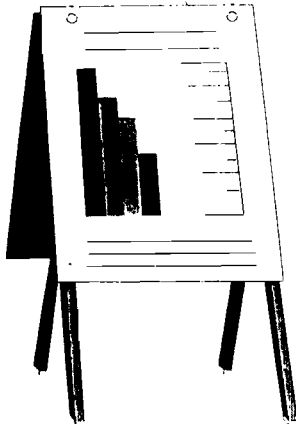
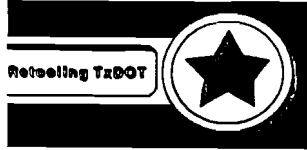


**Texas Department of Transportation  
Phase 1  
The Change Imperative for Retooling  
Right-of-Way Acquisition Processes  
December 20, 1994**





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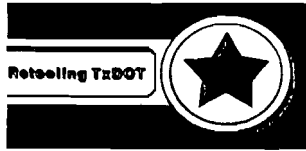
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## EXECUTIVE SUMMARY

**In summary the right-of-way acquisition process is not integrated with scheduling and coordination of projects, resulting in right-of-way acquisition related letting delays.**

### OVERALL FINDINGS

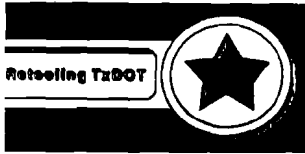
- ▶ In FY 94, there were 33 ROW acquisition and utility related letting delays, representing 20% of all letting delays. Projects delayed totaled \$68.5 million.
- ▶ According to interviews with district ROW managers, a lack of coordination with the project development process results in the need to conduct additional parcel negotiations to acquire drainage easements and access rights.
- ▶ According to utility company interviews, the right-of-way process has minimal control over project sequencing and design issues which impact utility adjustments. Control over these issues resides with the design process. The result is ROW getting caught in the middle between design and utilities.
- ▶ The Design Division does not start to track ROW acquisition progress until 12 months before parcels are required for letting. However, the ROW acquisition process for a project typically lasts 24 to 36 months implying that many ROW acquisition activities are performed without input from the design process.



**The ROW acquisition process is inflexible in that all parcels, regardless of value, are subject to the same requirements, resulting in delays and extra costs to purchase the needed right-of-way for projects.**

### OVERALL FINDINGS

- ▶ All parcels currently go through the appraisal process. In a typical 50 to 75 parcel project, the appraisal process adds approximately 3 months of calendar time to the overall ROW acquisition process.
- ▶ All parcels currently require a title opinion and title insurance, regardless of value. The approximate time required to acquire the title opinions and title insurance policies for a typical 50 to 75 parcel project is 3 to 6 months.
- ▶ The "one offer" system is applied to all parcels, regardless of value. The inability to negotiate is believed to result in more parcels having to be acquired by the eminent domain process. The average cost of an eminent domain case is approximately \$8,000. However, they can cost up to \$30,000 or more. A typical increase in the parcel value of 15% to 30% also occurs.

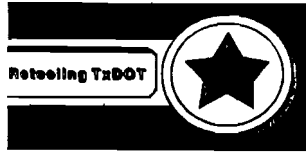


## EXECUTIVE SUMMARY

Generally, there is a lack of communication among internal and external business partners involved in the right-of-way acquisition process, resulting in increased cycle time and delays to purchase the right-of-way needed for projects.

### OVERALL FINDINGS

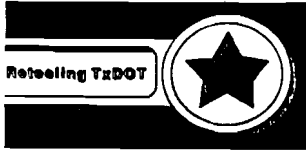
- ▶ Process analysis reveals that extensive district review of fee appraiser appraisal reports are required, adding time to the overall ROW acquisition process. It is believed that more effective upfront communications with external fee appraisers could help mitigate the need for extensive reviews of appraiser end products.
- ▶ According to interviews with fee appraisers, TxDOT does not provide enough interaction between appraisers, ROW reviewers and engineering personnel at the beginning of the project. This lack of interaction results in delays.
- ▶ According to interviews with utility companies, the current process of notifying and coordinating with utility companies is inadequate. The actual moving time for utilities is 4 months to one year.
- ▶ According to interviews with the FHWA, there is a lack of communication between design, planning, environmental and ROW. The lack of communication may result in not meeting letting dates.



**Current right-of-way processes are characterized by a high portion of low-value added activities.**

### OVERALL FINDINGS

- ▶ Numerous hand-offs occur, just within TxDOT, in all sub-processes.
- ▶ According to interviews with fee appraisers, TxDOT sometimes requires too much data on appraisal reports and we normally require all 3 approaches to value regardless of the type of property appraised.
- ▶ Fee appraisers say other states use one contract for appraisers rather than the three TxDOT requires. FHWA agrees these are unnecessary.
- ▶ According to interviews with fee appraisers, TxDOT conducts unnecessary appraisals on low value parcels and should include the use of value findings. The same entities state TxDOT requires too much paperwork and redundant, complex forms.

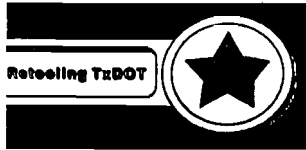


**Cycle times are driven by excessive requirements for written and verbal approval and review processes and communications.**

### **OVERALL FINDINGS**

- ▶ The appraisal sub-process contains a minimum of five separate TxDOT review and approval steps.
- ▶ The utility adjustment sub-process contains a minimum of twelve separate review and approval steps.
- ▶ According to interviews with FHWA, title companies, divisions and districts, the approval processes are not at the lowest possible level. This results in increased cycle times.

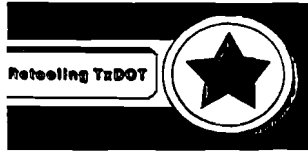




Generally, there is a lack of applications to support the right-of-way acquisition process.

### OVERALL FINDINGS

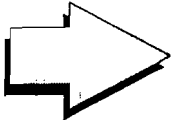
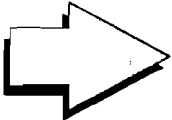
- ▶ The mainframe "D15 Records" system is difficult to use and the information available is not adequate to meet district needs.
- ▶ District ROW databases are developed and maintained within each district. As a result, they may be redundant or contradictory with statewide databases.
- ▶ An assortment of district written Dbase programs, Lotus spreadsheets, and WordPerfect documents are used to monitor and track ROW activities in the districts. A standardized approach does not exist.
- ▶ Payment procedures are difficult for district ROW due to an inability to access various systems involved in this process.



## TARGETED ROW SUB-PROCESS RECOMMENDATION

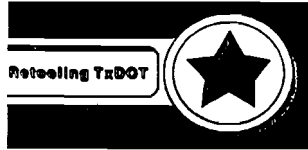
Following is our recommendation regarding the six ROW acquisition sub-processes. Sub-processes identified as "targeted" will move forward into the next phase of the Retooling project.

Targeted sub-processes to carry forward into visioning (Phase 2):

<ul style="list-style-type: none"><li>▶ Appraisal</li><li>▶ Negotiation</li><li>▶ Eminent Domain</li></ul>		Ratings of importance related to level of satisfaction (gap analysis) placed these sub-processes as the top three in need of improvement.
<ul style="list-style-type: none"><li>▶ Utility Adjustments</li></ul>		Results of executive interviews and its duration relative to the entire acquisition process focused a need for improvement on this sub-process.

Other non-targeted sub-processes will be recipients of targeted business process improvements:

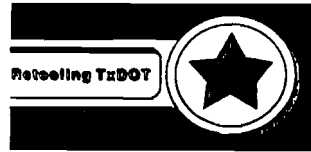
- Disposal of Improvements: Rating outcome placed this sub-process fourth.
- Relocation: Control procedures primary area for improvement - Audit Office should address.



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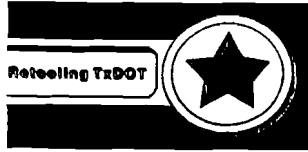


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**The Department's success in delivering transportation systems is a vital part of achieving our mission and vision.**

Change Imperative: To reduce the number of contract letting delays associated with ROW acquisition.

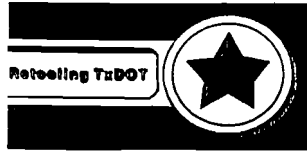
- The dollar amount of construction projects delayed in FY 94 because projects did not meet letting schedules due to ROW or utilities was \$68.5 million.
- The number of letting delays resulting from ROW acquisition issues over the past two years has been 90.
- This will assist the department in meeting its objective to develop, operate and maintain efficient and effective transportation systems and services.



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Change Imperative: To reduce the number of offers that are rejected and sent to eminent domain.

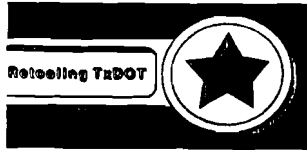
- The average additional cost of acquiring a parcel through the eminent domain process is \$8,000 plus an average 15% to 30% increase in parcel value.
- The average additional time required to acquire a parcel through the eminent domain process is 300 days.
- 25% to 30% of our parcel negotiations fail and proceed to the eminent domain process. In FY 93, the department had 486 eminent domain proceedings initiated to acquire highway right-of-way.
- This reduction will enable the department to optimize timing of highway right-of-way acquisition and utility adjustments.



---

Change Imperative: To improve communications with business partners.

- Interviews with utility companies indicate that coordination of utility design and adjustments are critical elements in the project development and construction schedules.
- Interviews with title companies reveal that our pay process is untimely and slow and that our forms are inconsistent with the industry standard forms.
- Process analysis reveals that extensive district reviews of fee appraiser appraisal reports are required, which adds to the overall time required to complete the ROW acquisition process.
- These opportunities will help increase customer satisfaction.



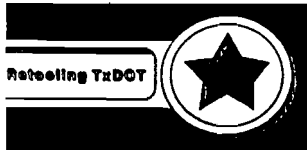
Change Imperative: To reduce the number of times ROW documents are passed between district ROW offices and the ROW division, and among sections within the division.

- The minimum number of document handoffs from one TxDOT organization to another TxDOT organization associated with each ROW acquisition sub-process is as follows:

<u>Sub-Process</u>	<u>TxDOT Handoffs</u>
Appraisal	5
Negotiation	11
Eminent Domain	14
Disposal of Improvements	10
Relocation	8
Utility Adjustments	12

It is generally desirable to avoid handoffs within a process because they slow the process down and add coordination requirements to the overall process.

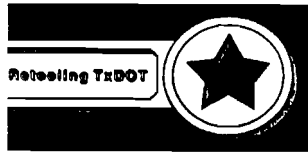
- Streamlining these sub-processes supports our objective to continuously improve the way we do business.



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Conclusion: The department's ability to provide transportation systems is dependent on several factors. One of those is the timely acquisition of right-of-way parcels. It is imperative that we reduce the amount of time needed to acquire parcels of property.

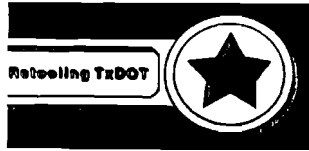




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## Market Definition

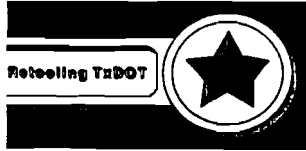
*Sub-processes within the Real Property business area responsible for acquiring all real estate necessary for the operation, construction and maintenance of the transportation system overseen by TxDOT and the management and disposition of improvements.*

- ◆ Services: Appraisal, acquisition, relocation assistance, improvement clearance and utility adjustments
- ◆ Value Added: ROW parcels cleared and ready for contract letting
- ◆ Customers: Property owners, Design Division, Construction and Maintenance Division
- ◆ Influencers: Federal Highway Administration, State Legislature, Texas Attorney General, Environmental Protection Agency, Environmental Affairs Division, and Texas Natural Resource Conservation Commission



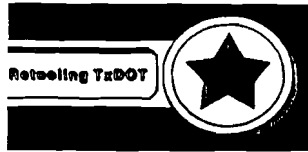
## Core Competencies

- ◆ No public concerns about improprieties, collusion, or coercion
- ◆ "We know the issues. . . we are competent"
- ◆ "High professional ethics in the districts and division"
- ◆ Cooperation and teamwork
- ◆ Dealings with property owners are fair and equitable
- ◆ Follow procedures well



## Current Business Environment

Situation	Needs
Increasing Environmental Regulations	Increase coordination with ROW, design and environmental personnel in project planning
Rapid Population Growth	Shorten project development times to deliver transportation systems faster
Era of Budget Shortfalls	Increase productivity and technology capabilities
New Demands for Accountability	Place responsibility and accountability at the lowest possible level
North American Free Trade Agreement	Increase capacity of affected transportation systems
1991 ISTEA and Associated Increase in MPO and COG Involvement	Increase coordination with communities and business partners



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## **Business Strategy**

**Optimize timing of highway right-of-way acquisition and utility adjustments.**

## **Output Measures**

- ◆ **The number of parcels of right-of-way acquired on schedule to meet contract letting schedules**
- ◆ **The percent of right-of-way purchases related to projects to be contracted in the following year**
- ◆ **The number of highway right-of-way utility facilities adjusted**
- ◆ **The number of construction projects where contract lettings were delayed because of right-of-way purchases**



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## Scope of Services

RESOURCE STATISTICS

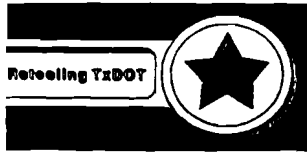
The right-of-way acquisition process encompasses a number of entities and procedures that result in the delivery of a cleared parcel for a project scheduled for letting. The services provided by the Right of Way Division and the twenty-five districts include the following:

### District perspective:

- Preparation of appraisals
- Calculation of relocation supplements
- Negotiation of offers to property owners
- Delivery of payment to property owner/displacee
- Acquisition of title policy and deed
- Coordination of eminent domain process
- Scheduling of closing
- Relocation of displacees
- Coordination of improvement disposal/removal
- Coordination of utility adjustment
- Acquisition and preparation of parcel for project letting

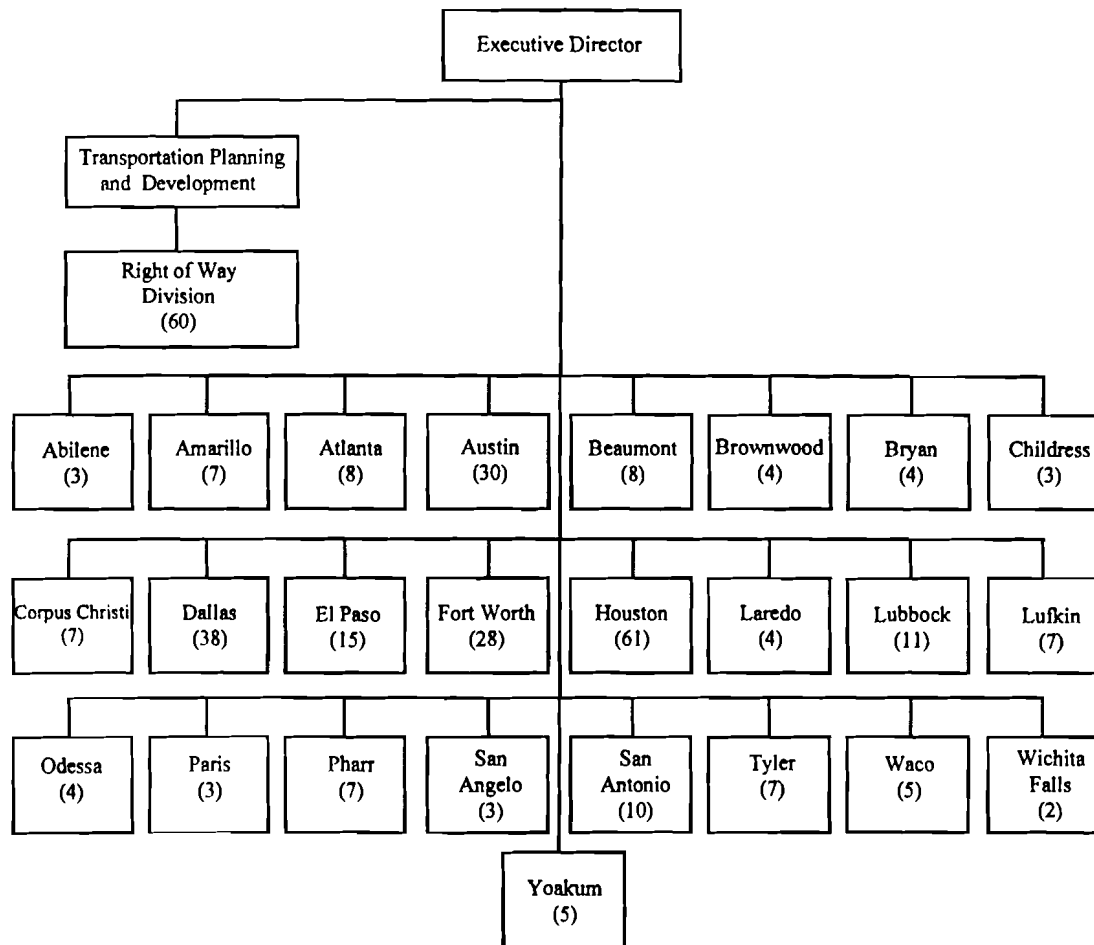
### Division perspective:

- Determination of policies and procedures
- Development of training programs
- Recommendations for improved legislation
- Approval of all district acquisitions
- Distribution of funds
- Processing of right-of-way matters for departmental and federal approvals



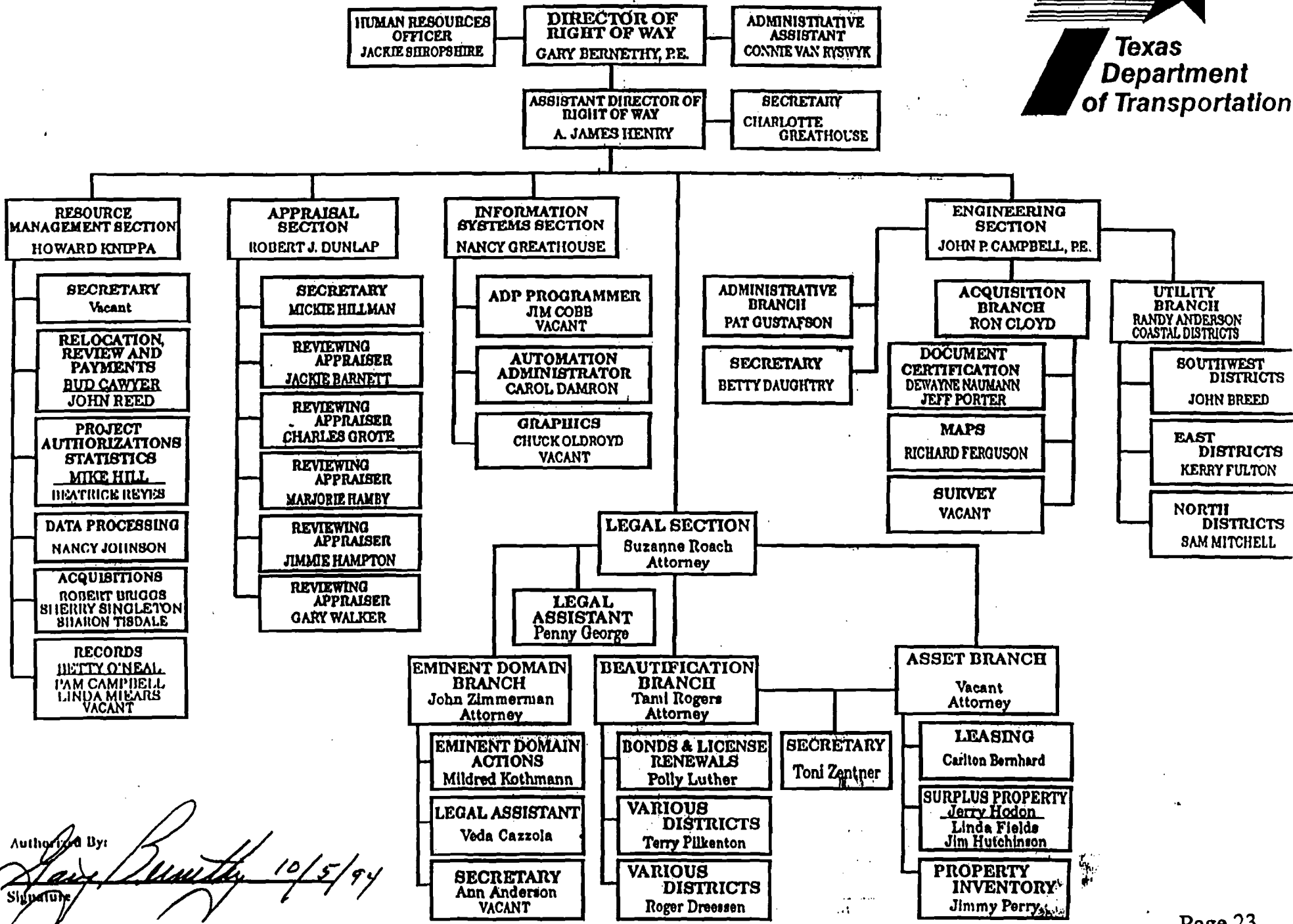
## RESOURCE STATISTICS

The department's existing right-of-way organization, structure, and processes involve the use of a significant number of resources. The following organization chart depicts the number of full-time equivalents (FTEs) in the right-of-way area, at the division and district levels. The total number of FTEs involved in right of way activities at the department is 344.

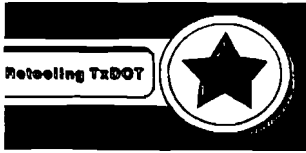




# Right of Way Division

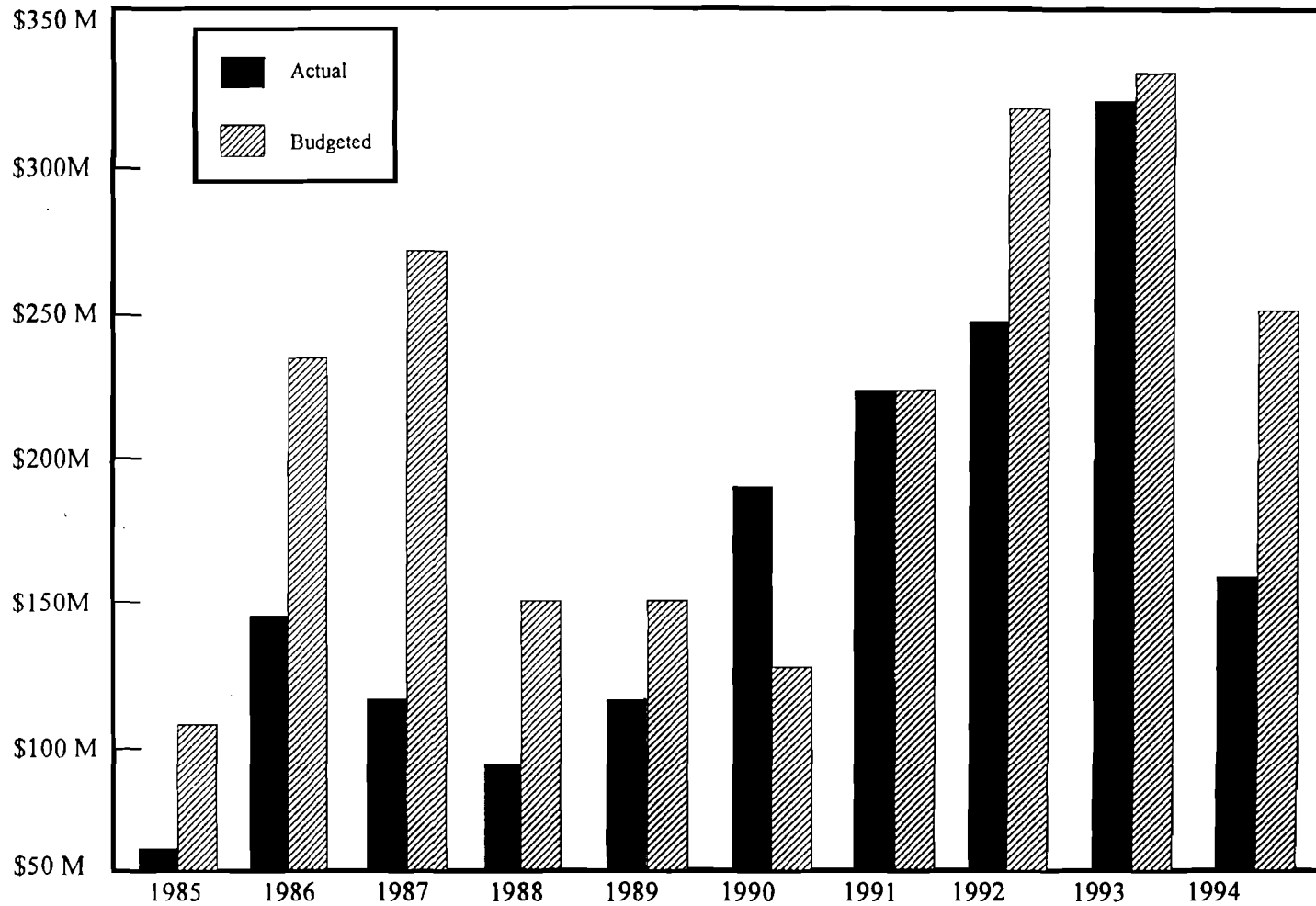


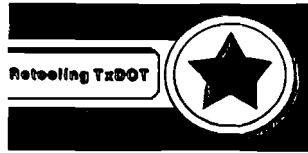
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Signature



## RESOURCE STATISTICS

The department fluctuates drastically in forecasting right-of-way acquisition expenditures. Actual expenditures also differ from year to year. Actual expenditures usually do not match forecasted amounts.





RESOURCE STATISTICS ... BENCHMARKING

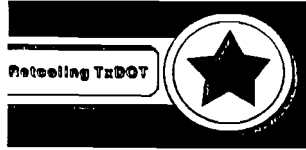
Benchmarking has been done against four other state departments of transportation and one private entity. This information is provided for your information. We have not made any conclusions or performed any analysis at this time.

Benchmark Question	TxDOT	Penn.	Calif.	N. Car.	Florida	Universal Services
1. How many parcels do you acquire on an average per year?	1,461	1,100 - 1,300	2,170	3,600	2,600	10,000
2. What is the average value of the acquired parcels?	\$23,000	\$16,900	\$115,576	\$27,000	\$54,500	\$10,000 (Iowa) to \$200,000 (Calif)
3. Do you experience problems with ROW acquisitions delaying letting? If so, how many of your projects are delayed?	20%	less than 10 %	less than 5 %	NO	1 per yr.	some usually for design & utility
4. How is the appraisal value approved and by whom?	All appraisals approved by central office	District up to \$5,000 Central office \$5,000-\$200,000 Chief Central Office over \$200,000	In-house staff mostly approved by district appraisal branch chief	\$1 - \$250,000 Reviewer to \$500,000 Area Supervisor over \$500,000 State Appraiser	District appraisers approve final value Central office oversees parcels over \$1,000,000	Some in-house some with sub-contract review some agency



RESOURCE STATISTICS ... BENCHMARKING

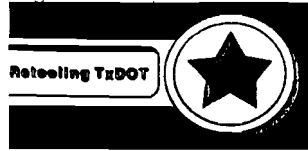
Benchmark Question	TxDOT	Penn.	Calif.	N. Car.	Florida	Universal Services
5. How long does it take to obtain title information?	15-300 Days	Varies	14-180 Days	30 Days	120 Days	15 Days
6. Do you purchase title insurance?	YES	NO	YES	RARELY	NO	1/2 states do not
7. How many parcels are purchased through negotiations vs. eminent domain?	70% Neg. 30% ED	67% Neg. 33% ED	90% Neg. 10% ED	85% Neg. 15% ED	50% Neg. 50% ED	80% Neg. 20% ED



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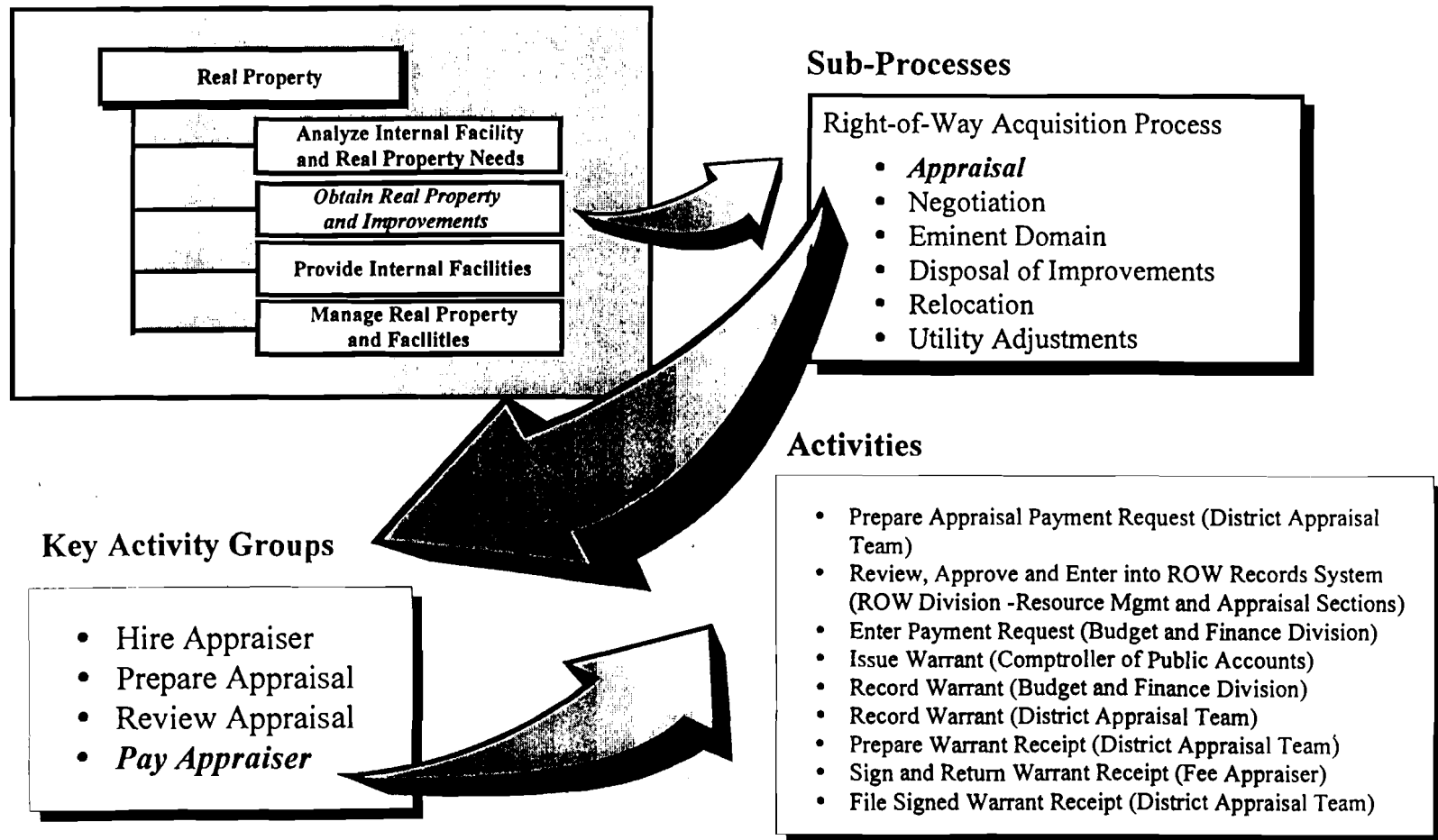
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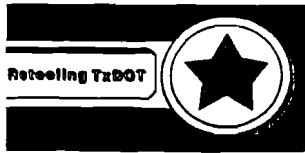
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## CORE PROCESS ANALYSIS

A process and activity framework has been used to model the right-of-way acquisition process of the "Real Property" business area





**The Right of Way Business Process Retooling Pilot is focusing on the core process of acquiring right-of-way.**

**Core Process**

Acquire Right-of-Way: The fundamental set of sub-processes employed to acquire rights-of-way for transportation projects.

**Sub-processes**

Appraisal: The determination of the amount of just compensation to be offered to acquire a parcel of right-of-way.

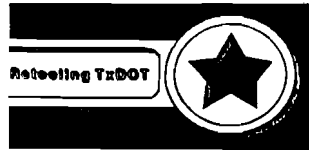
Negotiation: The contact with the property owner(s) to offer the amount of just compensation approved for that parcel.

Eminent Domain: The legal process employed to acquire a parcel of right-of-way when the negotiation process fails (the offer is rejected).

Disposal of Improvements: The sale of uncontaminated improvements located within the acquired rights-of-way by a public bid process; or, the payment to qualified contractors for the removal of contaminated improvements by a public bid process.

Relocation: The systematic set of activities employed to determine the needs of the person(s) and/or business(es) displaced by transportation projects and to pay monetary supplements to the extent provided for by law.

Utility Adjustments: The determination and adjustment and/or relocation of utility facilities in order to clear the construction limits of a transportation project.



## PROCESS ANALYSIS ... APPROACH

**Process analysis was conducted to document how the right-of-way acquisition process is currently executed at a high level.**

### Primary Objectives

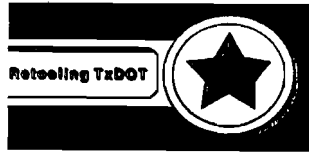
- To develop a *baseline* understanding of our performance.
  - This baseline will be used to measure the extent to which we improve performance as a result of reengineering.
- To generate a list of *key issues and improvement opportunities*.
  - Understanding the performance drivers and value-added associated with sub-processes and key activities will support right-of-way acquisition visioning and priority setting for reengineering.

### Secondary Objectives

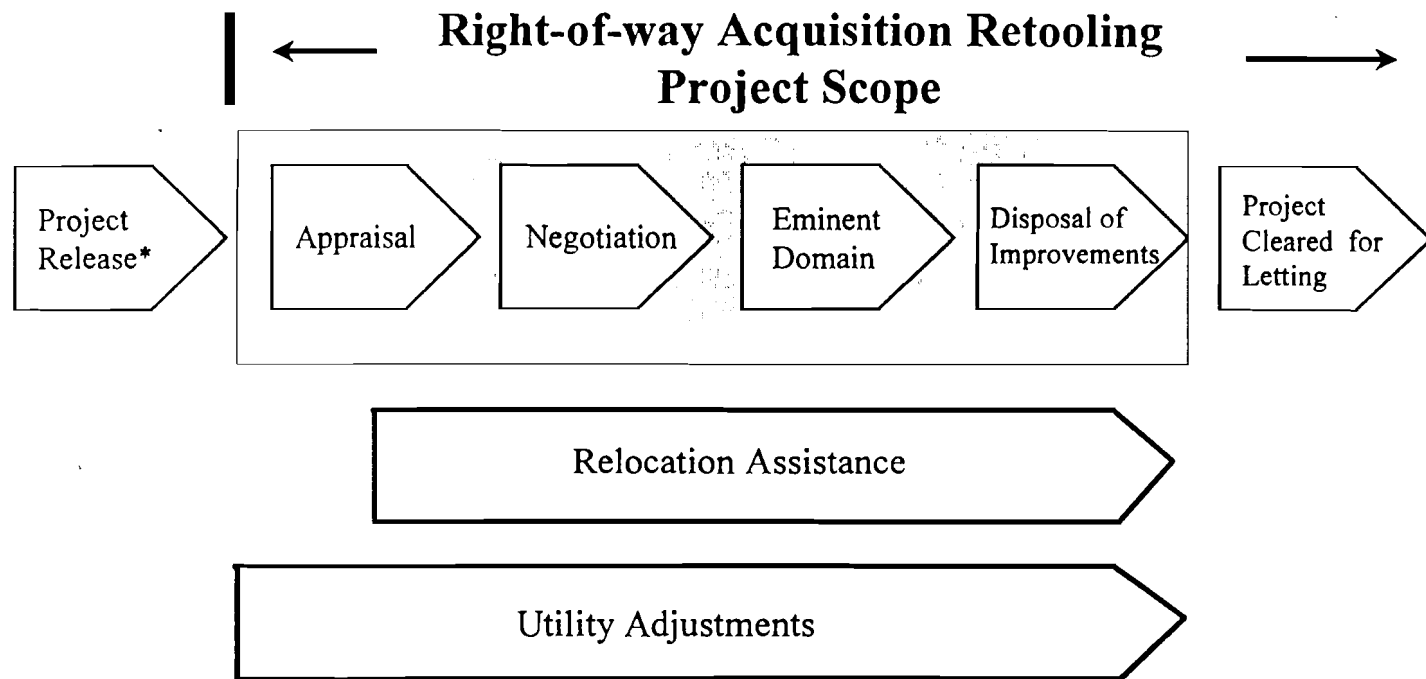
- To understand the extent to which a *well-defined, measurable process* exists to execute key activities related to service delivery and management of right-of-way acquisition.
- To determine at a high level *which key activities add value* to the users or otherwise support right-of-way acquisition.
- To *establish definitions* which will support detailed process redesign in later phases of the project.
- To *establish cycle times* against which to measure our performance.

**The current way of doing things was analyzed only to the extent necessary to support Phase 2 visioning.**





The business of providing right-of-way acquisition services is comprised of several sub-processes.



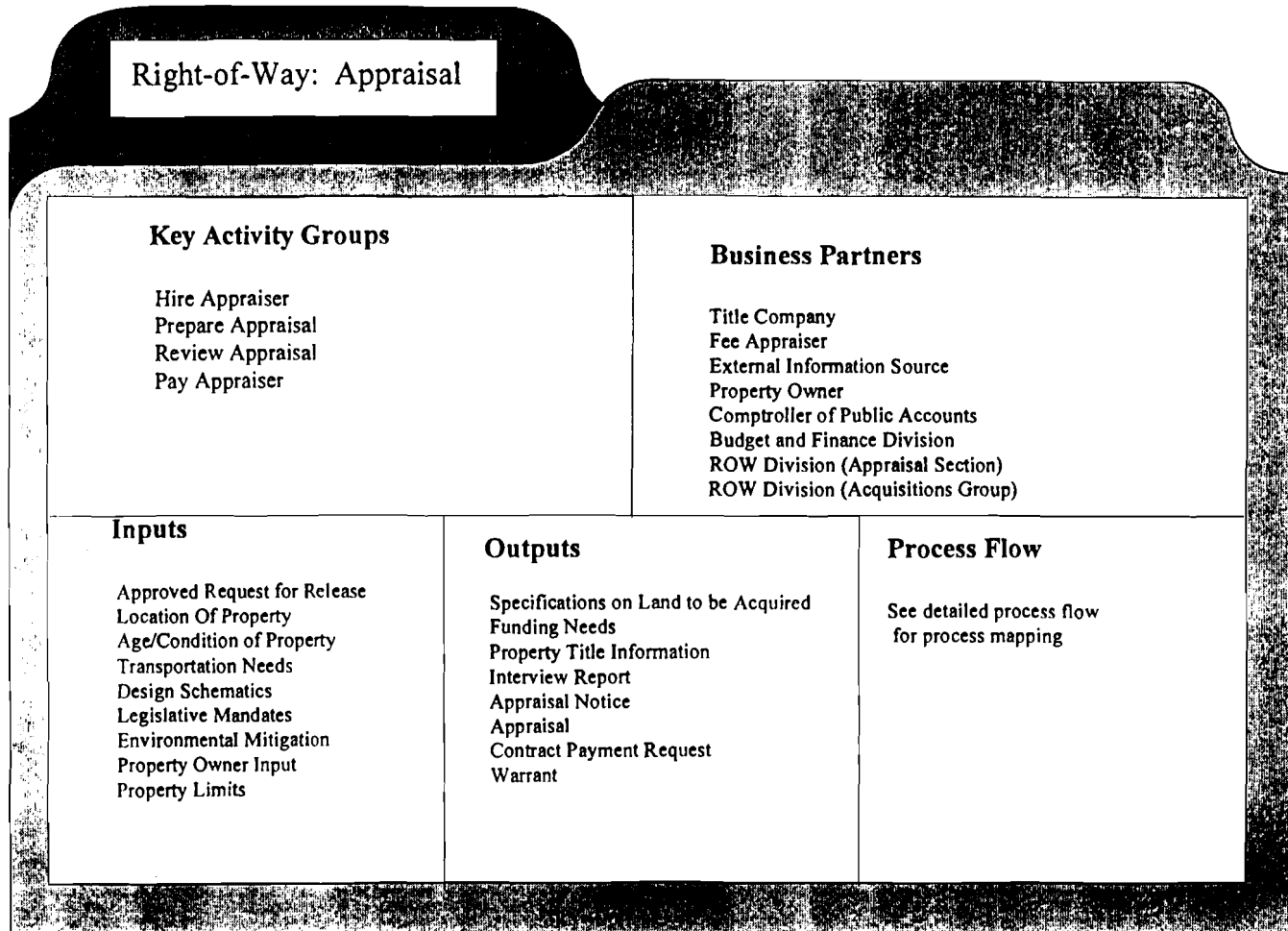
Each core process is defined by its key activities, inputs, outputs, interfaces, and flow (sequence of activities).

\* After completion of the public involvement process and environmental clearance.



PROCESS ANALYSIS ... SUB-PROCESSES

**Appraisal: The determination of the amount of just compensation to be offered to acquire a parcel of right-of-way.**





PROCESS ANALYSIS ... SUB-PROCESSES

**Negotiation:** The contact with the property owner(s) to offer the amount of just compensation approved for that parcel.

**Right-of-Way: Negotiation**

**Key Activity Groups**

- Get Title Information
- Prepare Offer
- Make Offer
- Get Title Commitment and Deed Certification
- Schedule Closing
- Pay Owner
- Get Title Policy

**Business Partners**

- County Clerk
- Title Company
- Property Owner
- Comptroller of Public Accounts
- District Appraisal Team
- Budget and Finance Division
- ROW Division (Engineering Section)
- ROW Division (Acquisitions Group)

**Inputs**

- Approved Value of Parcel
- Legislative Mandates
- Contracts and Agreements with Local Government
- Title Search
- Information on Negotiation Options

**Outputs**

- 5 Year Sales History
- Title Opinion
- Accepted Offer
- Title Commitment
- Deed Certification
- Pay Request
- Warrant
- Title Policy
- Title Pay Request
- Title Warrant
- Deed and Other Legal Documents

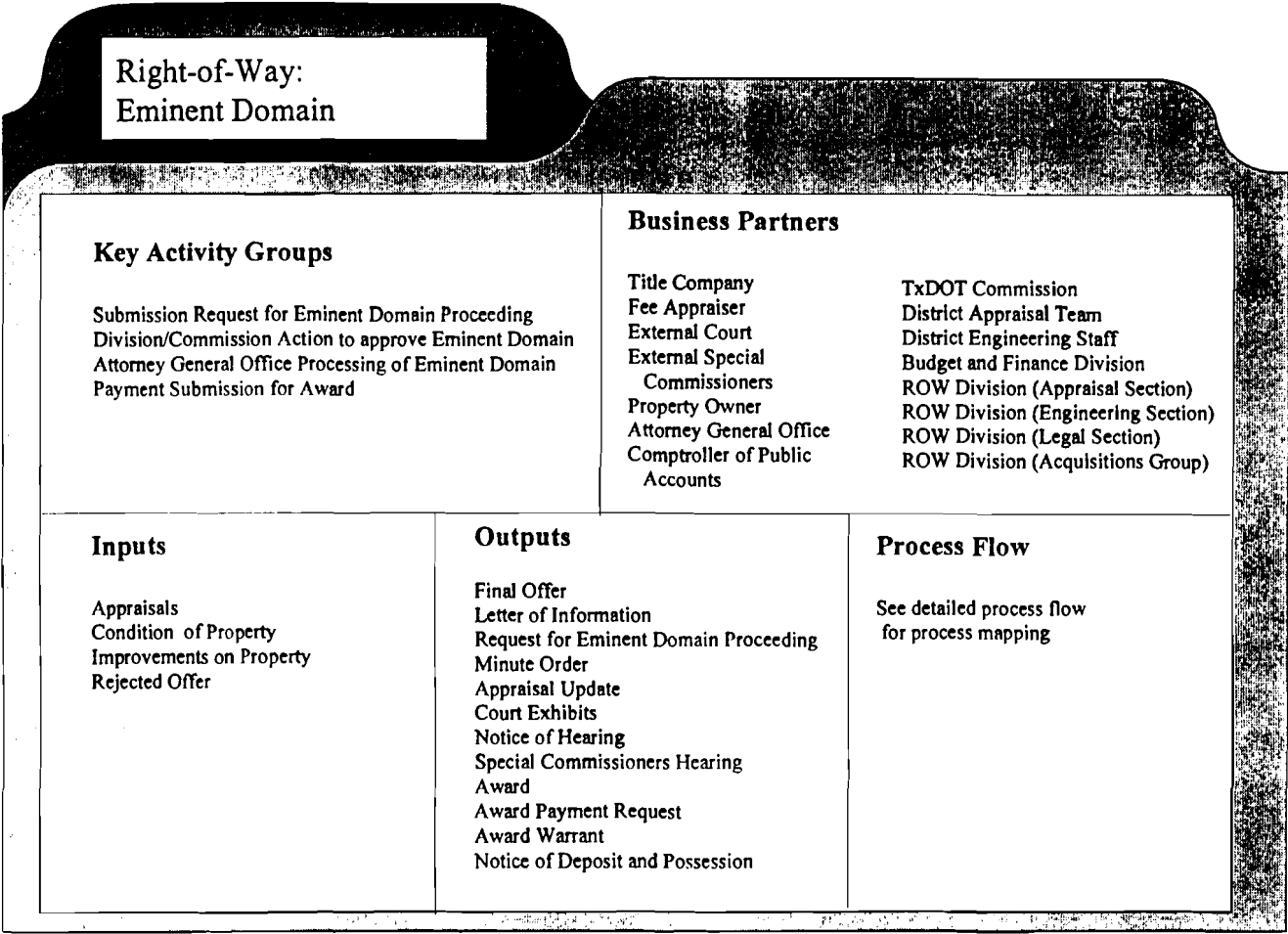
**Process Flow**

See detailed process flow for process mapping



PROCESS ANALYSIS ... SUB-PROCESSES

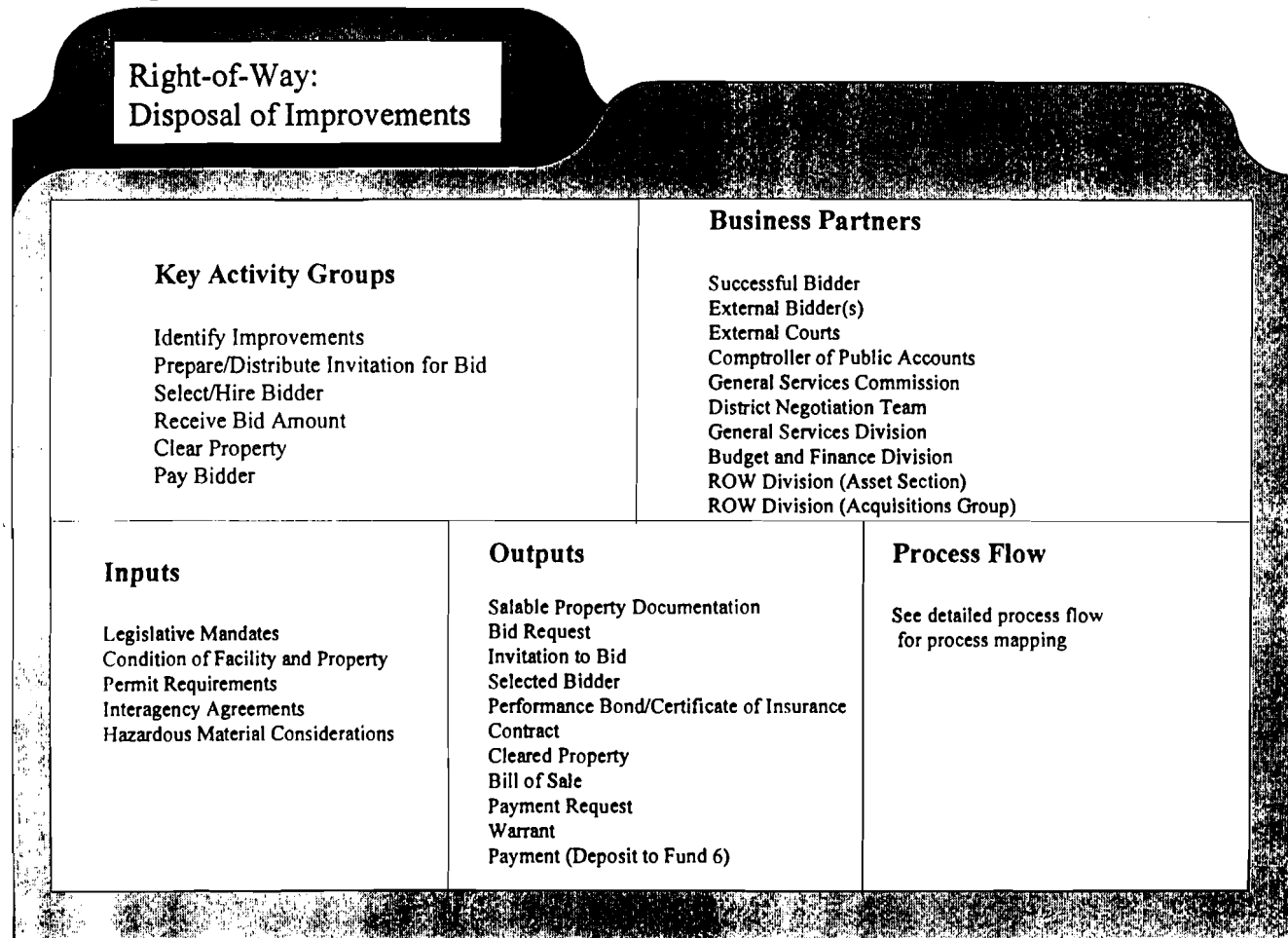
**Eminent Domain:** The legal process employed to acquire a parcel of right-of-way when the negotiation process fails (the offer is rejected).

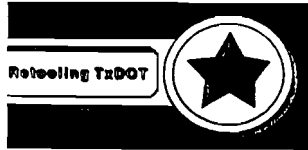




PROCESS ANALYSIS ... SUB-PROCESSES

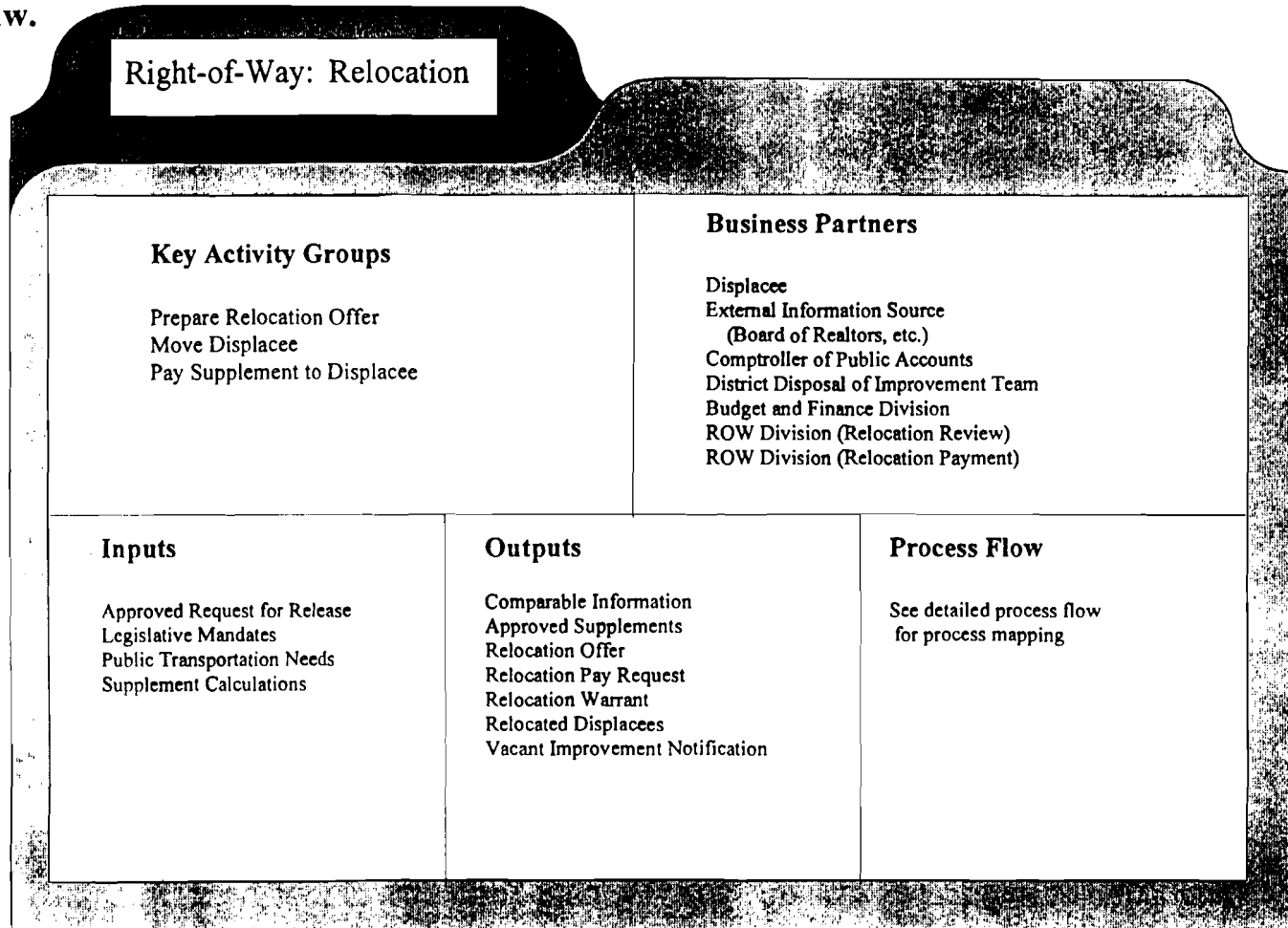
**Disposal of Improvements:** The sale of uncontaminated improvements located within the acquired rights-of-way by a public bid process or, the payment to qualified contractors for the removal of contaminated improvements by a public bid process.

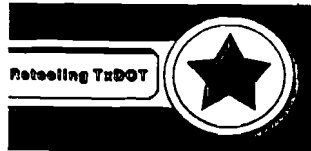




PROCESS ANALYSIS ... SUB-PROCESSES

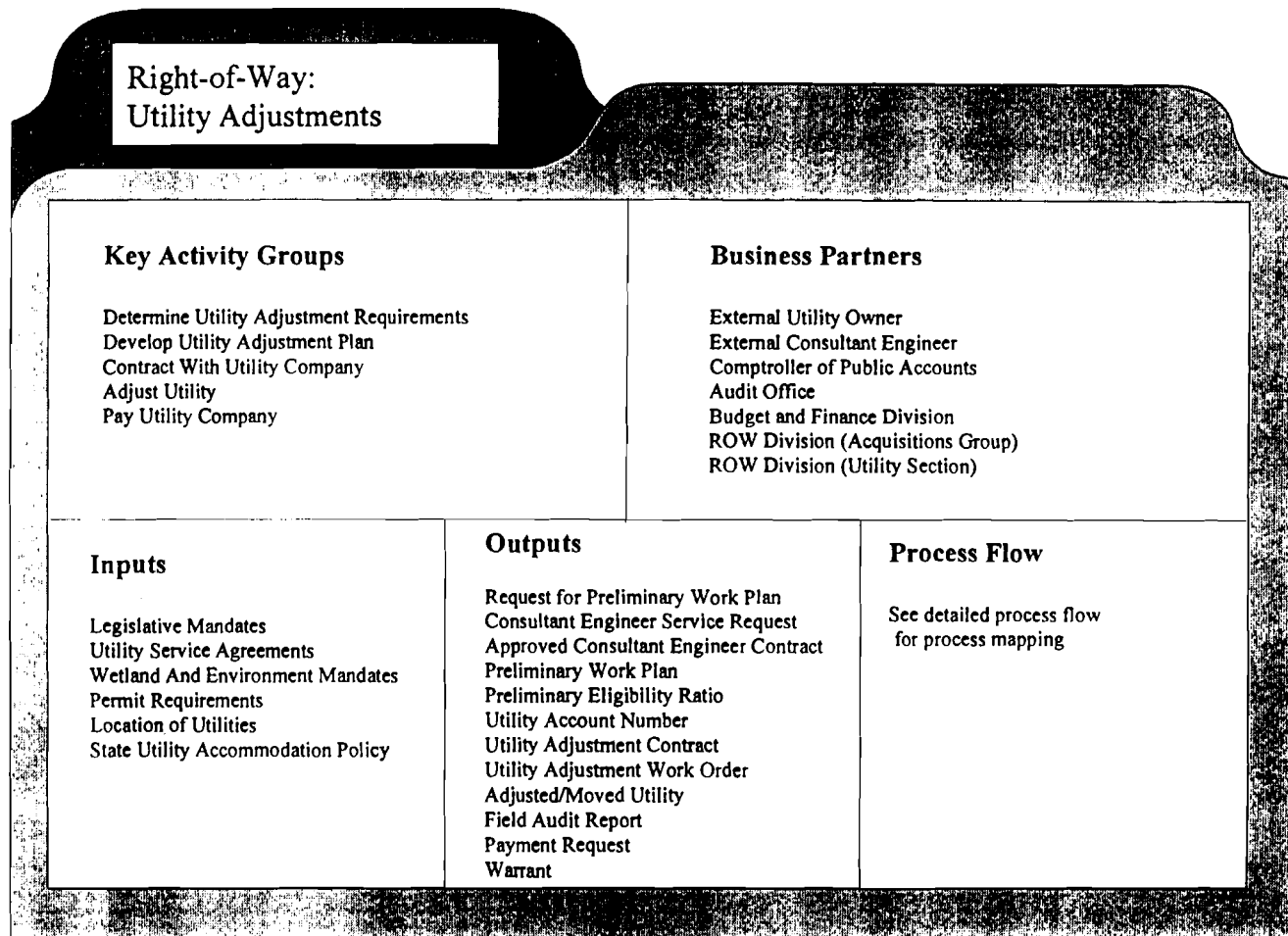
**Relocation:** The systematic set of activities employed to determine the needs of the person(s) and/or business(es) displaced by transportation projects and to pay monetary supplements to the extent provided for by law.

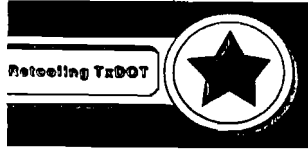




PROCESS ANALYSIS ... SUB-PROCESSES

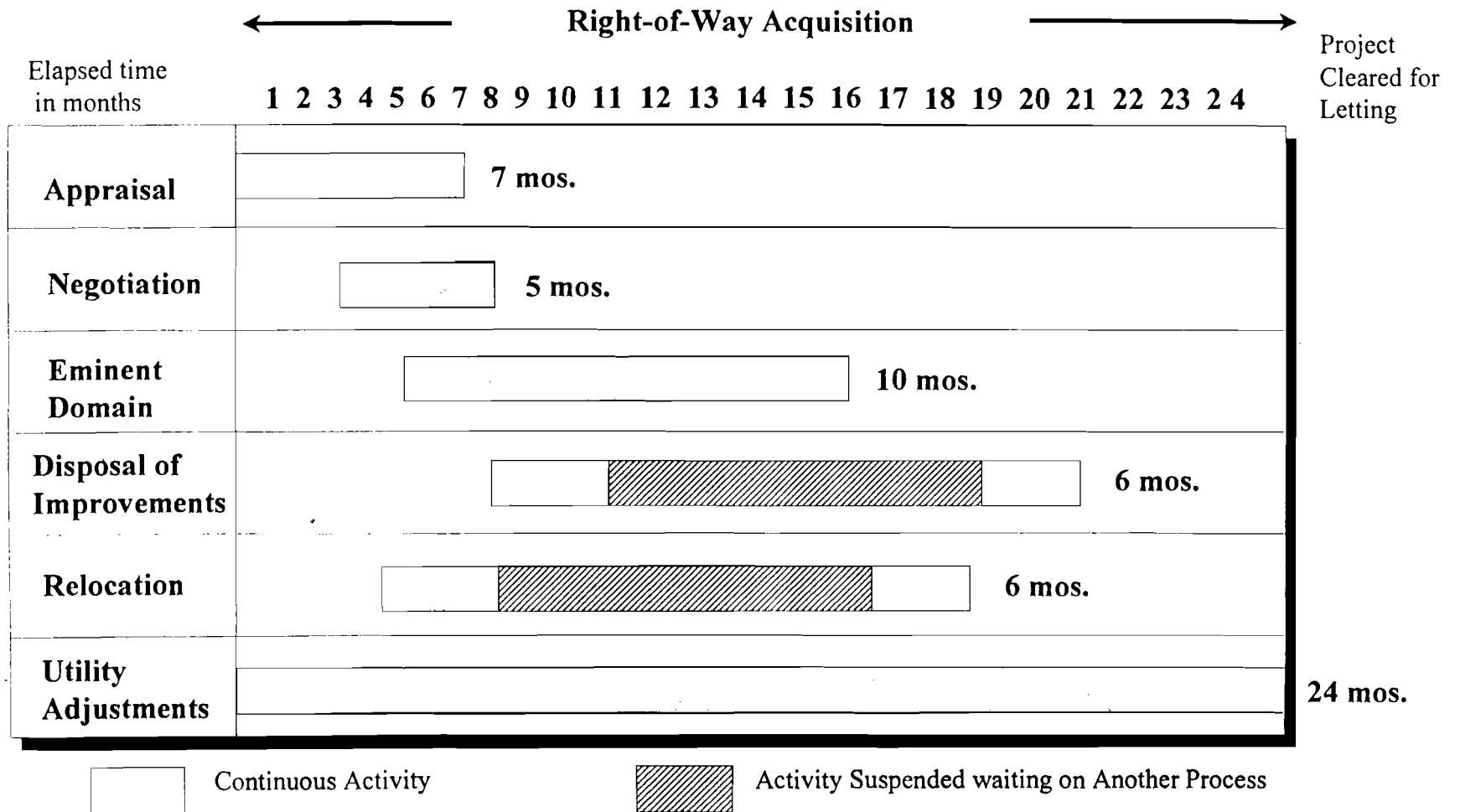
**Utility Adjustments:** The determination and adjustment and/or relocation of utility facilities in order to clear the construction limits of a transportation project.



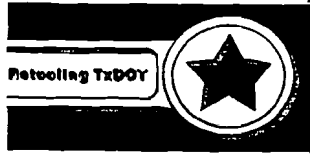


PROCESS ANALYSIS ... CYCLE TIMES

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

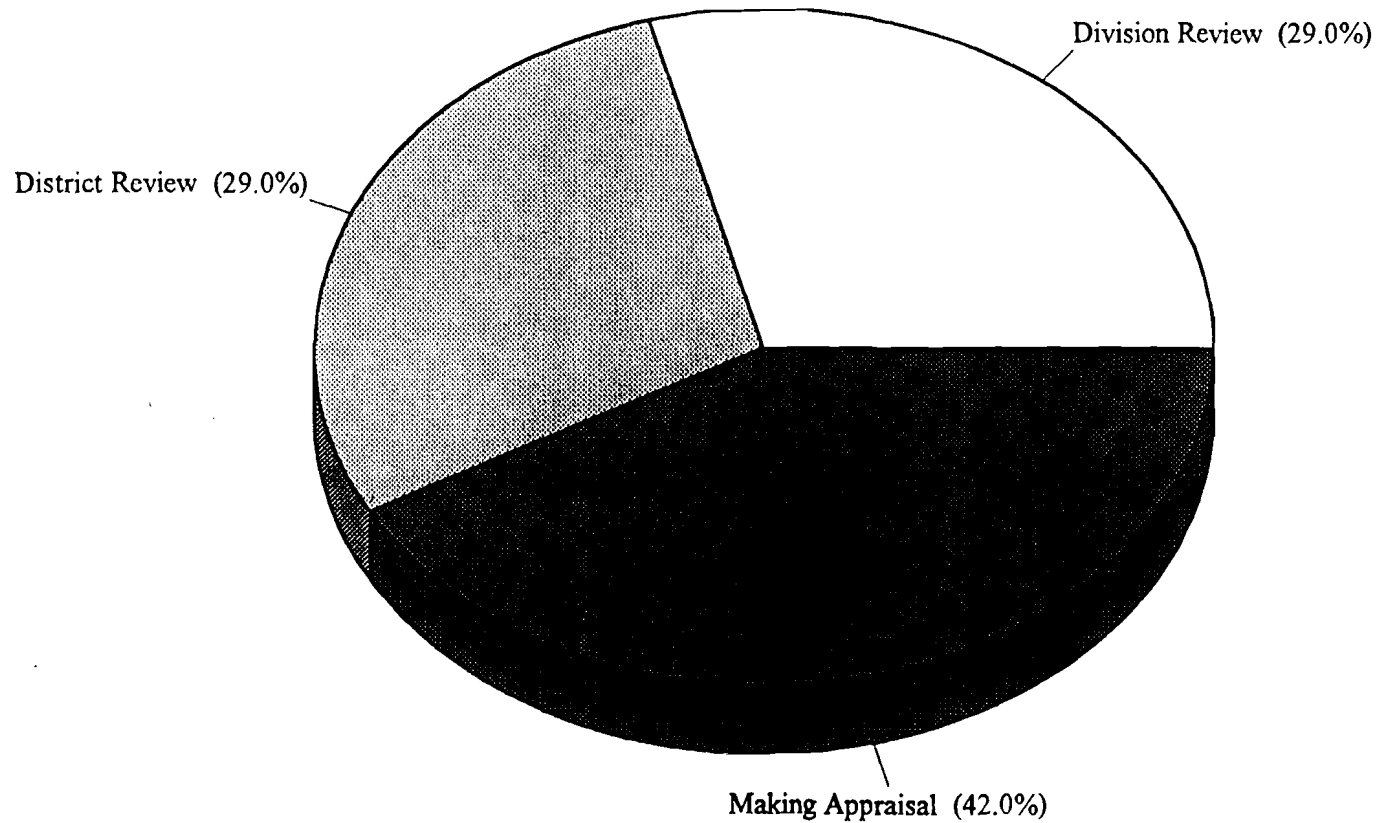


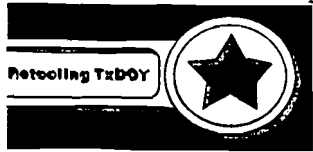




# Appraisal

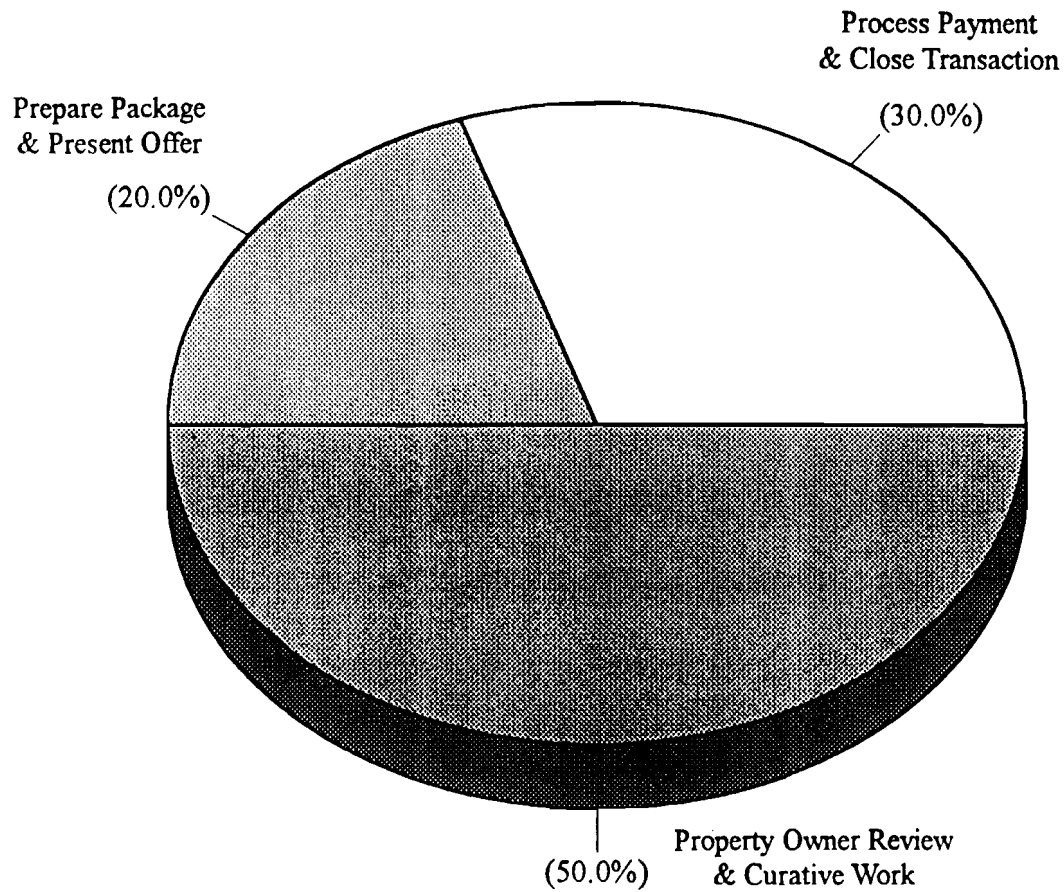
Of the total 24 month ROW acquisition cycle time, the appraisal sub-process is 7 months, or 29%.

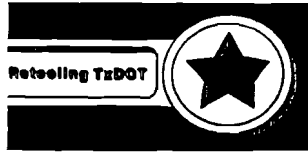




## Negotiation

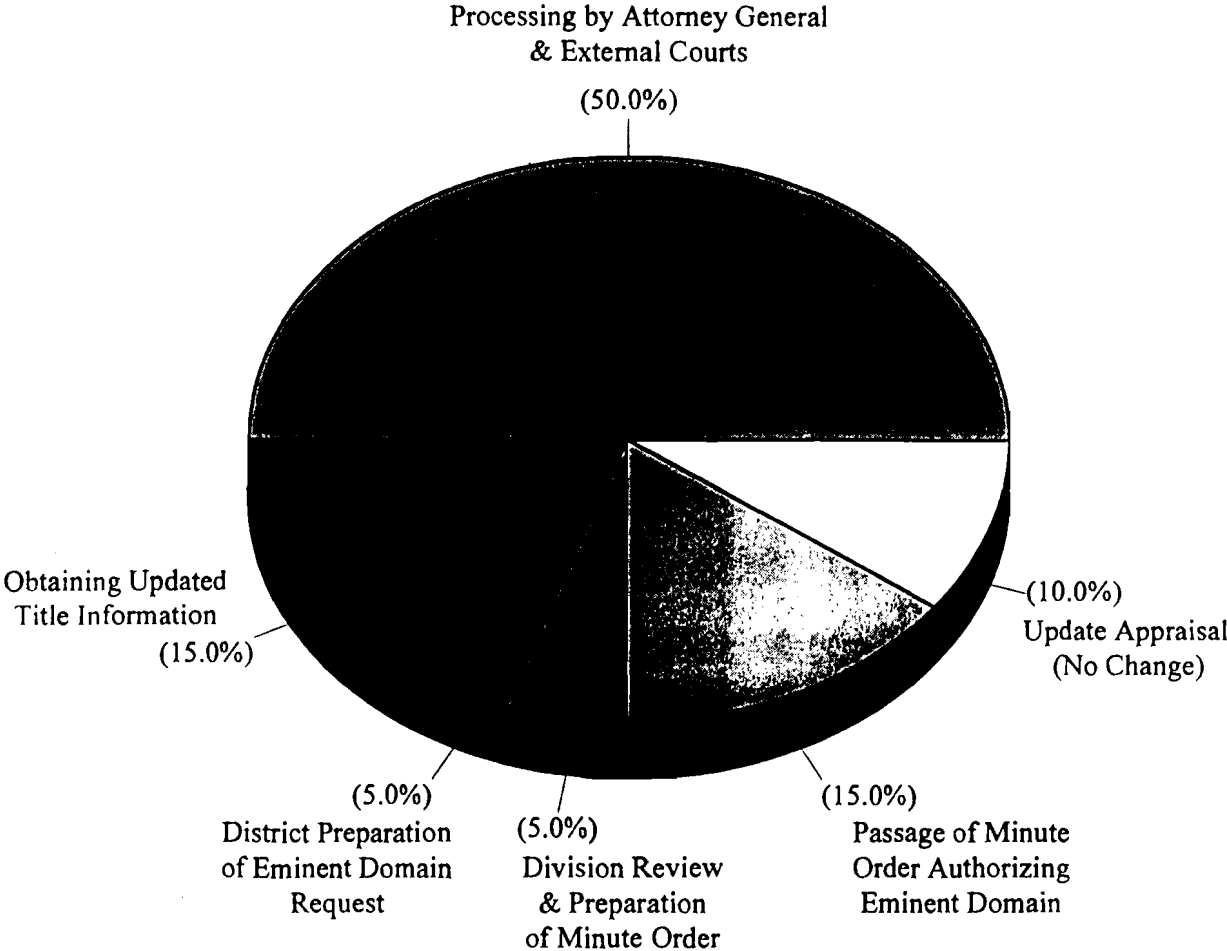
Of the total 24 month ROW acquisition cycle time, the negotiation sub-process is 5 months, or 21%.

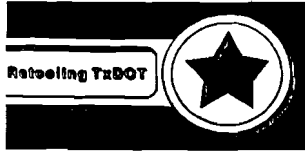




# Eminent Domain

Of the total 24 month ROW acquisition cycle time, the eminent domain sub-process is 10 months, or 42%.

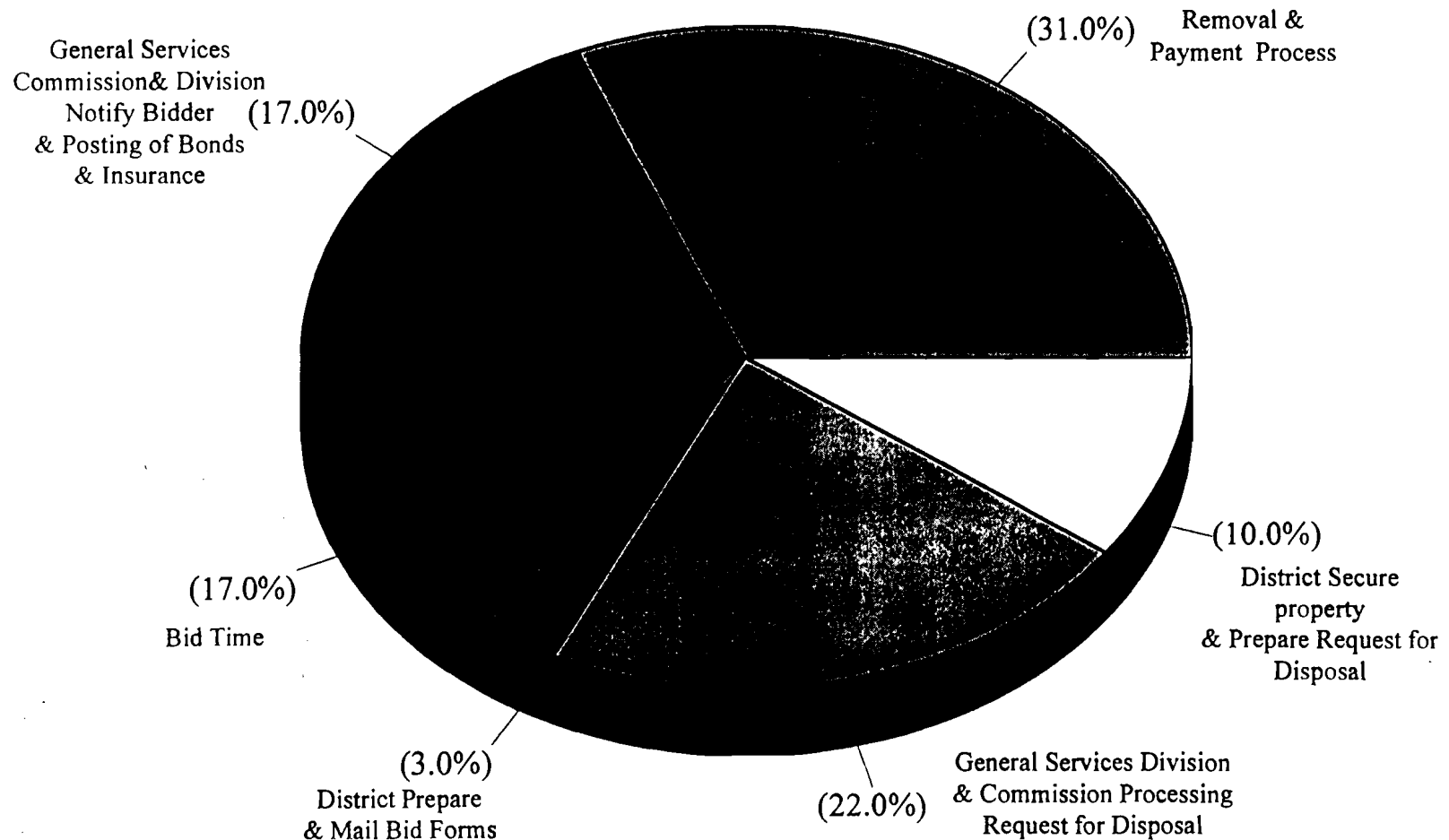


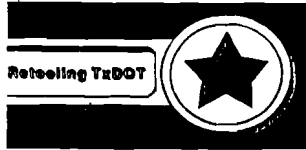


DISPOSAL OF IMPROVEMENTS SUB-PROCESS

# Disposal of Improvements

Of the total 24 month ROW acquisition cycle time, the disposal of improvements sub-process is 6 months, or 25%.

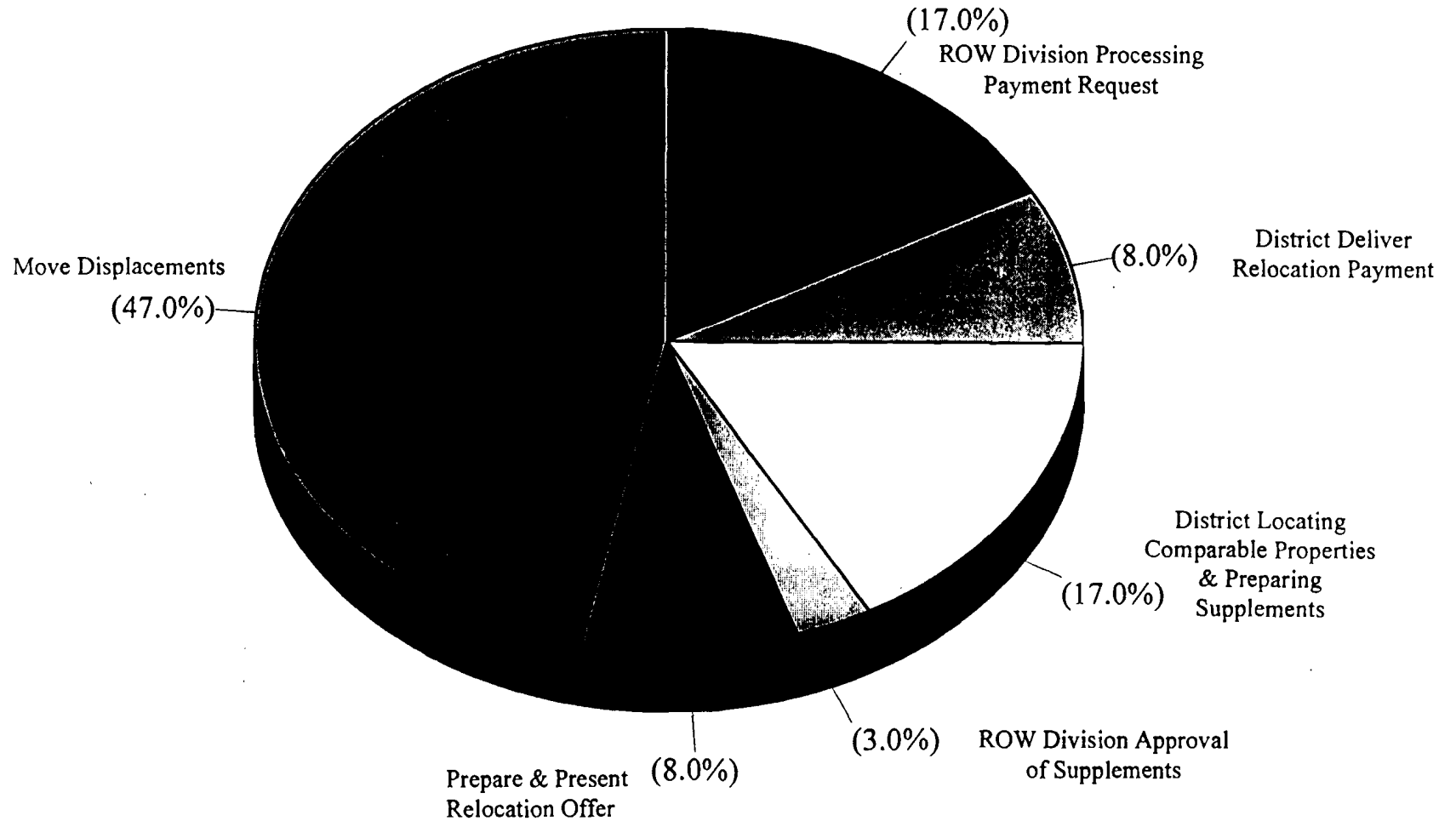


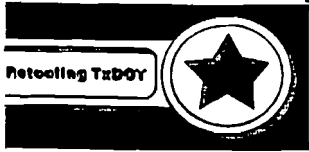


# Relocation

## RELOCATION SUB-PROCESS

Of the total 24 month ROW acquisition cycle time, the relocation sub-process is 6 months, or 25%.

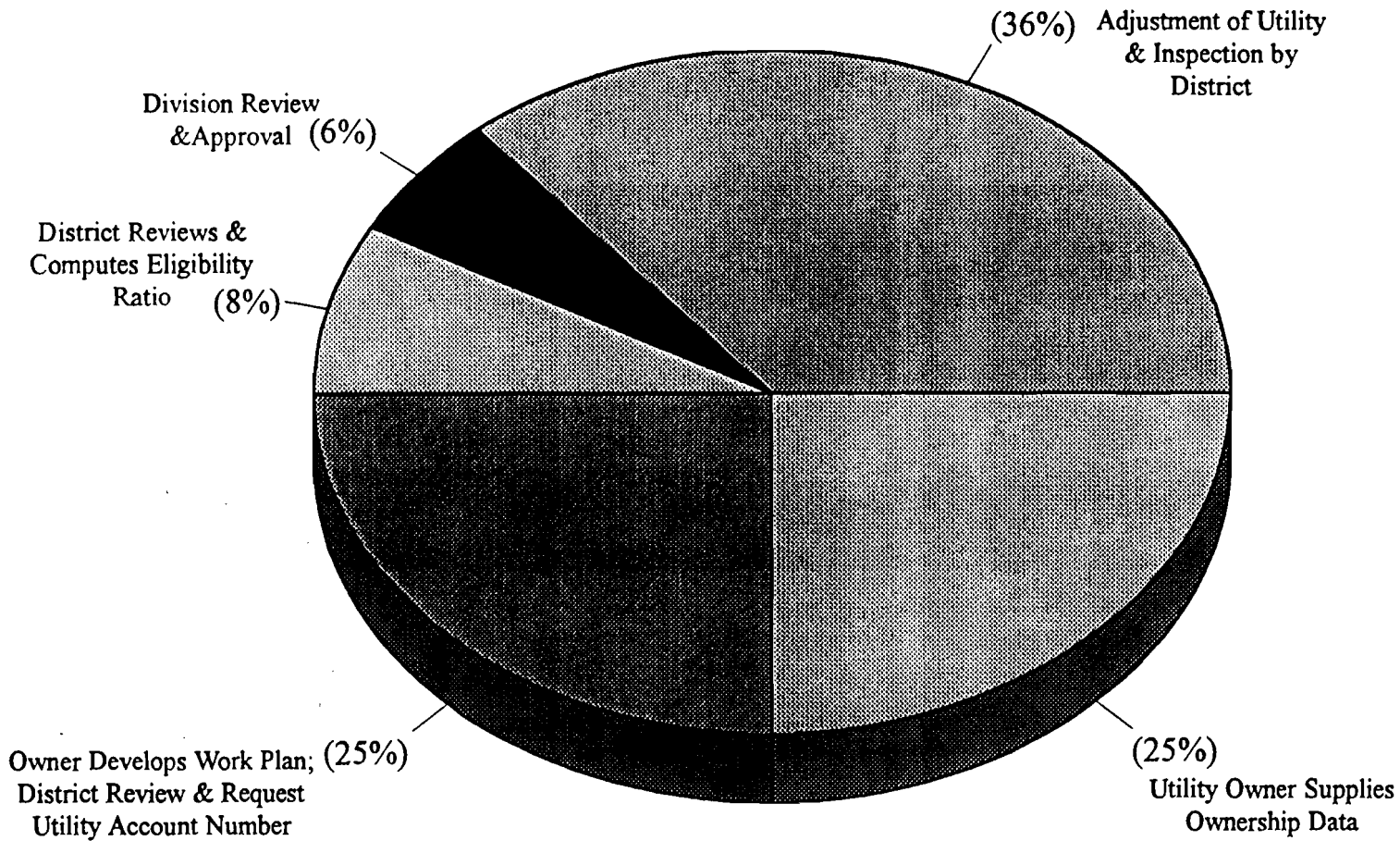


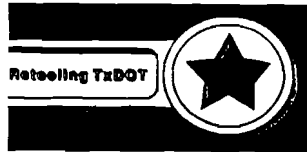


UTILITY ADJUSTMENTS SUB-PROCESS

# Utility Adjustments

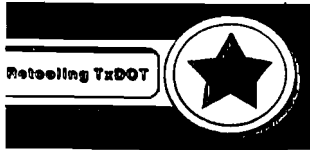
Of the total 24 month ROW acquisition cycle time, the utility adjustments sub-process is 24 months, or 100%.



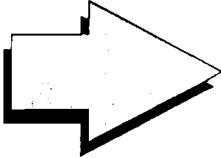
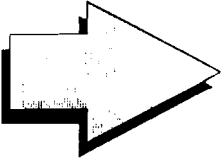
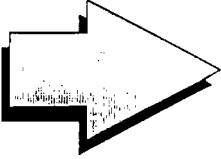
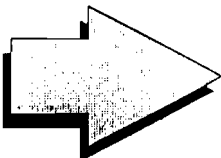


PROCESS ANALYSIS ... ISSUE FINDINGS

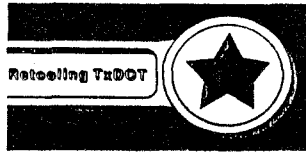
ISSUE /ATTRIBUTE	IMPACT
1. In general, turnaround from title companies seems too long.	Delays occur in the appraisal and negotiation processes while the teams wait for the preliminary title report to be completed.
2. Title insurance is purchased for all parcels regardless of parcel value.	Benefits derived in purchasing title insurance may not exceed the cost and time required to acquire the title policies on low-dollar parcels.
3. Memorandum of Agreement (MOA) is required on all parcel purchases.	Benefits derived may not exceed the time and cost associated with low-dollar parcels.
4. Title policies required on all temporary easements.	Benefits may not exceed cost and time.



PROCESS ANALYSIS ... ISSUE FINDINGS

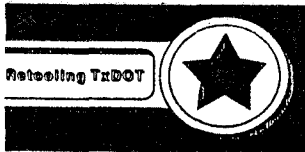
ISSUE /ATTRIBUTE	IMPACT
5. Only project-specific property can be acquired - no consideration can be given to acquisition of uneconomic remainders.	 <p>More time and money may be spent in addressing uneconomic remainders than full purchase would require.</p>
6. There appears to be many non value-added activities when processing payment requests.	 <p>Payment of invoices may be requiring more time and cost than is necessary.</p>
7. All parcel acquisitions require the same fundamental appraisal, regardless of property use, kind or location.	 <p>Benefits may not exceed costs on all parcels.</p>
8. Three appraisal contracts are required for all fee appraiser contracts. Districtwide contract, project contract, and parcel contract.	 <p>Benefits of control and checks and balances may not exceed the costs.</p>



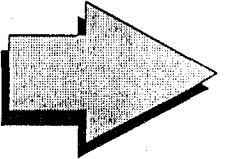
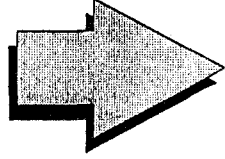
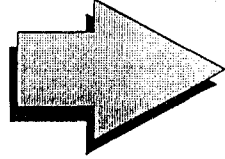
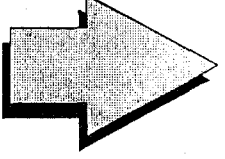


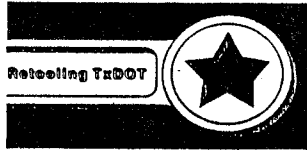
PROCESS ANALYSIS ... ISSUE FINDINGS

ISSUE /ATTRIBUTE	IMPACT
9. Parcel amount for letter of value qualification appears to be low (\$2,500).	Full appraisal vs. letter of value - cost and time vs. benefits.
10. There is little or no flexibility in addressing tenant relocation.	Stringent procedures may require more time and cost than is necessary.
11. Eminent domain process requires Attorney General (AG) involvement, coordination with AG in Austin is geographically difficult for most districts.	Cycle time estimates indicate that approximated 50 percent of this sub-process occurs outside of TxDOT.
12. TxDOT utilizes a different form for title company information than the industry standard.	Duplicate effort required of the title companies.

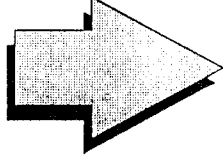
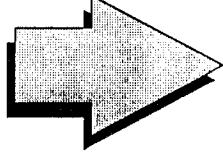
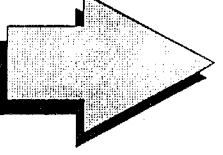
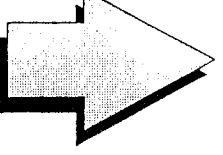


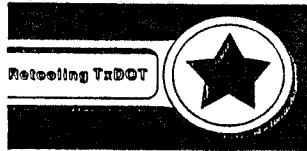
PROCESS ANALYSIS ... ISSUE FINDINGS

ISSUE /ATTRIBUTE		IMPACT
13. There appears to be too many hand-offs (review and approval) with little or no value added activities.		The time it takes to acquire ROW parcels is high due to paper flow required for review and approvals.
14. Bid openings occur between the General Services Commission and the General Services Division for all districts.		Additional coordination and time required of all parties.
15. Eminent domain submission requirements may need to be updated.		Eminent domain submission requirements may be more cumbersome than necessary.
16. Only one offer is made to property owner for consideration before moving to eminent domain proceedings.		Eminent domain activities require, on an average, 10 months to complete. Overall, project letting goals could be improved with less parcels going to eminent domain.



PROCESS ANALYSIS ... ISSUE FINDINGS

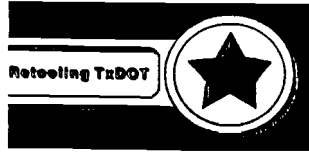
ISSUE /ATTRIBUTE		IMPACT
17. All clearances, including environmental, must be completed before the appraisal sub-process can begin.		Appraisal activities cannot be conducted concurrent with environmental clearance activities, which results in a longer acquisition process.
18. Environmental clearance must be completed before ROW map approval and acquisition can begin.		ROW acquisition can begin earlier on selected projects if environmental clearance does not have to be completed.
19. The ROW division's current activities do not adequately support the needs of the districts.		Improved communications and training opportunities could be provided to the districts.
20. There is minimal use of technology within the district ROW sections.		Available software packages can be purchased by the districts to reduce administrative time.



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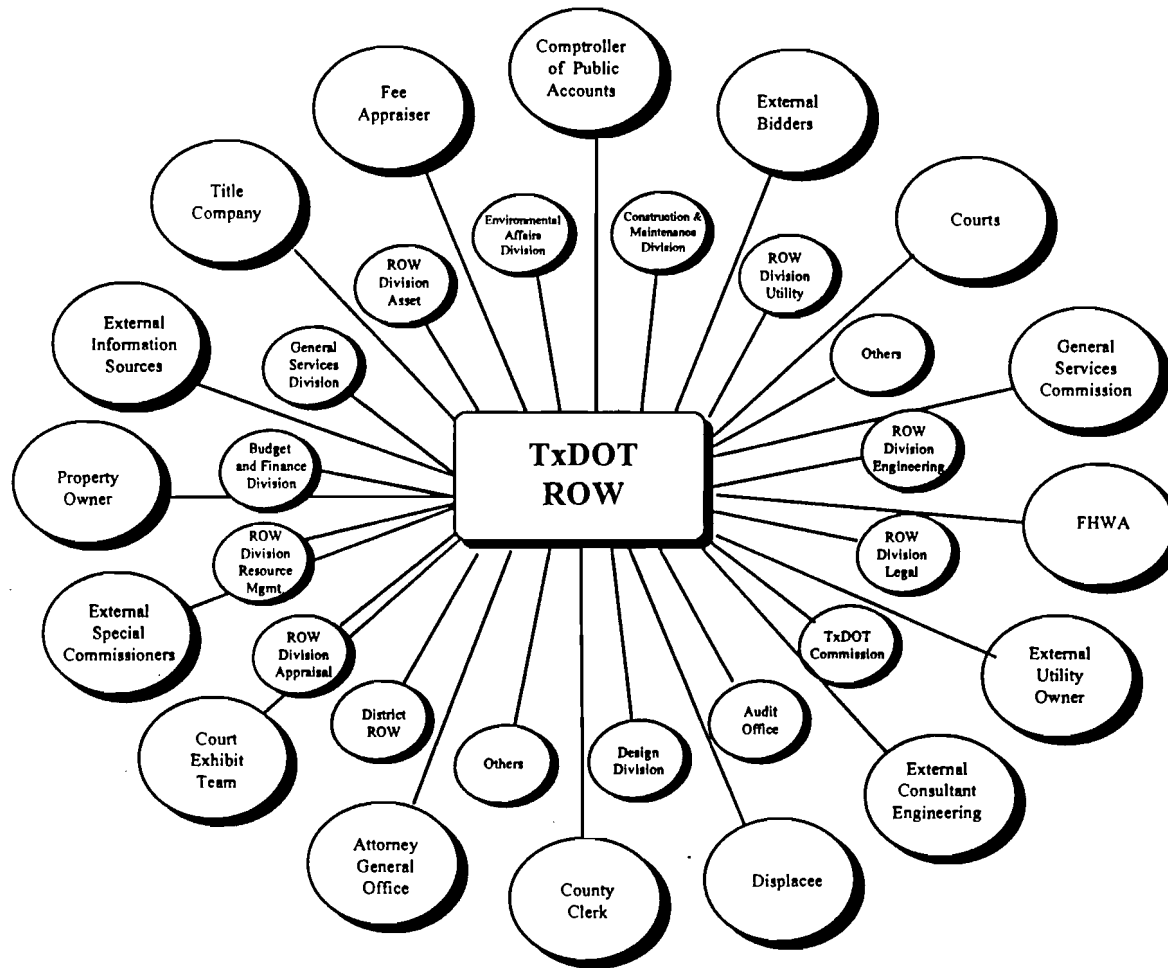
## Change Imperative Report

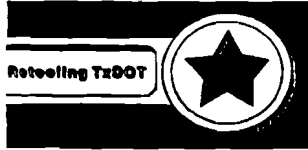
- ◆ EXECUTIVE SUMMARY
- ◆ CHANGE IMPERATIVE STATEMENT
- ◆ CURRENT BUSINESS STRATEGY REVIEW
- ◆ RESOURCE STATISTICS
- ◆ PROCESS ANALYSIS AND CYCLE TIMES
- ◆ KEY BUSINESS PARTNER EXPECTATIONS
- ◆ TECHNOLOGY: SYSTEMS AND TOOLS
- ◆ GLOSSARY



## KEY BUSINESS PARTNERS

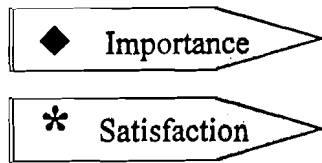
We interviewed external business partners, staff across TxDOT ROW function, and other organizational units involved in the process of ROW acquisition. The graphic depicts the ROW acquisition business partner community.





BUSINESS PARTNER EXPECTATIONS BY SUB-PROCESS

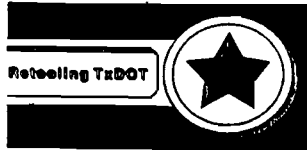
Business partners indicate that the appraisal, negotiation and eminent domain sub-processes have the highest opportunity for improvement.



Not Important		Somewhat Important		Important		Very Important		Critical	
Failure to Meet Expectations		Meets Some Expectations		Meets all Expectations		Exceeds all Expectations		Greatly Exceeds all Expectations	
1	2	3	4	5	6	7	8	9	10

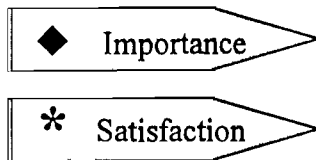
Sub-process Performance Gaps

Appraisal				*					◆
Negotiation				*					◆
Eminent Domain				*					◆
Disposal of Improvements					*				◆
Relocation							*		◆
Utility Adjustments							*		◆



**BUSINESS PARTNER EXPECTATIONS BY ELEMENT**

**Speed and flexibility were elements our business partners felt needed the most improvement.**



Not Important	Somewhat Important	Important	Very Important	Critical
Failure to Meet Expectations	Meets Some Expectations	Meets all Expectations	Exceeds all Expectations	Greatly Exceeds all Expectations

1      2      3      4      5      6      7      8      9      10

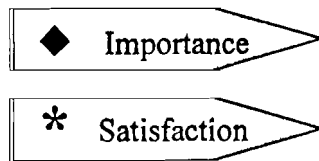
**Performance Gaps for all Sub-processes**

<b>Quality</b>						*				◆
<b>Deadline</b>						*				◆
<b>Speed</b>						*				◆
<b>Efficiency and Effectiveness</b>						*				◆
<b>Consistency in Policy &amp; Procedure</b>						*				◆
<b>Flexibility</b>					*				◆	



BUSINESS PARTNER EXPECTATIONS ... APPRAISAL

Our business partners felt that the appraisal sub-process needs improvement in flexibility and efficiency/effectiveness.

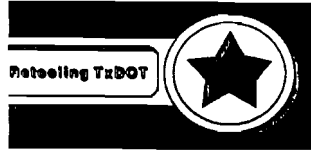


Not Important		Somewhat Important		Important		Very Important		Critical	
Failure to Meet Expectations		Meets Some Expectations		Meets all Expectations		Exceeds all Expectations		Greatly Exceeds all Expectations	
1	2	3	4	5	6	7	8	9	10

Appraisal

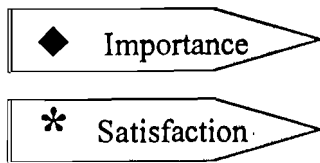
Quality					*			◆		
Deadline					*			◆		
Speed					*			◆		
Efficiency and Effectiveness				*					◆	
Consistency in Policy & Procedure					*				◆	
Flexibility				*					◆	





BUSINESS PARTNER EXPECTATIONS ... NEGOTIATION

Our business partners felt that the negotiation sub-process needs improvement in flexibility, and consistency in policy and procedure.

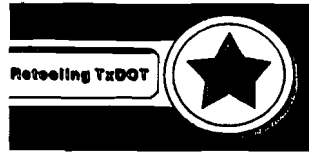


Not Important	Somewhat Important	Important	Very Important	Critical
Failure to Meet Expectations	Meets Some Expectations	Meets all Expectations	Exceeds all Expectations	Greatly Exceeds all Expectations

1      2      3      4      5      6      7      8      9      10

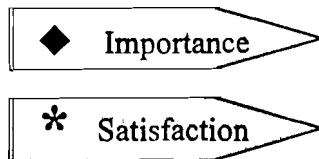
**Negotiation**

<b>Quality</b>					*				◆	
<b>Deadline</b>						*			◆	
<b>Speed</b>					*				◆	
<b>Efficiency and Effectiveness</b>					*				◆	
<b>Consistency in Policy &amp; Procedure</b>				*					◆	
<b>Flexibility</b>			*							◆



BUSINESS PARTNER EXPECTATIONS ... EMINENT DOMAIN

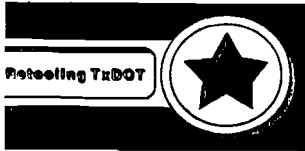
Our business partners felt that the eminent domain sub-process needs improvement in speed and flexibility.



Not Important		Somewhat Important		Important		Very Important		Critical	
Failure to Meet Expectations		Meets Some Expectations		Meets all Expectations		Exceeds all Expectations		Greatly Exceeds all Expectations	
1	2	3	4	5	6	7	8	9	10

**Eminent Domain**

<b>Quality</b>				*			◆		
<b>Deadline</b>					*			◆	
<b>Speed</b>			*				◆		
<b>Efficiency and Effectiveness</b>					*			◆	
<b>Consistency in Policy &amp; Procedure</b>					*			◆	
<b>Flexibility</b>				*			◆		



BUSINESS PARTNER EXPECTATIONS ... DISPOSAL OF IMPROVEMENTS

Our business partners felt that the disposal of improvements sub-process needs improvement in flexibility.

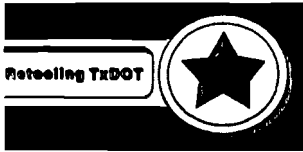
◆ Importance

\* Satisfaction

Not Important		Somewhat Important		Important		Very Important		Critical	
Failure to Meet Expectations		Meets Some Expectations		Meets all Expectations		Exceeds all Expectations		Greatly Exceeds all Expectations	
1	2	3	4	5	6	7	8	9	10

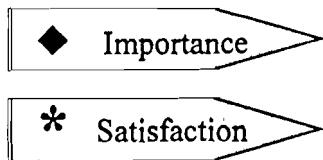
Disposal of Improvements

Quality						*			◆
Deadline						*			◆
Speed						*			◆
Efficiency and Effectiveness						*			◆
Consistency in Policy & Procedure						*			◆
Flexibility				*					◆



BUSINESS PARTNER EXPECTATIONS ... RELOCATION

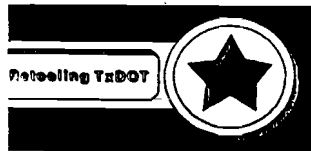
Our business partners felt that the relocation sub-process needs some improvement in speed and flexibility.



Not Important	Somewhat Important	Important	Very Important	Critical					
Failure to Meet Expectations	Meets Some Expectations	Meets all Expectations	Exceeds all Expectations	Greatly Exceeds all Expectations					
1	2	3	4	5	6	7	8	9	10

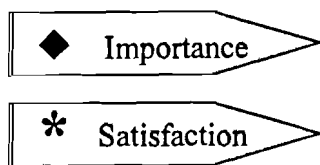
Relocation

Quality							*			◆
Deadline								*		◆
Speed								*		◆
Efficiency and Effectiveness								*		◆
Consistency in Policy & Procedure								*		◆
Flexibility						*				◆



BUSINESS PARTNER EXPECTATIONS ... UTILITY ADJUSTMENTS

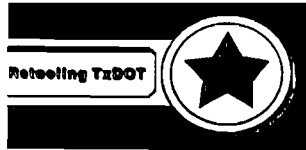
Utility adjustments received the highest performance rankings from our business partners.



Not Important	Somewhat Important	Important	Very Important	Critical					
Failure to Meet Expectations	Meets Some Expectations	Meets all Expectations	Exceeds all Expectations	Greatly Exceeds all Expectations					
1	2	3	4	5	6	7	8	9	10

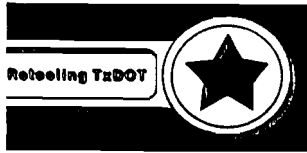
Utility Adjustments

Quality							*		◆	
Deadline							*		◆	
Speed						*		◆		
Efficiency and Effectiveness							*		◆	
Consistency in Policy & Procedure							*			◆
Flexibility						*		◆		



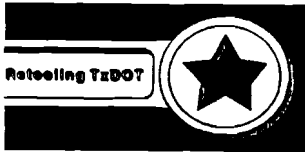
**AREAS TO IMPROVE**

<b>Process</b>	<b>People</b>	<b>Technology</b>
<ul style="list-style-type: none"> <li>▶ Multiple approval points exist in each ROW process</li> <li>▶ Project lead times may be short and design and environmental requirements may be incorrectly communicated</li> <li>▶ Lack of coordinated business and technology capabilities complicates communication efforts</li> <li>▶ Procedures governing how organizational units interact are ineffectively communicated</li> </ul>	<ul style="list-style-type: none"> <li>▶ Responsibilities and accountability has not been established outside the ROW division</li> <li>▶ Communication and project management depend largely on informal networks, causing priority setting and communication with users to be suboptimal</li> <li>▶ ROW division technology personnel are new to TxDOT, and therefore don't understand the technology needs of the districts</li> </ul>	<ul style="list-style-type: none"> <li>▶ Information exchange may be incomplete and for purposes of supporting timely service</li> <li>▶ Redundant and incompatible databases and automation tools are used by business partners, delaying and complicating exchange of critical information</li> <li>▶ The mainframe 'D15 Records' system does not meet district needs. The system is too difficult to use, and the information available is <u>not</u> adequate</li> </ul>



**AREAS TO IMPROVE**

<b>Process</b>	<b>People</b>	<b>Technology</b>
<ul style="list-style-type: none"> <li>▶ Innovative concepts, ideas or practices are not shared among ROW personnel</li> </ul>	<ul style="list-style-type: none"> <li>▶ Lack of communication between the district design and ROW sections and between the Design Division, Environmental Affairs Division and Right of Way Division often lead to delays in parcel acquisition</li> <li>▶ Lack of communication between district ROW, environmental and design sections concerning hazardous materials leads to delays in parcel acquisition</li> </ul>	<ul style="list-style-type: none"> <li>▶ An assortment of district written Dbase programs, Lotus spreadsheets, and WordPerfect documents are utilized to monitor and track ROW activities. A standardized approach does not exist</li> <li>▶ Most districts do not utilize network servers and microstations to transfer documents and plans within the district</li> </ul>



**WHAT WORKS WELL**

Process	People	Technology
<ul style="list-style-type: none"> <li>▶ Solutions to unusual situations are provided.</li> <li>▶ Processes allow for an equitable dealing with property owners.</li> <li>▶ ROW funds distributed as needed.</li> <li>▶ There is a high professional attitude and ethics from ROW staff.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Personnel have ROW expertise.</li> <li>▶ Most of the district ROW personnel are ready and willing to use technology to alleviate many of their daily tasks.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Although a lack of statewide technology applications exist, districts are utilizing Dbase, Lotus and WordPerfect to alleviate the manual processes of the district ROW area.</li> <li>▶ Most districts have PC 386 and 486 machines, and have access to laser printers.</li> <li>▶ A few districts have microstations to assist in plan modifications, and PC networks for document sharing and transferring capabilities.</li> </ul>





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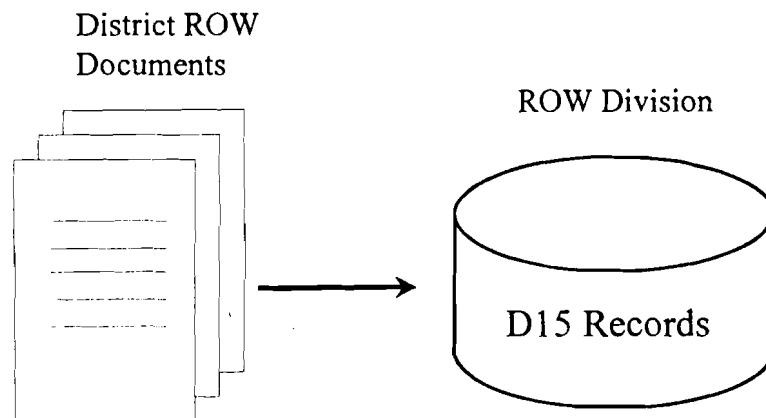
## Change Imperative Report

- ◆ EXECUTIVE SUMMARY
- ◆ CHANGE IMPERATIVE STATEMENT
- ◆ CURRENT BUSINESS STRATEGY REVIEW
- ◆ RESOURCE STATISTICS
- ◆ PROCESS ANALYSIS AND CYCLE TIMES
- ◆ KEY BUSINESS PARTNER EXPECTATIONS
- ◆ TECHNOLOGY: SYSTEMS AND TOOLS
- ◆ GLOSSARY

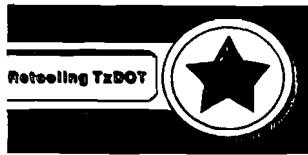


Current ROW technology does not adequately support the business processes on a statewide basis.

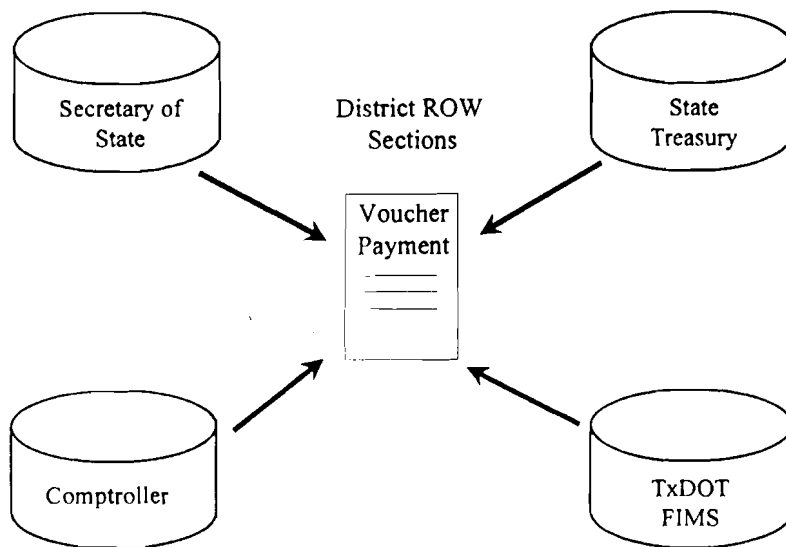
## ROW Cost Ledgers



- ▶ The mainframe 'D15 Records' must be entered by the ROW division, therefore, the districts only have inquiry capability
- ▶ District ROW personnel lack strong, broad-based understanding of 'D15 Records' system capabilities and functions



## Voucher Payments

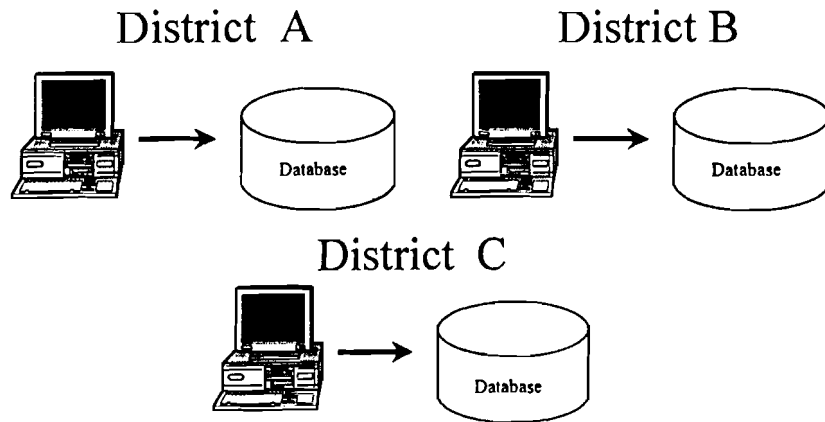


► Payment procedures are difficult for the district ROW section. Access to the following internal/external systems are often required for payment:

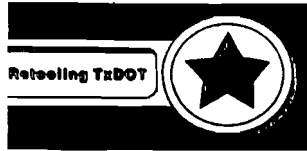
- Secretary of State - To verify a company's charter number
- Comptroller - To track voucher payments
- State Treasury - To track payments
- TxDOT (FIMS) - To track voucher payments



## Stand Alone Databases



- ▶ District ROW technology is primarily developed in the districts and is stand alone
- ▶ District ROW databases are created and maintained within the district; they may be redundant or contradictory with statewide databases
- ▶ There is limited integration of databases created by the district ROW sections; the databases are for specific, narrow uses



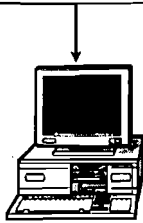
## Version Control

Software  
Distribution  
(Version 2.1)

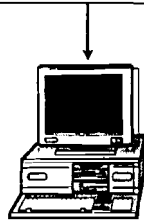


Diskette

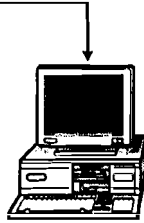
District X    District Y    District Z



Version 1.2

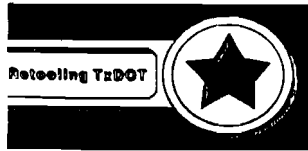


Version 2.0



Version 2.1

- ▶ District ROW technology processes for version control and preservation of data integrity are unclear and/or not consistently applied
- ▶ Priorities for system enhancements may conflict



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## Change Imperative Report

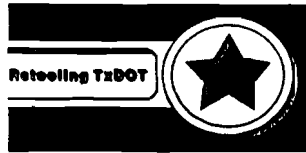
- ◆ EXECUTIVE SUMMARY
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To support our analysis, we defined the following aspects for each sub-process.

### Glossary of Terms

<i>Change Imperative</i>	A clear, succinct, high-impact argument establishing a compelling requirement for change
<i>Process</i>	A set of activities that are performed continuously and takes input and creates one or more outputs that are of value to the user/customer
<i>Input</i>	Resource or information source applied to execution of the process
<i>Output</i>	Physical or informational product of completing activities to execute the process
<i>Business Partner</i>	An internal organizational unit or external entity involved in execution of the process
<i>Cycle Times</i>	"Run time" or "time to complete" one cycle of the end-to-end process
<i>Process Flow Model</i>	A physical depiction of the flow of activities which comprise a process
<i>External Assessment</i>	An evaluation performed by looking outside the organization at the markets in which the department is active and the process practices of business partners. The focus of the assessment is on the level of performance and capabilities required to meet customer needs better and in a cost effective and efficient manner.



### Glossary of Terms

***Internal Assessment***

An evaluation performed by looking at the structure, capabilities, and culture of the organization in light of the requirements for serving customer needs.

***As-Is Assessment***

A baseline understanding of strengths, weaknesses, and core competencies of the "as-is" processes and known improvement initiatives is required here. The team must understand enough of the "as-is" process to comprehend current problems and know when something different and improved has been developed during the visioning process. Recognizing the problems of the "as-is" can help ensure they are not represented in the "to-be".

***Benchmarking***

Performance gaps relative to best-in-class companies provide an approximation of the magnitude of performance improvement possible, thus allowing legitimate targets to be set.