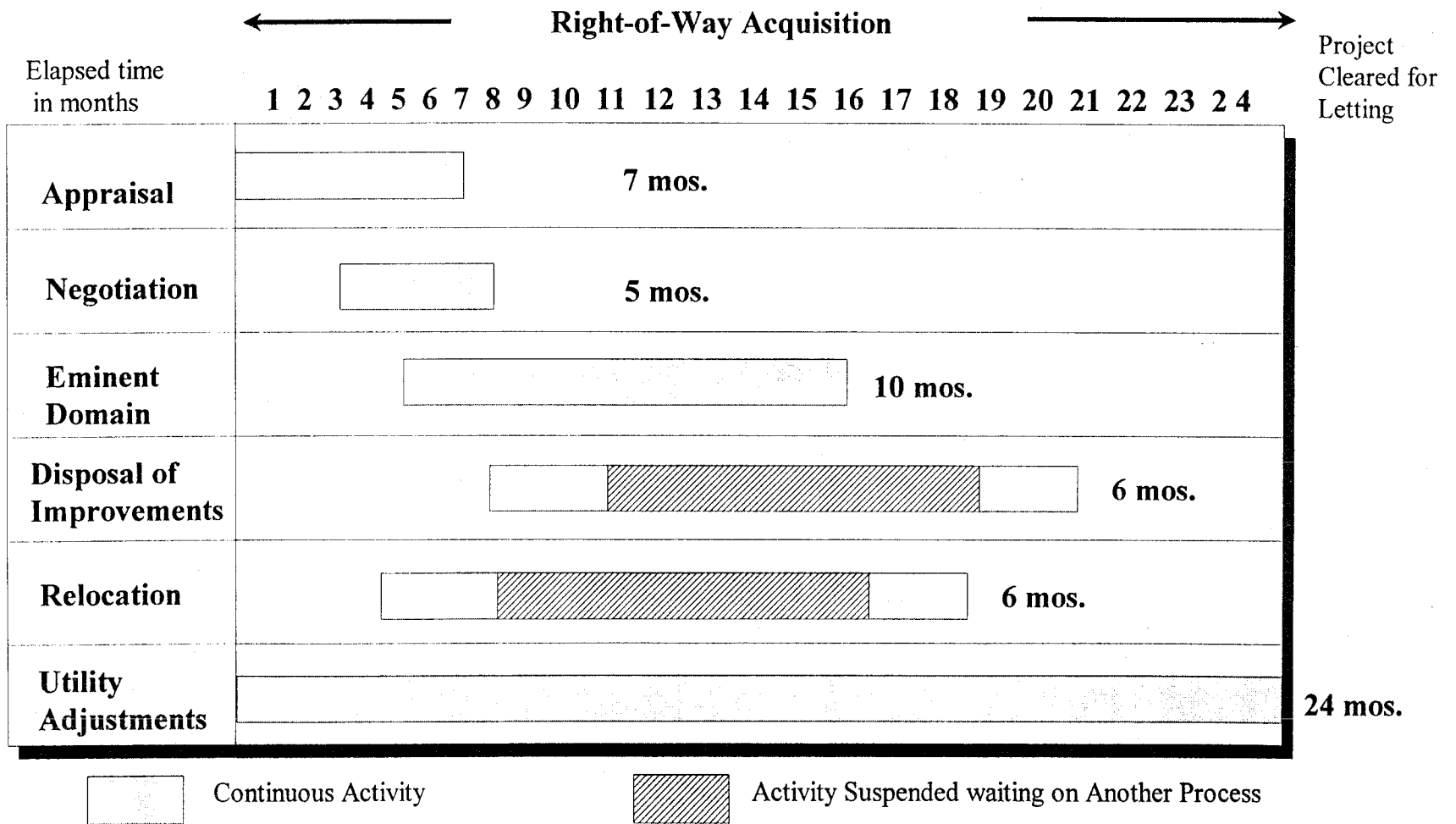
### Right-of-Way Acquisition Process

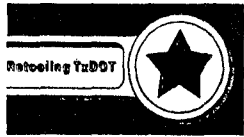




# Executive Summary (continued)

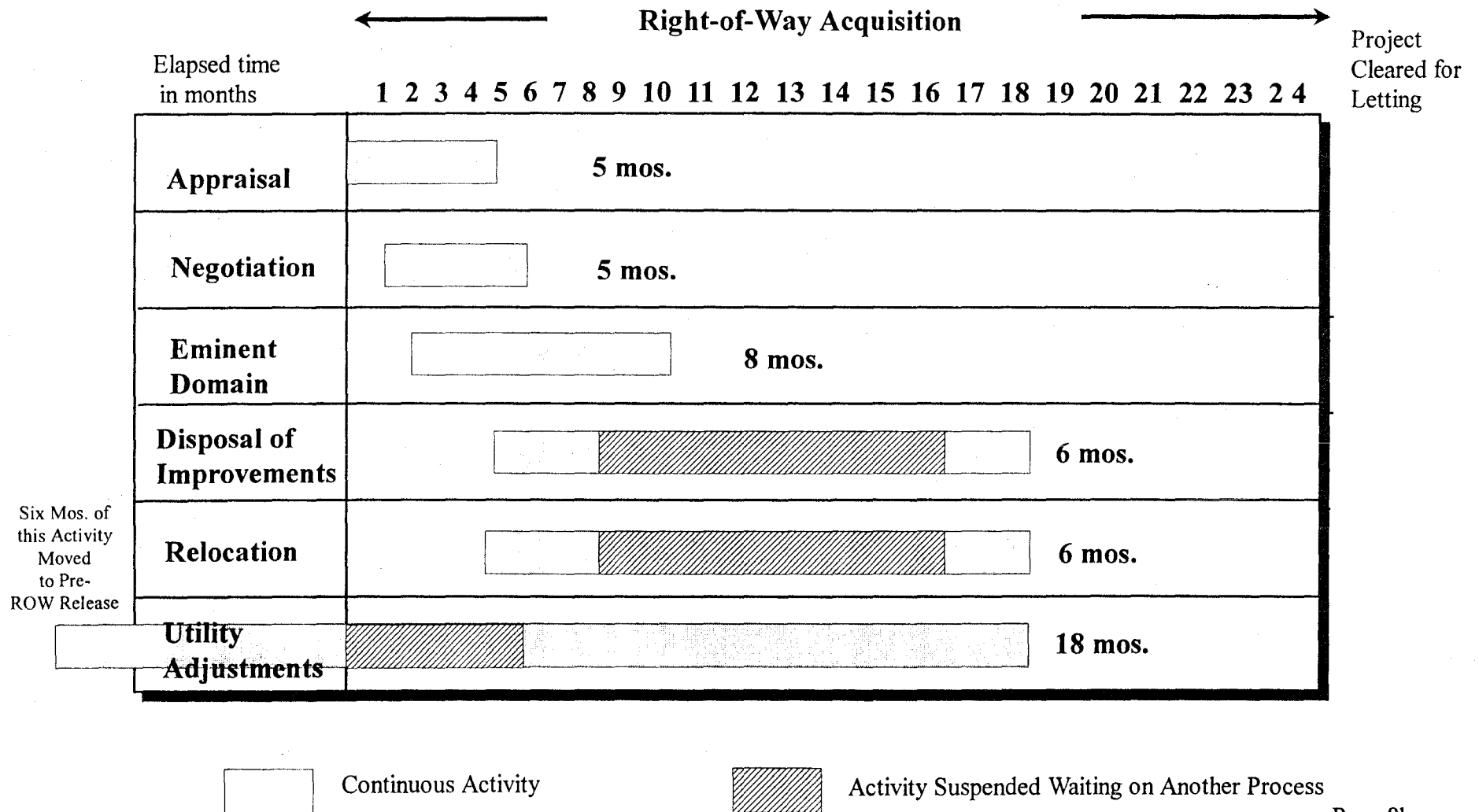
This chart depicts current cycle times for a typical 50-75 parcel project.

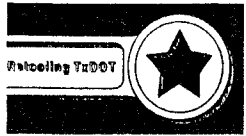




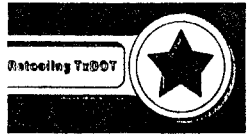
# Executive Summary (continued)

This chart depicts cycle times for a typical 50-75 parcel project after improvements are implemented.



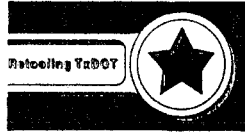


## **II. Business Cases**



## Right-of-Way Retooling Business Cases

*The following summarizes the major process change initiatives which characterize the retooled organization. The change initiatives are in prioritized order based on their impact to overall acquisition cycle time and customer satisfaction.*



# Process Change Initiative

## 1. Streamlined Parcel Acquisition Process

### ◆ Recommendations:

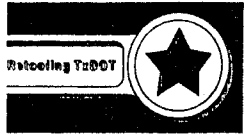
- Utilize Possession and Use Agreements (NG2)
- Develop Flexible Parcel Value Determination Procedures (AP1)
- Eliminate Non-Value Added Negotiation Activities (NG1)
- Utilize Administrative Settlements (NG3)
- Streamline the Payment Process (OV1)

### ◆ Resource Investments:

- Rewrite procedures/update manual publications
- Communicate with and/or educate stakeholders
- Design, document and implement performance measuring process

### ◆ Anticipated Benefits:

The implementation of a streamlined parcel acquisition process will ***reduce the appraisal time line from 7 months to as low as 5 months.*** The decrease in the appraisal time line will allow each of the other sub-process to start earlier in the project thus reducing the overall acquisition time line. The implementation of an irrevocable possession and use agreement will reduce the number of parcels entering eminent domain. Additionally, those parcels which have a signed possession and use agreement will enable projects to exit the critical project letting path. The implementation of direct processing of payments by the district ***will reduce the time required to pay property owners, fee appraisers, etc. by 2 weeks to 1 month.***



# Process Change Initiative

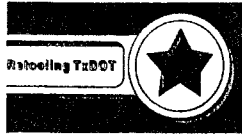
## 1. Streamlined Parcel Acquisition Process (continued)

### ◆ Assumptions:

- All cycle time estimates are based on a seventy-five (75) parcel project which includes all right-of-way processes
- Beginning calculations were derived from using statewide statistics
- The district right-of-way sections can use value findings on parcels of \$5,000 or less value
- The districts will review and approve most appraisals
- Thirty percent (30%) of all parcels go through eminent domain
- The number of parcels with a \$5,000 or less value is thirty-one percent (31%) based on an average number of parcels purchased in 1991, 1992, 1993 and 1994
- The present appraisal process requires seven (7) months (210 days). Division review accounts for twenty-nine percent (29%) of that time

### ◆ Implementation Considerations:

- Leverage off other DOT's policies and practices



# Process Change Initiative

## 2. Coordinated Utility Adjustment Process

### ◆ Recommendations:

- Transfer Utility Adjustments to the Project Design Function (UA1)
- Eliminate Non-Value Added Utility Adjustment Activities (UA2)
- Establish Better Communications Between TxDOT and Utility Companies (UA3)
- Streamline Utility Adjustment Reimbursement Procedures (UA4)

### ◆ Resource Investments:

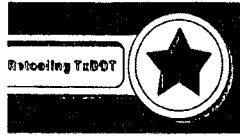
- Develop memorandum of understanding
- Communicate with and/or educate stakeholders
- Rewrite procedures/update manual publications
- Design, document and implement performance monitoring process

### ◆ Anticipated Benefits:

The implementation of a memorandum of agreement to include the development of the workplan and eligibility computations prior to project release **will reduce the acquisition time line by approximately 6 months.**

### ◆ Assumptions:

- All cycle time estimates are based on a seventy-five (75) parcel project which includes all right-of-way processes
- The streamlining of the parcel acquisition process has been implemented
- The current utility adjustment process takes twenty-four (24) months
- The adjustment of utilities and the inspection by the districts takes approximately 260 days
- Developing and reviewing the workplan takes approximately 180 days
- District review and eligibility computations takes approximately 60 days
- Division review and approval takes approximately 40 days



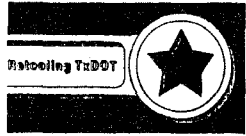
# Process Change Initiative

## 2. Coordinated Utility Adjustment Process (continued)

### ◆ Implementation Considerations:

- Leverage off San Antonio District's "Utility Coordination Procedure"
- May impact Audit Office practices





## Process Change Initiative

### 3. Automated Right-Of-Way System

#### ◆ Recommendations:

- Develop an Automated Right-Of-Way System (OV2)
- Transfer Files Electronically to the Attorney General's Office (ED4)

#### ◆ Resource Investments:

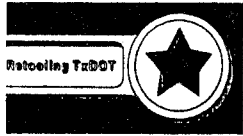
- Communicate with and /or educate stakeholders
- Systems development
- Capture data
- Train personnel on automated tools
- Implement automated technology
- Technology support

#### ◆ Anticipated Benefits:

The implementation of an automated system will support the right-of-way process statewide. Combined with a data/file exchange with the Attorney General's office, *the right of way function will be more responsive to the administration and its customers*. The system will provide *complete and up-to-date parcel information* to right-of-way managers, enabling risk management techniques to be applied to right of way acquisition decisions.

#### ◆ Assumptions:

- Process change initiatives for streamlined parcel acquisition process and coordinated utility adjustment process are implemented

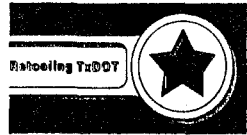


## Process Change Initiative

### 3. Automated Right Of Way System (continued)

#### ◆ Implementation Considerations:

- Focus on user requirements when developing interfaces
- Before implementation is possible, this effort must be coordinated with the stakeholders ability to share data, capture data and use the system - TxDOT's current technology does not support the vision
- Focus on stakeholder requirements when determining reports and information to be shared



# Process Change Initiative

## 4. Streamlined Eminent Domain Process

### ◆ Recommendations:

- Delegate Authority to the Executive Director for Eminent Domain Approval (ED1)
  - Develop Project Specific Minute Order Authorizing Eminent Domain Actions (ED2)
  - Eliminate Non-Value Added Eminent Domain Activities (ED3)
  - Develop a Guide for Eminent Domain Procedures (ED5)
- > OR

### ◆ Resource Investments:

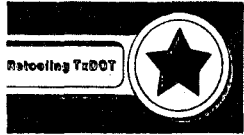
- Communicate with and /or educate stakeholders
- Rewrite procedures/update manual publications
- Design, document and implement performance monitoring process
- Develop guidebook for eminent domain procedures

### ◆ Anticipated Benefits:

The implementation of a blanket authorization to the Executive Director to initiate eminent domain proceedings when necessary during the right-of-way acquisition process *will reduce the eminent domain time line by two months*. The implementation of an approval of eminent domain proceedings on a project basis by the Texas Transportation Commission *will reduce the eminent domain time line by two weeks to two months*.

### ◆ Assumptions:

- Process change initiatives for streamlined parcel acquisition process and coordinated utility adjustment process are implemented
- Presently it takes 45 to 75 days for an eminent domain submission to receive Texas Transportation Commission approval

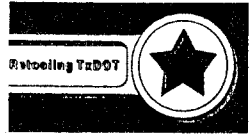


## Process Change Initiative

### 4. Streamlined Eminent Domain Process (continued)

#### ◆ Implementation Considerations:

- This effort must be coordinated with the General Counsel Office, the Texas Transportation Commission and the Attorney General's office
- Focus on stakeholder requirements when developing guidebooks
- The guidebook will be developed in conjunction with the Attorney General's office



# Process Change Initiative

## 5. Streamlined Appraisal Process

### ◆ Recommendations:

- Enhance Fee Appraiser Contracting and Fee Determination Procedures (AP2)
- Redesign Standard Appraisal Forms Package (AP3)

### ◆ Resource Investments:

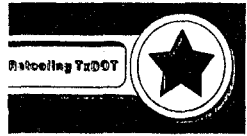
- Rewrite procedures/update manual publications
- Acquire automation software/hardware
- Redesign appraisal forms
- Communicate with and/or educate fee appraisers and review appraisers

### ◆ Anticipated Benefits:

By reducing the number of contracts for fee appraisers from three to one, in conjunction with the district approval of the contract, *will reduce the appraisal process cycle time by 10 to 14 days*. The development and use of a database for sharing comparable information, improving communications with fee appraisers and streamlining the appraisal forms package will reduce preparation, review and submission time and storage requirements.

### ◆ Assumptions:

- Process change initiatives for streamlined parcel acquisition process and streamlined eminent domain process are implemented

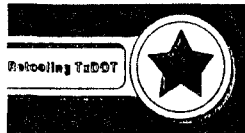


## Process Change Initiative

### 5. Streamlined Appraisal Process (continued)

#### ◆ Implementation Considerations:

- Leverage off other DOT's policies and practices
- Coordinate with implementation of recommendations relating to streamlined parcel acquisition process



# Process Change Initiative

## 6. Integrated Project Development Process

### ◆ Recommendations:

- Develop an Integrated Project Information System (OV3)
- Integrate Right-Of-Way Activities into Overall Project Development Process (OV4)

### ◆ Resource Investments:

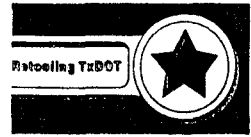
- Implement automated technology
- Rewrite procedures/update manual publications
- System development
- Capture data
- Develop management reports
- Communicate with and/or educate stakeholders

### ◆ Anticipated Benefits:

The integration of right-of-way acquisition information into an overall project development tracking system *will result in critical activities scheduled in a more effective and timely manner*. The integrated system will enable and support decision making, *resulting in more realistic letting dates*. The integration of the right-of-way acquisition process in the overall project development process will reduce conflicts in planning and preliminary design stages and reduce last minute right of way considerations.

### ◆ Assumptions:

- Process change initiatives for streamlined parcel acquisition process and automated right-of-way system are implemented
- A project information system containing design and construction data exists



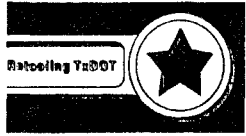
## Process Change Initiative

### 6. Integrated Project Development Process (continued)

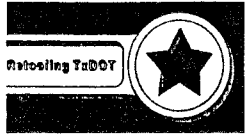
#### ◆ Implementation Considerations:

- Development of a system implementation plan should be the first step in the implementation of this initiative
- A user group should be formed to capture data and define report formats



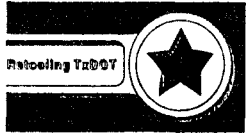


# **III. Vision Statements and Recommendations**



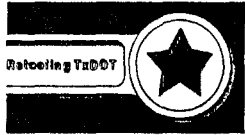
## ROW Retooling Pilot Project Recommendations

*The following matrix summarizes the recommendations for the overall right-of-way acquisition process and the visioned sub-processes. These recommendations are prioritized within each group according to their benefit. TxDOT policy implications, required investments, anticipated benefits and implementation considerations are discussed for each recommendation in the pages that follow the matrix.*



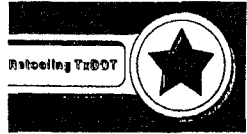
## Overall - Recommendations

Sub-Process	Recommendation	Benefit Description	Policy/ Procedure Change	Law Change	Increase in District Responsibility	Process Change Initiative	Page Ref.
OV1	Streamline the Payment Process	<ul style="list-style-type: none"> <li>• Increased:               <ul style="list-style-type: none"> <li>- timeliness of parcel acquisition</li> <li>- customer satisfaction</li> </ul> </li> <li>• Reduced:               <ul style="list-style-type: none"> <li>- cost per warrant</li> <li>- cycle time for payment receipt</li> <li>- paper flow</li> </ul> </li> <li>• Effective allocation of resources</li> </ul>	Yes	No	Yes	Streamlined Parcel Acquisition Process	Pg. 35
OV2	Develop an Automated Right of Way System	<ul style="list-style-type: none"> <li>• Increased:               <ul style="list-style-type: none"> <li>- quality of parcel tracking reports</li> <li>- communications and data sharing</li> <li>- capability to respond to requests for information</li> <li>- availability and up-to-date information on right-of-way acquisitions</li> </ul> </li> </ul>	Yes	No	No	Automated Right-of-Way System	Pg. 37
OV3	Develop an Integrated Project Information System	<ul style="list-style-type: none"> <li>• Capability to monitor status, schedule and resource leads</li> <li>• Increased:               <ul style="list-style-type: none"> <li>- data sharing</li> <li>- capability to respond to requests for information</li> </ul> </li> <li>• Improved information to make decisions</li> </ul>	Yes	No	No	Integrated Project Development Process	Pg. 39



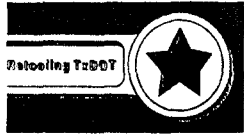
## Overall - Recommendations (continued)

Sub-Process	Recommendation	Benefit Description	Policy/Procedure Change	Law Change	Increase in District Responsibility	Process Change Initiative	Page Ref.
OV4	Integrate Right-of-Way Activities into Overall Project Development Process	<ul style="list-style-type: none"> <li>• Improved internal communications</li> <li>• Reduced number of project letting delays</li> <li>• Decreased cycle time to acquire right-of-way and adjust utilities</li> <li>• Shared knowledge between functions of the total project development process</li> </ul>	Yes	No	Yes	Integrated Project Development Process	Pg. 41
OV5	Contract out Right-of-Way Acquisition Process	<ul style="list-style-type: none"> <li>• Effective allocation of resources</li> <li>• Reduced number of project letting delays</li> <li>• Decreased cycle time to acquire right-of-way and adjust utilities</li> </ul>	Yes	No	No	Other	Pg. 43



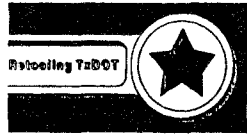
## Appraisal Sub-Process - Recommendations

Sub-Process	Recommendation	Benefit Description	Policy/Procedure Change	Law Change	Increase in District Responsibility	Process Change Initiative	Page Ref.
AP1	Develop Flexible Parcel Value Determination Procedures	<ul style="list-style-type: none"> <li>• Reduced:               <ul style="list-style-type: none"> <li>- appraisal costs statewide</li> <li>- appraisal review cycle time</li> </ul> </li> <li>• Negotiations can begin sooner</li> <li>• Effective allocation of resources</li> </ul>	Yes	No	Yes	Streamlined Parcel Acquisition Process	Pg. 47
AP2	Enhance Fee Appraiser Contracting and Fee Determination Procedures	<ul style="list-style-type: none"> <li>• Reduced:               <ul style="list-style-type: none"> <li>- contract approval time</li> <li>- number of contracts to hire fee appraisers</li> <li>- appraisal preparation time</li> </ul> </li> <li>• Economy of scale by contracting for projects or blocks of parcels</li> <li>• Effective allocation of resources</li> </ul>	Yes	No	No	Streamlined Appraisal Process	Pg. 49
AP3	Redesign Standard Appraisal Forms Package	<ul style="list-style-type: none"> <li>• Reduced:               <ul style="list-style-type: none"> <li>- appraisal preparation time</li> <li>- appraisal review time</li> </ul> </li> </ul>	Yes	No	Yes	Streamlined Appraisal Process	Pg. 51



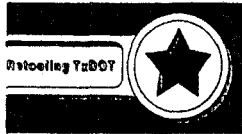
## Negotiation Sub-Process - Recommendations

Sub-Process	Recommendation	Benefit Description	Policy/Procedure Change	Law Change	Increase in District Responsibility	Process Change Initiative	Page Ref.
NG1	Eliminate Non-Value Added Negotiation Activities	<ul style="list-style-type: none"> <li>• Reduced:               <ul style="list-style-type: none"> <li>- cycle time</li> <li>- costs</li> </ul> </li> <li>• Increased efficiency</li> <li>• Effective allocation of resources</li> </ul>	Yes	No	Yes	Streamlined Parcel Acquisition Process	Pg. 55
NG2	Utilize Possession and Use Agreements	<ul style="list-style-type: none"> <li>• Reduced:               <ul style="list-style-type: none"> <li>- cycle time to acquire parcels</li> <li>- number of eminent domain cases</li> <li>- number of project letting delays</li> </ul> </li> <li>• Allows eminent domain process to occur in parallel with negotiation process</li> <li>• Increased ability to negotiate with parcel owners</li> </ul>	Yes	No	Yes	Streamlined Parcel Acquisition Process	Pg. 57
NG3	Utilize Administrative Settlements	<ul style="list-style-type: none"> <li>• Reduced:               <ul style="list-style-type: none"> <li>- cycle time to acquire parcels</li> <li>- number of eminent domain cases</li> <li>- number of project letting delays</li> </ul> </li> <li>• Increased ability to negotiate with parcel owners</li> </ul>	Yes	No	Yes	Streamlined Parcel Acquisition Process	Pg. 59
NG4	Purchase Uneconomic Remainders	<ul style="list-style-type: none"> <li>• Reduced:               <ul style="list-style-type: none"> <li>- paying excessive damages</li> <li>- uneconomic parcel</li> <li>- cycle time</li> </ul> </li> <li>• Increased               <ul style="list-style-type: none"> <li>- efficiency in appraisal process</li> <li>- customer satisfaction</li> </ul> </li> </ul>	Yes	Yes	Yes	Other	Pg. 61



## Eminent Domain Sub-Process - Recommendations

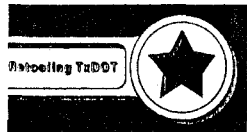
Sub-Process	Recommendation	Benefit Description	Policy/Procedure Change	Law Change	Increase in District Responsibility	Process Change Initiative	Page Ref.
ED1	Delegate Authority to the Executive Director for Eminent Domain Approval	<ul style="list-style-type: none"> <li>• Reduced:               <ul style="list-style-type: none"> <li>- burden on commission</li> <li>- cycle time</li> </ul> </li> </ul>	Yes	Yes	No	Streamlined Eminent Domain Process	Pg. 65
ED2	Develop Project Specific Minute Order Authorizing Eminent Domain Actions	<ul style="list-style-type: none"> <li>• Reduced:               <ul style="list-style-type: none"> <li>- burden on commission</li> <li>- cycle time</li> <li>- number of project letting delays</li> </ul> </li> <li>• Increased efficiency</li> </ul>	Yes	Yes	No	Streamlined Eminent Domain Process	Pg. 67
ED3	Eliminate Non-Value Added Eminent Domain Activities	<ul style="list-style-type: none"> <li>• Reduced cycle time and costs</li> <li>• Increased efficiency</li> <li>• Effective resource allocation</li> </ul>	Yes	No	Yes	Streamlined Eminent Domain Process	Pg. 69
ED4	Transfer Files Electronically to the Attorney General's Office	<ul style="list-style-type: none"> <li>• Information sharing</li> <li>• Reduced:               <ul style="list-style-type: none"> <li>- time to process eminent domain cases</li> <li>- review time</li> </ul> </li> </ul>	Yes	No	No	Automated Right-of-Way System	Pg. 71



## Eminent Domain Sub-Process - Recommendations (continued)

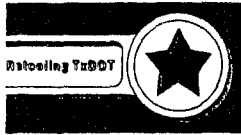
Sub-Process	Recommendation	Benefit Description	Policy/Procedure Change	Law Change	Increase in District Responsibility	Process Change Initiative	Page Ref.
ED5	Develop a Guide for Eminent Domain Procedures	<ul style="list-style-type: none"> <li>• Increased:               <ul style="list-style-type: none"> <li>- understanding and responsiveness of attorney needs/requests</li> <li>- efficiency</li> </ul> </li> <li>• Decreased:               <ul style="list-style-type: none"> <li>- untimely filing of required forms</li> <li>- cycle time for eminent domain proceedings</li> </ul> </li> <li>• Improved court clerk/department relationships</li> </ul>	Yes	No	No	Streamlined Eminent Domain Process	Pg. 73
ED6	Appoint Standing Panels of Special Commissioners	<ul style="list-style-type: none"> <li>• Continuity in awards of value for a project</li> <li>• Increased:               <ul style="list-style-type: none"> <li>- efficiency in scheduling hearings</li> <li>- special commissioners familiarization with projects</li> </ul> </li> <li>• Reduced:               <ul style="list-style-type: none"> <li>- Cycle time for eminent domain proceedings</li> </ul> </li> </ul>	Yes	Yes	No	Other	Pg. 75
ED7	Develop Quick Take Statute	<ul style="list-style-type: none"> <li>• Maintains property owner rights</li> <li>• Provides known possession date</li> <li>• Decreased number of letting delays</li> <li>• Streamlined eminent domain process</li> <li>• Increased efficiency and decreased cycle time for eminent domain proceedings</li> </ul>	Yes	Yes	Yes	Other	Pg. 77





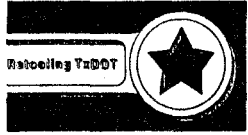
## Utility Adjustments Sub-Process - Recommendations

Sub-Process	Recommendation	Benefit Description	Policy/Procedure Change	Law Change	Increase in District Responsibility	Process Change Initiative	Page Ref.
UA1	Transfer Utility Adjustments to the Project Design Function	<ul style="list-style-type: none"> <li>• Improved customer relations with the utility companies</li> <li>• Expedited utility adjustments</li> <li>• Reduced:               <ul style="list-style-type: none"> <li>- letting delays due to incomplete adjustments</li> <li>- number of claims related to utility adjustment delays</li> </ul> </li> </ul>	Yes	No	Yes	Coordinated Utility Adjustment Process	Pg. 81
UA2	Eliminate Non-Value Added Utility Adjustment Activities	<ul style="list-style-type: none"> <li>• Streamlined process</li> <li>• Improved relationships with utility companies</li> <li>• Increased efficiency</li> <li>• Effective allocation of resources</li> </ul>	Yes	No	Yes	Coordinated Utility Adjustment Process	Pg. 83
UA3	Establish Better Communications Between TxDOT and Utility Companies	<ul style="list-style-type: none"> <li>• Improved public relations with utility companies</li> <li>• Reduced:               <ul style="list-style-type: none"> <li>- "re-works" and interrupted utility services</li> <li>- letting delays due to incomplete utility adjustments</li> <li>- number of claims related to utility delays</li> </ul> </li> </ul>	Yes	No	Yes	Coordinated Utility Adjustment Process	Pg. 85



## Utility Adjustments Sub-Process - Recommendations (continued)

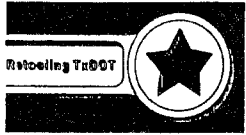
Sub-Process	Recommendation	Benefit Description	Policy/ Procedure Change	Law Change	Increase in District Responsibility	Process Change Initiative	Page Ref.
UA4	Streamline Utility Adjustment Reimbursement Procedures	<ul style="list-style-type: none"> <li>• Accurate reimbursement of costs</li> <li>• Improved relationships with utility companies</li> <li>• Streamlined reimbursement procedures</li> </ul>	Yes	No	Yes	Coordinated Utility Adjustment Process	Pg. 87
UA5	Allow Joint Bidding Between TxDOT and Utility Companies	<ul style="list-style-type: none"> <li>• Reduced:               <ul style="list-style-type: none"> <li>- contract administration</li> <li>- number of letting delays</li> <li>- risk of project delays and claims</li> </ul> </li> <li>• Expedited utility adjustments</li> </ul>	Yes	No	Yes	Other	Pg. 89
UA6	Share Maps Electronically	<ul style="list-style-type: none"> <li>• Increased efficiency in the sharing of information</li> <li>• Improved responsiveness with utility companies</li> <li>• Reduced cycle time</li> </ul>	Yes	No	No	Other	Pg. 91



## **III.A**

# **Overall Right-of-Way Acquisition Process Vision Statement and Recommendations**

Note: These recommendations are still being studied to determine how they will be implemented. They should not be considered as final.



## Overall Right-of-Way Acquisition Vision Statement

TxDOT envisions right-of-way acquisition and utility adjustment processes which are integrated with the planning, design and construction processes.

The right-of-way acquisition and utility adjustment processes will be:

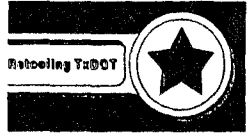
- streamlined, simple and proactive
- flexible, allowing for appropriate process variations
- enabled by innovative practices and policies
- supported by technology.

Participants, both internal and external, will work as partners and team members, with shared objectives and accountability for results.

Decisions will be made where the work is performed. Reviews, approvals and hand-offs will be minimized.

Goals of this vision will be:

- zero letting and construction delays caused by right-of-way acquisition and utility adjustment activities
- zero claims related to such delays
- zero project over-runs related to such delays
- effective working relations among internal and external stakeholders, including better communications with our customers and prompter service
- optimal use of human and financial resources
- minimal paperwork.



## Overall - Recommendations

### 1. Streamline the Payment Process

Currently it takes 6 - 8 weeks to process payments. The payment process includes non-value added approvals and reviews which add time to the process. We envision a streamlined payment process driven at the district level that results in timely payment to our customers.

- ◆ The payment process for warrants to parcel owners, fee appraisers, title companies and contractors will be streamlined.
- ◆ The payment process will go from the district to Budget and Finance Division to the Comptroller and return the same path.
- ◆ The current TxDOT payment system will be used to streamline the process of warrant request entry, approval and submission to the Comptroller.
- ◆ Access to the district payment system will be granted to right-of-way personnel.
- ◆ Tabulations will be provided to the Right of Way Division electronically.

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## Overall - Recommendations

### 1. Streamline the Payment Process (continued)

#### Investments

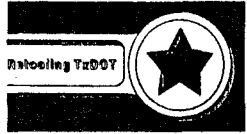
- Rewrite procedures/update manual publications
- Train personnel on payment system
- Communicate with and/or educate stakeholders

#### Benefits

- Increased customer satisfaction
- Reduced cost per warrant issued by streamlined process
- Reduced cycle time between vendor invoice to vendor payment receipt
- Increased efficiency
- Increased timeliness of parcel possession
- Effective allocation of resources to reflect change in district/division responsibility

#### Implementation Considerations

Full implementation will require district access to enter warrant request (voucher) information electronically and transmit data to Budget and Finance Division for approval and release for comptroller payment. Implementation will also involve elimination of current non-value and redundant approval/review activities. This may result in change to district/division responsibility.



## Overall - Recommendations

### 2. Develop an Automated Right-of-Way System

Currently, there is no standardized system to provide for the efficient management of the data accumulated during the acquisition of right-of-way. We envision an automated system which will integrate data in a way that will allow easy access of information.

- ◆ An automated system will be configured to enable open data access and integrated data sharing between the redesigned right-of-way areas.
- ◆ Standard reports will include parcel status information and will be available to all right-of-way areas.
- ◆ Data collection will be expanded to capture key parcel data that will enable more sophisticated analysis for right-of-way parcel acquisition.
- ◆ Ad hoc reporting capabilities will be developed to enable right-of-way staff to develop reports on parcel statistics and trends for analysis and decision making.
- ◆ The data will be integrated with the FIMS and DCIS MIS subsystems to cross reference data between right-of-way projects and construction CSJs.

# Overall - Recommendations

## 2. Develop an Automated Right-of-Way System (continued)

### Investments

- System development
- Decision support and query tools
- Communicate with and/or educate stakeholders
- Implement automated technology
- Capture data

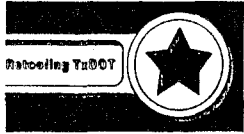
### Benefits

- Increased quality of right-of-way parcel reports to stakeholders
- Increased communications and data sharing across right-of-way functions
- Increased capability to respond to requests from the administration, Transportation Commission and other parties
- Increased availability and up-to-date information on right-of-way acquisitions

### Implementation Considerations

The scope of this effort is dependent on the business processes that are redesigned. Focus on user requirements when developing interfaces and reporting capabilities. Before implementation is possible, this effort must be coordinated with the stakeholders ability to share data, capture data and use the system.





## Overall - Recommendations

### 3. Develop an Integrated Project Information System

The lack of automated tracking and scheduling tools has resulted in delays in letting due to critical activities not being done or scheduled properly. We envision an integrated and automated project information system which includes right-of-way activities along with planning, design, utility adjustments and construction activities to effectively schedule and monitor projects.

- ◆ The right-of-way acquisition process and the utility adjustment process will be proactively managed at the inception of project development to introduce utility and right-of-way considerations. This will begin early in the transportation planning stage.
- ◆ Management will review reports generated by the project information system to resolve scheduling or resource conflicts and support decision making.

## Overall - Recommendations

### 3. Develop an Integrated Project Information System (continued)

#### Investments

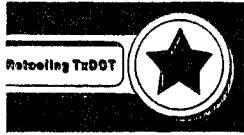
- Implement automated technology
- Rewrite procedures/update manual publications
- System development
- Decision support and query tools
- Develop management reports
- Communicate with and/or educate stakeholders
- Capture data

#### Benefits

- Capability to monitor project status, schedule and resource loads
- Increased communications and data sharing across right-of-way, planning, design and construction functions
- Improved information to make decisions
- Increased capability to respond to requests from the administration, Transportation Commission, and other parties

#### Implementation Considerations

Development of a system implementation plan should be the first step in the implementation of this initiative. A user group should be formed and tasked with the capturing of data and defining report formats. The scope of this effort is dependent on the business processes that are redesigned.



## Overall - Recommendations

### 4. Integrate Right-of-Way Activities into Overall Project Development Process

Currently, right-of-way activities are not integrated effectively into the overall project development process which contributes to inadequate lead time to acquire needed right-of-way for projects. We envision right-of-way activities being effectively integrated into the project development process allowing for the efficient and timely acquisition of rights-of-way.

- ◆ The right-of-way function will be included as an equal partner in the project development group.
  - Partnering sessions, which include right-of-way, will be conducted early in the project development process.
  - A performance measurement and accountability framework will be created to encourage teaming and shared responsibility at the project development group level.
  
- ◆ The right-of-way function will be integrated earlier in the project development process through scheduling and coordination efforts with stakeholders.
  - Risk management will be used as decision support for right-of-way acquisitions and integrated into the project development process.
  - Workload assessments will be made to develop a team driven time schedule.
  - A master project schedule will be developed and integrated with the letting schedule.

## Overall - Recommendations

### 4. Integrate Right-of-Way Activities into Overall Project Development Process (continued)

#### Investments

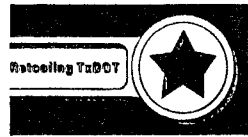
- Develop and establish stakeholder relationships
- Develop processes to support right-of-way acquisition/project development interfaces
- Design and document new performance monitoring process
- Rewrite procedures
- Decision support tools
- Communicate with and/or educate stakeholders

#### Benefits

- Reduced number of project letting delays
- Improved internal communications
- Decreased cycle time to acquire right-of-way and adjust utilities
- Shared knowledge between functions of the total project development process

#### Implementation Considerations

Can use performance monitoring to measure the success of this initiative.



## Overall - Recommendations

### 5. Contract Out Right-of-Way Acquisition Process

Currently, the districts have the authority and means to contract private contractors for right-of-way related work but only certain activities are outsourced. Critical projects sometimes need additional resources to acquire right-of-way in a timely manner to meet project letting schedules. Districts may not have the time or resources due to current workloads. We envision using private contractors who provide start to finish "turn-key" right-of-way acquisition services.

- ◆ A generic contract will be developed which allows flexibility in choosing which right-of-way activities to outsource.
  - Controls and procedures will be reviewed to ensure the department is meeting all contractual requirements.
  - Reviews will be minimized and approval authority delegated to the district level.
  - Process flow will be designed so that districts may procure services with minimal involvement of the Consultant Review Committee (CRC) and the General Services Division.
- ◆ A pilot program will be implemented to test the new procedures.
  - Performance measures will be developed to determine cost effectiveness.
- ◆ Lists of eligible private contractors will be automated for use by the Right of Way Division and all districts.
- ◆ Research and implement procedures that allow the use of privatization for condemnation.

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## Overall - Recommendations

### 5. Contract Out Right-of-Way Acquisition Process (continued)

#### Investments

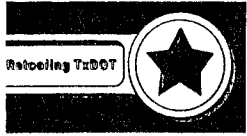
- Develop contracts
- Rewrite procedures
- Communicate with and/or educate stakeholders

#### Benefits

- Efficient allocation of resources to reflect change in district/division responsibility

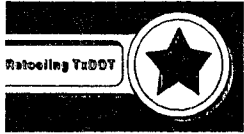
#### Implementation Considerations

This effort must be coordinated with the General Services Division.



## **III.B Appraisal Vision Statement and Recommendations**

Note: These recommendations are still being studied to determine how they will be implemented. They should not be considered as final.



## Right-of-Way Appraisal Vision Statement

We envision a coordinated appraisal program which enables TxDOT to maximize time and cost savings for right-of-way projects by:

- using effective communications between all partners from design to construction;
- including the appraisal team as an equal member of an overall project team with significant input towards the establishment of time-lines necessary to complete each phase, culminating in the establishment of a realistic letting date.

We envision a streamlined appraisal approach free of self-imposed constraints.

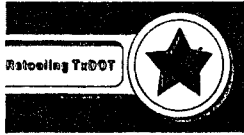
We envision a flexible appraisal approach which allows for process variations depending on parcel characteristics, enabled by using tools such as:

- the appraisal waiver
- value finding
- employing appraisal firms as well as individual appraisers
- and appraisal contracts by the project as well as by the parcel.

This vision will be enabled by the deployment of technology to internal and external partners at the level where work is performed.

This vision will be enabled by placing empowerment and authority at the lowest levels.





## Appraisal Sub-Process - Recommendations

### 1. Develop Flexible Parcel Value Determination Procedures

Current practices support the use of the same complex method to determine the value for all parcels, regardless of parcel value or characteristics. This results in considerable cost and effort in the appraisal process. We envision a fundamental redesign of the Department's procedures regarding parcel value determination. We envision flexible procedures driven by parcel characteristics and professional judgement.

- ◆ Formal appraisals will not be required for all parcels.
- ◆ Only the applicable approach(es) to value will be used in appraisals.
- ◆ Redundant appraisal report forms will be eliminated.
- ◆ Value findings will be used.
- ◆ Letters of value will be used.
- ◆ Review/Approval authority will be placed at the district level.
- ◆ Tabulations will be provided to the Right of Way Division.
- ◆ A database of real estate comparables will be created for use by districts and fee appraisers.

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## Appraisal Sub-Process - Recommendations

### 1. Develop Flexible Parcel Value Determination Procedures (continued)

#### Investments

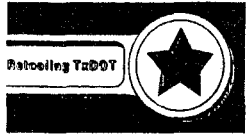
- Rewrite procedures/update manual publications
- Communicate with and/or educate stakeholders

#### Benefits

- Reduce appraisal costs statewide
- Significant reduction in review cycle time
- Effective allocation of resources to reflect change in district/division responsibility
- Negotiations can begin much sooner, shortening overall project time, resulting in fewer costly letting delays

#### Implementation Considerations

Leverage off other DOT's policies and practices for value findings and letters of value. This will result in a change to district/division responsibility.



## Appraisal Sub-Process - Recommendations

### 2. Enhance Fee Appraiser Contracting and Fee Determination Procedures

Dealings with fee appraisers are driven by rigid procedures and cumbersome paper work requirements. These procedures and paper work requirements add unnecessary time and cost to the appraiser selection process. We envision a fundamental redesign of the way we contract with, work with and compensate fee appraisers.

- ◆ Only one contract will be used to employ a fee appraiser.
- ◆ Review/Approval authority will be placed at the district level.
- ◆ Contracts will cover one or more parcels or an entire project.
- ◆ Improve communications between district right-of-way sections and fee appraisers.
  - The *appraisal problem statement* will be defined.
  - The proper approach(es) to value will be selected.
  - Decisions to use short-form appraisals will be made.
  - Submission of reports on an electronic media (diskettes) will be allowed.
- ◆ Fees may be based on an entire project or a block of parcels.

## Appraisal Sub-Process - Recommendations

### 2. Enhance Fee Appraiser Contracting and Fee Determination Procedures (continued)

#### Investments

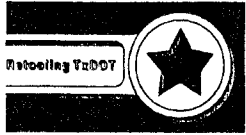
- Rewrite procedures/update manual publications
- Acquire automation software/hardware

#### Benefits

- Significant reduction in contract approval time
- Number of contracts will be reduced from three to one
- Contracts for specific parcels will be reduced from one per parcel to as few as one per project
- Economy of scale created by contracting for projects or a large block of parcels
- Effective allocation of resources to reflect change in district/division responsibility
- Appraisal preparation time can be reduced by a more clearly defined *problem statement*, thereby reducing the number of corrections and reworks

#### Implementation Considerations

Leverage off other DOT's policies and practices. This will result in a change to district/division responsibility.



## Appraisal Sub-Process - Recommendations

### 3. Redesign Standard Appraisal Forms Package

The current TxDOT standard appraisal forms package contains 13 numbered pages which results in a 20 to 40 page appraisal report for each parcel when attachments are included. The length of this forms package requires significant amounts of fee appraiser and review appraiser time to fill out and review the appraisal package. We envision a streamlined appraisal forms package that provides for flexibility in appraisal approach and allows individual appraisers latitude to document their findings.

- ◆ Department appraisal form standards will reflect flexibility in approaches to value determination.
- ◆ Latitude will be given to individual appraisers to report the results of their appraisals in an industry-standard format.
- ◆ The new appraisal forms will be available to fee appraisers by electronic media. Fee appraisers will be able to submit their appraisals to TxDOT on the same electronic media.

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## Appraisal Sub-Process - Recommendations

### 3. Redesign Standard Appraisal Forms Package

#### Investments

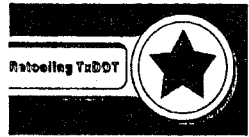
- Rewrite procedures/update manual publications
- Redesign appraisal forms
- Communicate with and/or educate fee appraisers and review appraisers
- Acquire forms software

#### Benefits

- Significant reduction in appraisal preparation cycle time
- Significant reduction in appraisal review time
- Reduction in filing and retrieval time and space requirements

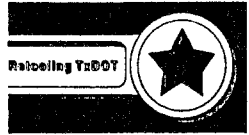
#### Implementation Considerations

Coordinate with implementation of recommendations relating to flexible parcel value determination procedures.



## **III.C      Negotiation Vision Statement and Recommendations**

Note: These recommendations are still being studied to determine how they will be implemented. They should not be considered as final.



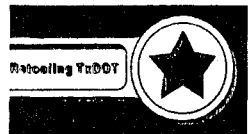
## Right-of-Way Negotiation Vision Statement

We envision a flexible and streamlined process which is responsive to the needs of our internal and external customers.

This process design will produce an environment of confidence, trust and partnership which empowers stakeholders to accomplish the acquisition of right-of-way.

This environment is created through the use of comprehensive networking of risk management, education and technology.





## Negotiation Sub-Process - Recommendations

### 1. Eliminate Non-Value Added Negotiation Activities

The "as-is" assessment identified multiple low-value, redundant handoffs, approvals and reviews in the negotiation process. We envision a negotiation process that has only value-added activities performed as a result of the empowerment of decisions to the district level.

- ◆ Only value-added approvals and reviews will be performed.
  - Approval of right-of-way maps, field notes and plats will be done at the district level.
  - Non-value added review and approval of instruments of conveyance will be eliminated.
  
- ◆ Approval authority will be delegated to the district level.
  
- ◆ The work flow will be streamlined to eliminate unnecessary handoffs.
  
- ◆ Risk management will be used as decision support for determining what steps in the negotiation process are necessary.
  - Risk analysis will be performed to determine when to purchase title insurance.

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## Negotiation Sub-Process - Recommendations

### 1. Eliminate Non-Value Added Negotiation Activities (continued)

#### Investments

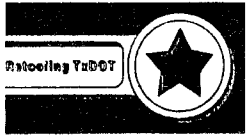
- Rewrite procedures/update manual publications
- Communicate with and/or educate stakeholders
- Design, document and implement performance monitoring process

#### Benefits

- Reduced cycle time and cost
- Increased efficiency
- Effective allocation of resources to reflect change in district/division responsibility

#### Implementation Considerations

This will result in a change to district/division responsibility.



## Negotiation Sub-Process - Recommendations

### 2. Utilize Possession and Use Agreements

The negotiation process as it exists, does not allow the department to take possession of a parcel until a settlement is reached through eminent domain proceedings. This results in eminent domain proceedings if the offer is rejected by the parcel owner. We envision using possession and use agreements (rights-of-entry) to convey an irrevocable right to occupy and use the right-of-way parcel in exchange for payment up to the amount of approved value as a negotiation mechanism to avoid eminent domain proceedings.

- ◆ Districts will be empowered to use possession and use agreements (rights-of-entry).
  - A range of monetary caps for district use will be established.
  
- ◆ Necessary controls for using possession and use agreements will be developed.
  - Decision support tools will be available.

## Negotiation Sub-Process - Recommendations

### 2. Utilize Possession and Use Agreements (continued)

#### Investments

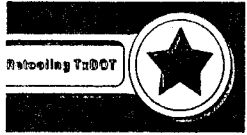
- Develop procedures and controls
- Update manual publications
- Minimal internal effort
- Communicate with and/or educate stakeholders
- Decision support tools

#### Benefits

- Allows eminent domain proceedings to occur in parallel with negotiations
- Decreased cycle time to acquire parcels
- Increased ability to negotiate with parcel owners
- Decreased number of eminent domain cases
- Reduced number of project letting delays

#### Implementation Considerations

Leverage off other DOT's possession and use agreements to develop TxDOT's practices. Can use performance monitoring to measure the success of this initiative.



## Negotiation Sub-Process - Recommendations

### 3. Utilize Administrative Settlements

The negotiation process as it exists, does not allow flexibility in adjusting the offer made to the parcel owner. This results in eminent domain proceedings if the offer is rejected by the parcel owner. We envision using administrative settlements as a negotiation mechanism to avoid eminent domain proceedings.

- ◆ Districts will be empowered to use administrative settlements.
  - A range of monetary caps for district use will be established.
- ◆ Necessary controls for using administrative settlements will be developed.
  - Decision support tools will be available.
- ◆ A policy change is required.
- ◆ The "one offer" system will be restructured to include the use of administrative settlements.
- ◆ Fiscal responsibility/risk assessment will be performed prior to using administrative settlements.

## Negotiation Sub-Process - Recommendations

### 3. Utilize Administrative Settlements (continued)

#### Investments

- Develop procedures and controls
- Rewrite procedures/update manual publications
- Communicate with and/or educate stakeholders
- Decision support tools

#### Benefits

- Decreased cycle time to acquire parcels
- Increased ability to negotiate with parcel owners
- Decreased number of eminent domain cases
- Reduced number of project letting delays

#### Implementation Considerations

Leverage off other DOT's administrative settlement policies to develop TxDOT's policy and practices. Can use performance monitoring to measure the success of this initiative.



## Negotiation Sub-Process - Recommendations

### 4. Purchase Uneconomic Remainders

Sometimes, partial takings of parcels by TxDOT leave small or odd shaped portions (remainders) with the parcel owner. These remainders are usually not useful to the parcel owner, who usually seeks, and is awarded, large sums in the form of damages. We envision the acquisition of remainders as a negotiation mechanism to avoid the payment of excessive damages.

- ◆ A state law change is required.
- ◆ Districts will have the authority to purchase uneconomic remainders.
  - Level of approval authority will be determined by the districts and Right of Way Division.
- ◆ The negotiation process will be restructured to include the purchase of uneconomic remainders.

## Negotiation Sub-Process - Recommendations

### 4. Purchase Uneconomic Remainders (continued)

#### Investments

- Develop legislative amendment
- Develop procedures
- Update manual publications
- Communicate with and/or educate stakeholders

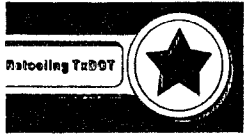
#### Benefits

- Increased customer satisfaction
- Savings resulting from not paying excessive damages for uneconomic remainders
- Increased efficiency in appraisal process
- Reduced cycle time

#### Implementation Considerations

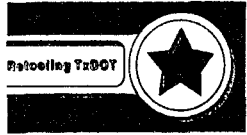
Passage of appropriate statutes to authorize TxDOT to purchase uneconomic remainders.





## **III.D Eminent Domain Vision Statement and Recommendations**

Note: These recommendations are still being studied to determine how they will be implemented. They should not be considered as final.



## Right-of-Way Eminent Domain Vision Statement

We envision a right-of-way acquisition process that will minimize the number of eminent domain cases through the use of innovative practices and policies.

When eminent domain proceedings are required, the process will be automated, simplified, streamlined, less bureaucratic, fair and quick.

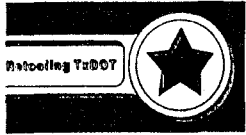
We envision an efficient eminent domain process which:

- employs cooperation and communication between all stakeholders (e.g., design, right of way, construction, Attorney General's Office, fee appraisers, property owners, local public agencies, courts and opposing counsels)
- utilizes technology to enhance effectiveness
- utilizes continuing education programs to empower participants
- promotes timely handling of eminent domain requests by minimizing reviews, approvals and hand-offs
- places empowerment at the lowest appropriate level.

Benefits of our vision will be:

- elimination of letting and construction delays caused by the right-of-way process
- reduction of net costs
- increased customer satisfaction
- increased flexibility in the eminent domain process
- better utilization of fiscal and human resources
- substantial reduction in paperwork.

This vision will result in the timely and cost effective acquisition of right-of-way.



## Eminent Domain Sub-Process - Recommendations

### 1. Delegate Authority to the Executive Director for Eminent Domain Approval

Presently, a minute order is required for each parcel to be acquired through eminent domain proceedings which must be approved by the Texas Transportation Commission, resulting in significant added time to the condemnation process. We envision a delegation of approval authority by the Texas Transportation Commission to the Executive Director to approve acquisition by eminent domain.

- ◆ A minute order delegating this authority to the Executive Director will be submitted to the Texas Transportation Commission.
  - The Right of Way Division will prepare the minute order.
- ◆ The eminent domain process will be restructured to allow project or parcel approval of eminent domain by the Executive Director.

## **Eminent Domain Sub-Process - Recommendations**

### **1. Delegate Authority to the Executive Director for Eminent Domain Approval (continued)**

#### **Investments**

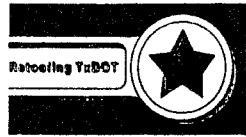
- Rewrite procedures/update manual publications
- Communicate with and/or educate stakeholders

#### **Benefits**

- Reduced time for eminent domain approval
- Increased efficiency
- Improved approval timeliness

#### **Implementation Considerations**

This effort must be coordinated with the General Counsel Office, the Texas Transportation Commission and the Attorney General's office. Statute change may be required.



## **Eminent Domain Sub-Process - Recommendations**

### **2. Develop Project Specific Minute Order Authorizing Eminent Domain Actions**

Presently, a minute order is required for each parcel to be acquired through eminent domain proceedings which must be approved by the Texas Transportation Commission, resulting in significant added time to the condemnation process. We envision a project specific minute order to be approved by the Texas Transportation Commission.

- ◆ A minute order allowing for eminent domain will be written for each project when funding is approved in the project development process.
  - The Right of Way Division will prepare the minute order and submit it to the Texas Transportation Commission for approval.
  
- ◆ The eminent domain process will be restructured to allow project specific minute orders.

## **Eminent Domain Sub-Process - Recommendations**

### **2. Develop Project Specific Minute Order Authorizing Eminent Domain Actions (continued)**

#### **Investments**

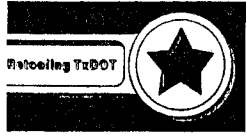
- Rewrite procedures/update manual publications
- Communicate with and/or educate stakeholders

#### **Benefits**

- Reduced burden on Texas Transportation Commission
- Increased efficiency
- Improved approval timeliness

#### **Implementation Considerations**

This effort must be coordinated with the General Counsel Office, the Texas Transportation Commission and the Attorney General's office. Statute change may be required.



## Eminent Domain Sub-Process - Recommendations

### 3. Eliminate Non-Value Added Eminent Domain Activities

The "as-is" assessment identified multiple low-value, redundant handoffs, approvals and reviews. We envision an eminent domain process that has only value-added activities performed as a result of the empowerment of decisions to the district level.

- ◆ Non-value added reviews will be eliminated.
  - Right of Way Division - Legal Section is only review required for eminent domain documents.

## Eminent Domain Sub-Process - Recommendations

### 3. Eliminate Non-Value Added Eminent Domain Activities (continued)

#### Investments

- Restructure approval/review process
- Rewrite procedures/update manual publications
- Communicate with and/or educate stakeholders
- Design, document and implement performance monitoring process

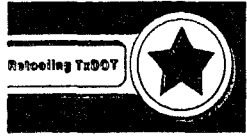
#### Benefits

- Reduced cycle time and cost
- Increased efficiency
- Effective allocation of resources to reflect change in district/division responsibility

#### Implementation Considerations

This will result in a change to district/division responsibility.





## Eminent Domain Sub-Process - Recommendations

### 4. Transfer Files Electronically to the Attorney General's Office

Currently, eminent domain documents are mailed or hand delivered to the Attorney General's office. If additions or corrections are needed, these documents are returned to the department either by mail or hand delivery. This transmission of documents is very time consuming and may cause costly delays. We envision the electronic transfer of files between the Attorney General's office.

- ◆ The automated system will allow for electronic imaging and transfer of files for use by the Attorney General's office.

## Eminent Domain Sub-Process - Recommendations

### 4. Transfer Files Electronically to the Attorney General's Office

#### Investments

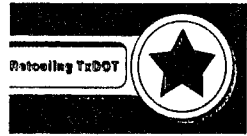
- Implement automated technology
- Training of personnel on automated tools
- Technology support

#### Benefits

- Ability to share information and necessary forms
- Reduced time to process eminent domain cases
- Reduced review time

#### Implementation Considerations

Focus on stakeholder requirements when determining reports and information to be shared.



## Eminent Domain Sub-Process - Recommendations

### 5. Develop a Guide for Eminent Domain Procedures

Unfamiliarity exists in the district in present eminent domain requirements, i.e., filing requirements and other procedures. We envision a small, easy to follow, guidebook which sets out procedures and time lines. This guidebook will be used to familiarize appropriate persons of eminent domain procedures.

- ◆ Settlement approvals for mediation will include district right-of-way personnel.

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## Eminent Domain Sub-Process - Recommendations

### 5. Develop a Guide for Eminent Domain Procedures (continued)

#### Investments

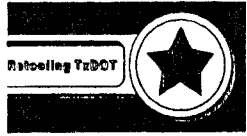
- Develop a guidebook for eminent domain procedures
- Communicate with and/or educate stakeholders
- Publish a guidebook

#### Benefits

- Increased understanding and responsiveness to attorney needs/requests
- Decreased untimely filing of required forms
- Improved court clerk/departments relationships
- Increased efficiency and decreased cycle time for eminent domain proceedings

#### Implementation Considerations

Focus on stakeholder requirements when developing guidebooks. The guidebook will be developed in conjunction with the Attorney General's office.



## Eminent Domain Sub-Process - Recommendations

### 6. Appoint Standing Panels of Special Commissioners

Presently, special commissioners are appointed on a case-by-case basis by the judge. This results in a lack of continuity in awards of value on parcels which may be on the same project. We envision a standing panel of special commissioners which are appointed on a project by project basis by the judge.

- ◆ A standing panel will be appointed on a project specific basis by the judge.
  - The judge will continue to have control of the special commissioners.
  
- ◆ Standard fees will be established for special commissioners.

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## Eminent Domain Sub-Process - Recommendations

### 6. Appoint Standing Panels of Special Commissioners (continued)

#### Investments

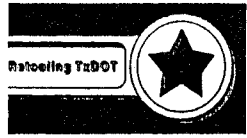
- Redesign court rules (procedural change by judge)
- Rewrite procedures
- Communicate with and/or educate stakeholders

#### Benefits

- Continuity in awards of value for a project (same special commissioners on entire project)
- Increased efficiency in scheduling special commissioners hearings and signing court papers
- Increased special commissioners familiarization with projects
- Reduced cycle time for eminent domain proceedings

#### Implementation Considerations

Focus on stakeholder requirements when determining procedures. Statute change may be required.



## Eminent Domain Sub-Process - Recommendations

### 7. Develop Quick Take Statute

Currently, there is no provision allowing TxDOT to gain right-of-entry and possession of a parcel (quick take). Without this provision, considerable time, effort and costs are added to the acquisition process. We envision a change in law which will allow TxDOT to acquire right-of-way through the use of quick take to obtain right-of-entry and possession of a parcel.

- ◆ A quick take statute would not deny a property owner their rights; eminent domain proceedings would still occur.
- ◆ Quick take would allow the districts to take possession of the property and construction could proceed.
- ◆ Necessary controls for using the quick take will be developed.
  - Districts will have approval authority based on dollar value.
- ◆ Fiscal responsibility/risk assessment will be performed prior to proceeding with eminent domain.

## Eminent Domain Sub-Process - Recommendations

### 7. Develop Quick Take Statute (continued)

#### Investments

- Develop quick take statute
- Develop procedures/update manual publications
- Communicate with and/or educate stakeholders

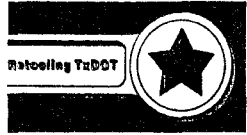
#### Benefits

- Maintains property owner rights
- Decreased number of letting delays
- Provides known date of possession
- Streamlined eminent domain process
- Increased efficiency and decreased cycle time for eminent domain proceedings

#### Implementation Considerations

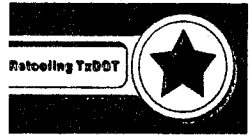
Statute change will be required.





## **III.E Utility Adjustment Vision Statement and Recommendations**

Note: These recommendations are still being studied to determine how they will be implemented. They should not be considered as final.



## Right-of-Way Utility Adjustments Vision Statement

We envision a partnership between TxDOT and the utility industry which promotes cooperation, understanding and shared accountability. Utilities will be recognized as transportation entities and inseparable parts of the Texas transportation system.

Furthermore, we envision a utility adjustment process integrated with planning, design, right-of-way acquisition and construction to achieve efficient and accurate adjustments without letting delays or conflicts with construction in progress.

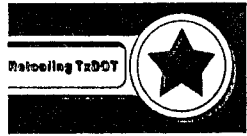
The utility adjustment process will be proactively managed and will begin in the programming stage. As team members, utilities will participate throughout the project development process.

Technology will support continuous exchange of information through automated processes, resulting in a comprehensive inventory of transportation assets, including utility facilities.

Benefits of our vision will be:

- to eliminate utility related letting delays
- to eliminate utility related construction delays
- to eliminate utility related contractor claims
- to execute Memorandums of Understanding with all utility companies.

Redirection of existing resources and priorities will allow for this vision to become an immediate reality.



## Utility Adjustment Sub-Process - Recommendations

### 1. Transfer Utility Adjustments to the Project Design Function

Currently, utility adjustments are considered as part of the right-of-way functions and responsibilities. We envision a process in which utility adjustments are part of the project design function.

- ◆ Utility adjustments will be considered as part of the transportation planning and development functions and/or the area engineer function.
  - Depending on the district's organization, the adjustment of utilities will either be the direct responsibility of the Director of Transportation Planning and Development or the area engineer.
  - The effectiveness of achieving timely and proper utility adjustments will be a performance measure and made part of the project manager's evaluation.
- ◆ Memorandums of agreement between utility companies and the Department may be negotiated to establish roles and responsibilities on all projects.
  - The memorandum of agreement will be the direct responsibility of the Director of Transportation Planning and Development or their designated representative.
  - Where applicable, the memorandum of agreement will be the direct responsibility of the area engineer.
- ◆ The actual adjustment of the utilities will be the responsibility of the appropriate area engineer's office.
- ◆ Tabulation of utility adjustment costs will be provided to the district right of way section.

## Utility Adjustment Sub-Process - Recommendations

### 1. Transfer Utility Adjustments to the Project Design Function (continued)

#### Investments

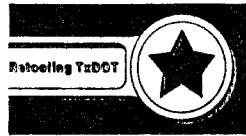
- Develop procedures/update manual publications
- Reassign duties at district level
- Develop memorandum of agreement
- Communicate with and/or educate stakeholders

#### Benefits

- Improved public relations with utility companies
- Expedited utility adjustments
- Improved coordination in the design and construction phases of a project
- Reduced number of costly project letting delays due to incomplete utility adjustments
- Reduced number of claims related to utility adjustment delays
- Optimized sequence of work

#### Implementation Considerations

Management support is vital. Leverage off San Antonio District's "Utility Coordination Procedure." Right of Way Division and Design Division support this procedure.



## Utility Adjustment Sub-Process - Recommendations

### 2. Eliminate Non-Value Added Utility Adjustment Activities

The current utility adjustment process includes reviews, approvals and audits which are performed by the Right of Way Division and district right of way sections. We envision the empowerment of decisions to the district level.

- ◆ The Memorandum of Agreement with utility companies and/or addendums, approved in the district, will serve as the focal point of cost eligibility and reimbursement.
  - Eliminate the necessity for other reviews and approvals by the division.
- ◆ Costs for materials will be paid to the utility company when their material order for relocation has been received.

## Utility Adjustment Sub-Process - Recommendations

### 2. Eliminate Non-Value Added Utility Adjustment Activities (continued)

#### Investments

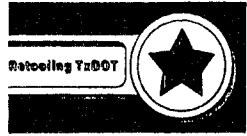
- Develop a memorandum of agreement
- Communicate with and/or educate stakeholders
- Develop procedures/update manual publications
- Restructure approval/review process
- Design, document and implement performance monitoring process

#### Benefits

- Streamlined process
- Improved relations with utility companies
- Increased efficiency
- Effective allocation of resources to reflect change in district/division responsibility

#### Implementation Considerations

This will result in a change to district/division responsibility.



## Utility Adjustment Sub-Process - Recommendations

### 3. Establish Better Communications Between TxDOT and Utility Companies

Currently, there exists an "arms-length" or adversarial relationship between TxDOT and the utility companies. Utility companies are often surprised by construction lettings because of the lack of communication and coordination between TxDOT and the utility companies. We envision a process in which utility companies are effectively integrated early in the project development process allowing for the efficient and timely adjustment of utilities.

- ◆ Utility companies will be involved in the planning, design and construction phases of project development.
- ◆ Partnerships will be established between TxDOT and utility companies.

## Utility Adjustment Sub-Process - Recommendations

### 3. Establish Better Communications Between TxDOT and Utility Companies (continued)

#### Investments

- Develop procedures/update manual publications
- Communicate with and/or educate stakeholders

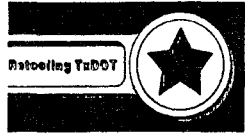
#### Benefits

- Improved public relations with utility companies
- Reduced "re-works" and interrupted utility services
- Reduced number of costly project letting delays due to incomplete utility adjustments
- Reduced number of claims related to utility adjustment delays

#### Implementation Considerations

Leverage off San Antonio District's "Utility Coordination Procedure."





## Utility Adjustment Sub-Process - Recommendations

### 4. Streamline Utility Adjustment Reimbursement Procedures

The present utility adjustment reimbursement procedures are complex and include mechanisms which are not suited to utility company business practices. We envision simple and streamlined procedures which are compatible with utility company practices.

- ◆ The department will re-evaluate the costs allowed in the reimbursement process.
- ◆ General industry accounting procedures should be accepted where possible.

## Utility Adjustment Sub-Process - Recommendations

### 4. Streamline Utility Adjustment Reimbursement Procedures (continued)

#### Investments

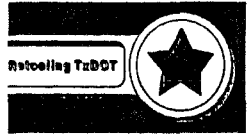
- Rewrite procedures/update manual publications
- Communicate with and/or educate stakeholders

#### Benefits

- Accurate reimbursement of costs
- Improved relationships with utility companies
- Streamlined reimbursement procedures

#### Implementation Considerations

Coordinate with Audit Office.



## Utility Adjustment Sub-Process - Recommendations

### 5. Allow Joint Bidding Between TxDOT and Utility Companies

Currently, joint bidding between TxDOT and utility companies is not used. We envision a process in which TxDOT and utility companies will jointly bid on utility adjustment projects.

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## Utility Adjustment Sub-Process - Recommendations

### 5. Allow Joint Bidding Between TxDOT and Utility Companies (continued)

#### Investments

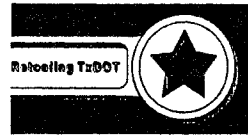
- Develop procedures/update manual publications
- Review/revise contracting procedures

#### Benefits

- Reduced contract administration
- Optimized sequence of work
- Expedited utility adjustments
- Reduced number of costly letting delays
- Reduced risk of project delays and claims

#### Implementation Considerations

Leverage off San Antonio District's "Utility Coordination Procedure" and other DOT's policies and practices. Will need to work with General Services Division's Contract Management Section.



## Utility Adjustment Sub-Process - Recommendations

### 6. Share Maps Electronically

Maps cannot be shared electronically internally or externally due to incompatibility of systems. We envision an electronic means to share maps between the department and utility companies.

## Utility Adjustment Sub-Process - Recommendations

### 6. Share Maps Electronically (continued)

#### Investments

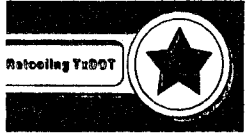
- Communicate with and/or educate stakeholders
- Acquire hardware and software

#### Benefits

- Increased efficiency in the sharing of information
- Improved responsiveness with utility companies
- Reduced cycle time

#### Implementation Considerations

Purchasing and distribution of required hardware and software. The training of appropriate personnel.



# IV. Change Management



## Change Management

The implementation of the change initiatives calls for a fundamental shift in review and approval authority from the Right of Way division to the districts. This shift in responsibility carries with it the need to manage the effects of this change at the division where right of way activities and responsibilities will be reduced and at the districts where right of way activities and responsibilities will be increased. The need to manage change will be further increased with the development and implementation of information technology at the division and district levels.

The following "change levers" should be used in concert to manage the effects of these recommendations on division and district stakeholders:

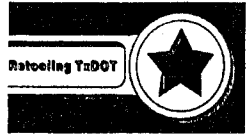
- **Leadership** - includes the identification of champions and sponsors, assumption of risk by leaders, and leadership by example. Specifically, TxDOT will need to identify and develop champions of the change initiatives at the department, division, and district levels. The champions will be expected to explain the rationale for change and communicate the need for change to the broader organization when called upon.
- **Communication** - includes communication program planning, written and oral communications, feedback mechanisms. The change initiatives will be presented to the district champions. The approved change initiatives will then be presented to the district engineers. The district engineers will contact the appropriate champion to provide feedback. A communication program will be developed to communicate the change initiatives to the Right of Way division and its section managers, and the right-of-way personnel at the division and district levels.





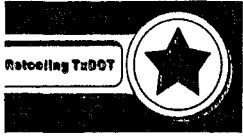
## Change Management (continued)

- **Enrollment/Active Involvement of Stakeholders** - includes the involvement of informal leaders and influential resisters to lay a strong foundation for change. During Phase 3 of the project, workshops will be conducted to present a draft of the conceptual process redesigns to the stakeholders so that they can confirm and modify the changes. These workshops will provide the opportunity for active participation of stakeholders and create a sense of "buy-in" or enrollment in the change initiatives.
- **Education/Training** - includes general awareness sessions and training sessions to enhance knowledge, understanding and skills needed to perform redesigned processes and utilize new technology. In order to involve right-of-way personnel in the technology transition, TxDOT should conduct a technology skills survey for right-of-way personnel targeted as users of new right-of-way applications. TxDOT should begin to address the fear of technology by installing and training right-of-way personnel on such computer applications as spreadsheets and word processing. Determination of which right-of-way sections or districts to target for technology will be required.
- **Workforce Transition Assistance** - includes assisting individuals with the consequences of large scale change. Champions will work with section managers to discuss the change initiatives and their related impacts to right-of-way personnel. Personnel should consider using other avenues of assistance, such as the Employee Assistance Program (EAP) to assist in dealing with the change or potential job loss.
- **Performance Monitoring** - refers to the process of ensuring that the project focuses on results, and that performance improvements are measured, tracked, and achieved. TxDOT should establish a right-of-way performance monitoring mechanism which is integrated with overall strategic planning and employee performance measures.



**V.**

## **Next Steps**



## NEXT STEPS

- ◆ Confirm the team's recommendations on the process change initiatives to consider for implementation.
- ◆ Begin to implement change management strategies.
- ◆ In Phase 3, Redesign, the core team will use the approved change initiatives to begin outlining how the new processes and systems will work. This will be a preliminary indication of new procedures and responsibilities.
  - Provide detailed definition of process redesigns to support implementation planning
  - Develop detailed and interactive implementation plans
  - Develop "future" process maps and employee training requirements
  - Determine more specific quantification of anticipated costs and benefits
- ◆ Present Phase 3 conceptual redesigns and business case to Bob Cuellar, Bill Burnett and Bobbie Templeton for their review and approval.