

Moving Massachusetts Forward.
massDOT



Massachusetts Department of Transportation

The Commonwealth of Massachusetts

Massachusetts Department of Transportation (MassDOT)

Executive Office for Administration and Finance

Office of Transition Management

Moving Massachusetts Forward...

Quarterly Integration Report

May 1, 2010

Jeffrey B. Mullan

Secretary/Chief Executive Officer
Massachusetts Department of Transportation

Jay Gonzalez

Secretary
Executive Office for
Administration and Finance





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1.0 Executive Summary

Just six months ago, MassDOT was established via the most sweeping and complex transportation reform legislation in Massachusetts history. Thousands of personnel and assets sprinkled across an assortment of agencies were directed to be centralized under a new department driven by an agenda of operational efficiencies, cost savings and reform.

This report, the third Quarterly Integration Report, details the new organizational structure that has been put in place to guide leadership and employees in implementing reform since that time. It reflects how MassDOT has emerged from a chapter focused solely on integration to a new phase of managing day-to-day operations and administrative functions.

Success continues to mark this unprecedented reform effort. The past three months have been highlighted by accomplishments on both the integration side and the operational side, including:

- the appointment of an experienced, reform-minded Rail & Transit Administrator focused on safety and customer service;
- a unified, professional response to devastating spring flooding, MassDOT's first significant emergency test;
- maturity in MassDOT's customer service efforts and the first steps of a new community outreach program;
- early progress on a five-year transportation finance plan utilizing objective engineering assessments, and
- advancement of fresh and bold plans, exemplified by a progressive sustainability initiative.

The format of this report also reflects the fact that the roles and responsibilities assigned to different personnel in any organization are most successful in an environment where a solid organizational framework has been established.

Integration is a long-term goal, yet MassDOT continues to meet the requirements set forth in the Act. The spirit of reform continues to thrive and yield tangible results.

2.0 Introduction and Background

In June 2009, Governor Deval Patrick signed Chapter 25 of the Acts of 2009, “An Act Modernizing the Transportation Systems of the Commonwealth of Massachusetts,” (as amended by Chapter 26 of the “Act.”)

The transportation reform legislation required that on November 1, 2009 the Commonwealth integrate the state’s former transportation agencies and authorities into the new Massachusetts Department of Transportation (MassDOT). As an independent authority and component organization of the Commonwealth, MassDOT has an appointed board and is organized as a body politic but is also governed by state laws, rules and policies. The organization now oversees four new divisions: Highway, Rail and Transit, Aeronautics and the Registry of Motor Vehicles (RMV), in addition to an Office of Planning and Programming. MassDOT is administered by a Secretary of Transportation, appointed by the Governor to serve as Chief Executive Officer. A five-member Board of Directors appointed by the Governor with expertise in transportation, finance and engineering oversees the organization, while serving as the governing body of both MassDOT and the Massachusetts Bay Transportation Authority (MBTA).

The Massachusetts Department of Transportation is a merger of the former Executive Office of Transportation and Public Works (EOT) and its divisions with the former Massachusetts Turnpike Authority (MTA), the former Massachusetts Highway Department (MHD), the RMV, the former Massachusetts Aeronautics Commission (MAC), and the Tobin Bridge, previously owned and operated by the Massachusetts Port Authority (MPA). In addition, the MBTA and Regional Transit Authorities (RTA) are subject to oversight by the new organization. The new organization will also assume responsibility for many of the bridges and parkways previously operated by the Department of Conservation and Recreation (DCR).

This reform has achieved the most comprehensive transformation of the Commonwealth’s transportation system in Massachusetts history. The Commonwealth’s transportation culture had suffered from decades of neglect, inaction, and a failed bureaucracy. Today it has a renewed focus on customers, safety and a new culture of innovation and accountability that drive day-to-day operations.

Integrating independent organizations that have had their own unique histories, cultures, and business practices is a daunting task in the public or private sectors; but transportation reform is more than integration. It is about taking the opportunity to renovate business models, with a renewed focus, and striving for a broader goal. Establishing MassDOT on November 1, 2009 was an enormous undertaking involving thousands of employees and an infrastructure system used by millions of users each day. November 1 was an historic accomplishment, but it was just the beginning of transportation reform.

The mission of reform is not to simply consolidate multiple agencies, or change departmental names, but to facilitate systemic change in the approach taken to deliver transportation services in Massachusetts and to establish an enterprise that effectively links all modes of transportation with baseline performance measures across all divisions. This mission is based on the simple premise that most users do not recognize subtle distinctions in the transportation system, but

simply want to depart their point of origin and arrive at their destination in a timely and safe manner, using consumer friendly services. That applies to all modes of transportation or transportation related services.

Today, MassDOT has integrated 4,000-plus employees from over five overlapping transportation agencies into one unified organization, achieving numerous administrative and operational efficiencies. Many of these efforts, including the transfer to GIC for health benefits, include the approximately 6,000 additional employees at the MBTA. Working together, more than 300 employees from the former agencies and authorities have engaged on 12 integration teams and 90 subcommittees in an historic reform effort to simplify and streamline the transportation system and make it more accountable and accessible. To date, reform and consolidations have changed the way transportation is financed and the way transportation service is delivered with an expected savings of at least \$100 million a year.

MassDOT seeks to develop a “culture of innovation” where employees in all divisions are empowered to bring forward bold ideas and suggestions that will improve the delivery of services, identify efficiencies and cost savings and enhance productivity. Key to this new culture is the placement of a leadership team at all levels of the organization, comprised of talented professionals with years of expertise in multiple disciplines that are critical to success. The senior leadership team works together with all employees to ensure the implementation of integration milestones are achieved, operating efficiencies are realized, and the level of customer service and safety is enhanced.

This report will provide an update on how leadership and employees at MassDOT are using a new organizational structure to embrace an innovative spirit of reform. It is fair to say that the initial work related to the transition has been completed and that a solid framework for the assignment of responsibilities and functions has been developed, creating the conditions necessary to ensure the future success of the enterprise.



3.0 Summary of Reports

This report complies with Section 149 of the Act, which requires that, ninety days after the effective date of the Act and quarterly thereafter until the transition period is complete, a report to the Governor, the Secretary of Administration and Finance, the Joint Committee on Transportation, the Senate and House Committees on Ways and Means, and the Clerks of the Senate and the House of Representatives, shall be filed relative to the progression of the incorporation of the agencies and authorities into the new organization. The report shall include, but shall not be limited to, plans for the assignment and reassignment of resources including personnel, equipment and supplies into the Massachusetts Department of Transportation. The report shall also include the status of the transition of roads, bridges, designated parkways and any other transportation assets of the Massachusetts Turnpike Authority (MTA), Massachusetts Port Authority (MPA), the Department of Conservation and Recreation (DCR), and the Massachusetts Highway Department (MHD) and shall further include approximate schedules for the completion of the transition.

To date, two previous integration reports under Section 149 have been filed with the Legislature, notwithstanding other reports required by the Act. The first report filed in September 2009 outlined the vision, mission and goals of MassDOT, identified the themes that would guide creation of a new integration culture, and provided an overview of the scope of resources, functions, assets and networks that would be integrated. The report also detailed the history of transportation reform, identified specific reform achievements that had been realized, and also explained how teams were working together to facilitate the integration; with milestones and accomplishments, completed activities, activities on track for completion by November 1, 2009, and activities to commence after November 1, 2009.

The second report was filed in February 2010, and used much of same format of the previous report filed in September 2009. It outlined achievements of integration in the first few months since MassDOT was established. It also delivered details on accomplishments not specifically required by the legislation but that had been identified as enhancing the spirit of transportation reform. The report detailed the progress made to date in implementing a single state transportation agency, efforts to put in place a management structure to oversee one cohesive transportation organization, and the progress made in bringing together resources from the former transportation agencies and authorities. The report also noted that while there were challenges in completing phases of the integration, it demonstrated that teams were working in a cooperative manner to ensure that the transportation system ultimately functions in a seamless manner with no impact on the public.

This third report builds upon the first two reports by providing details on how a new organizational structure has been put in place to guide leadership and employees in implementing various reform initiatives. Specific developments are now reported under those business unit sections of the report where they are assigned and have been accomplished within the organizational structure. This report recognizes that while the integration process is an ongoing effort that must be flexible as it moves forward to accommodate lessons learned, many elements of the transition have been completed and the integration reports should now focus on how MassDOT is operating as a single organization. In short, this report focuses on MassDOT

as it has emerged from the integration and transition phase to a new phase of managing day-to-day operations and administrative functions. This new report format also recognizes that the roles and responsibilities assigned to different personnel in any organization are most successful in an environment where a solid organizational framework has been established to support their accountability, application and completion.



4.0 New Developments

The evolution of MassDOT has fostered an environment of cost savings, operational transparency and innovative thinking, while blossoming a second generation of bold ideas and other benefits. This section presents details on the most recent cost savings measures and outlines some related inter-agency initiatives.

4.1 Reform Savings

To date, MassDOT has reported substantial savings as a result of the implementation of the Act. Administrative consolidation, reduced employee and retiree costs, lower borrowing costs and operational efficiencies have all contributed considerably to the early savings and efficiencies realized by transportation reform.

Establishing the foundation for MassDOT was expected to generate meaningful savings. As the new organizational structure gets underway, transportation reform continues to yield consequential financial results, including the following measures:

- Completing the initial transfer of MBTA and former MTA employees and benefits to the state's GIC platform for health benefits. This will save the Commonwealth an estimated \$36 million annually when the transfer of all employees is complete.
- In April, MassDOT and ANF executed the first of two bond refinancing transactions that will save toll and taxpayers \$30 million annually. The bonds to be refinanced are \$800 million of UBS swaption-related fixed rate bonds. Upon execution, nearly all the risk associated with these swaptions will be hedged, effectively and finally solving the problem. This refinancing is a direct result of transportation reform. Prior to reform, the Turnpike had no access to the market.
- Reducing payroll by 185 positions at MassDOT through workforce reductions and voluntary retirements to date will save \$13 million annually.
- Reduced payroll by 111 positions at the MBTA will save \$6.6 million annually.
- MassDOT saved \$2.3 million annually by hiring 70 maintenance staff members in 2009, cancelling high-priced contracts for mowing and other routine maintenance services.
- MassDOT management furloughs saved \$510,000 in the current fiscal year.
- MassDOT has avoided an estimated \$10.9 million in traffic mitigation costs since October 2008 using road flaggers on specified road and bridge projects.
- IT contractor rates were reduced by an average of 13%, saving \$1 million annually.
- By transferring the administration of all workers' compensation claims to the state's existing system, \$1 million will be saved annually.
- \$150,000 was saved on snow and ice costs through smarter deployment of district resources.
- \$500,000 was saved through consolidation of money counting operations between MassDOT and the MBTA.
- \$70,000 is being saved in postage costs by using a Web interface for construction contractors to view and print invoices. These payment invoices were previously sent by certified mail.

- \$75,000 is being saved annually, \$56,000 this year alone, by moving the Aeronautics Division offices from leased space at the Transportation Building to free space at Massport.
- \$30,000 was saved by reducing the number of parking passes at the Transportation Building. A new parking pass policy will yield additional savings.

As MassDOT matures, and as innovative ideas are developed and implemented, MassDOT expects to add to the pool of efficiencies and savings. Secretary and CEO Jeffrey B. Mullan encourages everyone working in any pocket of the enterprise – whether in his weekly e-mail addresses or in his regular visits to district offices – to strive for that goal. Throughout this report, more details will be provided on potential areas for savings that have been identified since the last Quarterly Report.

4.2 Community Forums

In this era of reform, a renewed emphasis on statewide civic engagement is imperative to the success of MassDOT. Staff has begun efforts to build cross-division, cross-disciplinary teams to develop and implement a new Community Forum Program with a statewide reach. The process will ultimately develop a new public process plan to increase transparency, broaden community outreach and enhance customer service on transportation issues.

One of the early public steps in this process is a series of bi-monthly Community Forums. Each month one meeting is held in Boston, with a second hosted in another region of the state. The goal is to engage stakeholders on issues pertaining to all modes of transportation and to increase public awareness, accountability, transparency, and expand public input in the decision making process. Since the program began in January 2010, meetings have been held in Boston, Framingham, Greenfield and Hyannis.

The forums are open to the public and notification is sent to a broad range of public interest groups, elected and appointed officials from the local, state, and federal levels, citizen groups, and the general public. More than 300 people have attended the forums and have discussed topics as varied as snow and ice removal, the Accelerated Bridge Program, MBTA service, passenger and freight rail issues, Charles River Basin Accelerated Bridge projects, RMV's improved online service, and updates on highway and bridge projects.

4.3 Customer Service and Emergency Response

Over a period of several weeks in March and April 2010, Massachusetts experienced extremely heavy rainfall and extensive flooding which impacted dozens of communities in the Commonwealth. The flooding not only damaged homes and businesses, it also washed out transit lines and led to regular road closures. The flooding was the first significant emergency to test MassDOT. The department responded quickly and effectively to reopen roads, restore service and provide assistance to several municipalities in critical need, in very trying conditions.

In addition to a professional response of horsepower and manpower, MassDOT demonstrated its improved communication and customer service efforts with an extensive public information

campaign. In order to enable one-stop shopping, MassDOT pooled the list of flooding impacts to the transportation network. Transit, highway and bridge updates were collected in one location and regularly distributed, together, to the public. The campaign included extensive use of social media tools like the MassDOT blog and Twitter, while successfully showcasing the benefits of *one* transportation agency.

Additional customer conveniences have also been initiated by MassDOT, including:

- In March, the MBTA announced new wireless telephone services along the entire Orange Line underground corridor, through the help of T-Mobile and AT&T. Orange Line customers can use their wireless devices from end to end, including 19 stations.
- The RMV has introduced two programs to quicken the process for the 45,000 customers a year who need to cancel their license plates. Customers can visit the RMV's online branch at www.mass.gov/rmv to verify plate cancellation. Or, a pilot program available in the Watertown, Wilmington, Brockton and Plymouth branches allows customers to return their plates using a touch-screen kiosk in the branch lobby without waiting in line. Canceled plates can be deposited into the kiosk.

4.4 Sustainability

The Healthy Transportation Compact is a key requirement of the Act. Co-chaired by the MassDOT Secretary and CEO and the Secretary of Health and Human Services and including the Secretary of Energy and Environmental Affairs, MassDOT Highway Administrator, MassDOT Rail & Transit Administrator, and Commissioner of Public Health, this inter-agency initiative is designed to facilitate transportation decisions that balance the needs of all transportation users, expand mobility, improve public health, support a cleaner environment and create stronger communities.

The new law charges the Compact with:

- Promoting inter-agency cooperation to implement state and federal policies and programs that support healthy transportation.
- Reducing greenhouse gas emissions, improving access to services for persons with mobility limitations and increasing opportunities for physical activities.
- Increasing bicycle and pedestrian travel and facilitating implementation of the Bay State Greenway Network.
- Working with the Massachusetts Bicycle and Pedestrian Advisory Board (MABPAB) to effectively implement a policy of complete streets for all users, consistent with the current edition of the Project Development and Design Guide.
- Implement health impact assessments for use by planners, transportation administrators, public health administrators and developers.
- Expanding service offerings for the Safe Routes to Schools program.
- Initiating public-private partnerships that support healthy transportation with private and nonprofit institutions.
- Establishing an advisory council with private and nonprofit advocacy.
- Developing goals for the Compact and measuring progress toward these goals.

The compact is an exciting opportunity to strengthen the commitment to public health and increased access for bicyclists and pedestrians. In order to achieve this, MassDOT is committed to facilitating comprehensive coordination among the public sector, private sector, and advocacy groups, as well as among transportation, land use, and public health stakeholders. MassDOT has begun to form partnerships with advocates and public health professionals to lay the groundwork for transportation initiatives that support public healthy and active living.

To address this significant public health problem, Massachusetts launched Mass in Motion in January 2009. Mass in Motion aims to promote wellness and to prevent overweight and obesity in Massachusetts – with a particular focus on the importance of healthy eating and physical activity – a priority area of the HealthyMass Compact. Staff also assisted with a series of statewide meetings with communities, planning agencies and advocates on bicycle and pedestrian accommodations for projects funded with the Accelerated Bridge Program.



5.0 Organizational Updates

MassDOT has succeeded in developing new interim organization charts for its four operating divisions and for its central office, referred to as the Office of Planning and Programming in the Act. This central office houses the administrative functions of the organization, and is made up of different offices that support the multiple operations functions across the entire enterprise. This section of the report details organizational updates and progress made in each of these offices that make up the central Office of Planning and Programming.

These offices include the Office of the Secretary/CEO, Office of Transportation Planning, Office of the Chief Administrative Officer, Office of the Chief Financial Officer, Office of the Chief Information Officer, Office of the General Counsel, Office of Real Estate and Asset Development, and Office of Performance Management.

5.1 Office of the Secretary/CEO

Every organizational division and department of the organization reports directly or through hierarchical channels to the Office of the Secretary/CEO. Under the leadership of Secretary and CEO Jeffrey B. Mullan, the Office of the Secretary/CEO is the nucleus of the organization that directs daily operations and the performance of all administrative functions.

The Office of the Secretary is responsible for the overall management of the organization, develops and administers state transportation policy, assigns and oversees operational responsibility of projects to various transportation divisions or departments, and coordinates interagency activities and long term state transportation planning. Critical management positions within this Office include the Secretary, Members of the Board of Directors, the Chief of Staff, the Deputy Secretary, the Director of Public Affairs, and the Assistant Secretary.

Through this senior leadership team with years of expertise in core administrative functions and related fields, the staff of the Office of the Secretary is well-positioned to manage the challenges associated with transportation reform and to develop strategies to address the short term and long term needs of the organization.

5.1.1 Leadership Themes: Keys to Success

It is through this office that bold new leadership is being defined at MassDOT; a concept of leadership that recognizes achievements but also acknowledges the difficulties associated with creating a new transportation department. The Secretary recognizes that for reform to succeed, all segments of the organization must be willing to try new things, to innovate, and to dream of what is possible, recognizing that sometimes the organization may have to admit to making mistakes and quickly fix them.

At the same time, transportation reform will succeed when the public regains faith and trust in its transportation system and in the people who run it. To earn that faith and trust, demonstrated results must be shown in the budget process and in the provision of services, sharing with the

public in an open and truthful manner what employees do everyday to help others get to where they need go safely, efficiently and with courtesy.

Another key ingredient to success of the organization is being able to examine how its employees work with each other in serving customers, ensuring that MassDOT is a workplace that is respectful and inclusive, values the diversity of its employees, and reflects the diversity of the communities it serves. The success of MassDOT will also rely on the recognition that it is difficult to bring people from different organizations, affiliations, places and backgrounds together and ask them to work as a team. With a vision, a willingness to jointly pursue the vision and the stamina to stay with the vision, then the team can come together.

Another key to success is the recognition that integration efforts can be difficult for any person at any level of the organization. For nearly nine months employees have been working on integration, and to some extent a form of “transportation reform fatigue” has affected some members of the workforce, for it is harder to implement reform than to write or talk about it. It is important for leadership to recognize that employees are now working in new areas, on new projects, with different people and supervisors, in different locations, outside of their previous comfort zones. This has been compounded by reductions in the workforce, pay increase deferrals, salary freezes, furloughs, co-worker reassignments and replacements, and the request that employees perform more tasks with fewer resources. With a new engagement strategy where employees are invited to raise concerns, recognize each other, share ideas and propose solutions; many of these integration difficulties will be mitigated.

At the same time, MassDOT continues to demonstrate success because its employees recognize that they are in large part the face of state government. MassDOT employees are constantly reminded that they represent the Commonwealth in every interaction with the public. Success rests on that single interaction any person will remember through the course of the day. Through extreme weather emergencies in March 2010 or through regular service delivery, MassDOT employees are stepping up to the plate and looking at transportation from their customers’ perspective, doing everything possible to make it right for those they serve and pay their wages. The key to success is to remember that MassDOT customers want a safe transportation system and a simple and efficient way to get themselves and their goods from one point to another.

While there are challenges ahead, with MassDOT experiencing financial pressures with budget cuts, escalating costs and a large backlog of needs, people continue to come together as a team with a vision, willingness and stamina. This team building experience is empowered by acknowledging that other difficult internal issues also need to be raised in a candid manner and addressed in a proactive manner. This new leadership concept at MassDOT will drive the continued transformation of the state’s transportation system.

5.2 Office of Transportation Planning

The Office of Transportation Planning (OTP) is comprised of a team of over 40 professional and technical staff under the leadership of the Executive Director, David Mohler, who in turn reports to Deputy Secretary Brian Murphy. The OTP serves as the primary source of transportation planning for MassDOT and develops transportation plans, programs, and projects to advance the

policies and objectives of the Governor and the Secretary. The OTP also ensures compliance with federal and state transportation and environmental laws and regulations to ensure a continued stream of federal transportation funding to the Commonwealth.

To accomplish many of its planning requirements and initiatives, OTP staff continues to collaborate extensively and frequently with the MassDOT divisions, state and federal agencies, the metropolitan planning organizations, and others performing shared services for MassDOT. The transportation reform effort has provided an unprecedented opportunity for OTP to maximize these relationships and improve the efficiency of the transportation planning process. Many of those initiatives were detailed in the February 2010 Integration Report. Two new major reform initiatives for OTP include the development of a five-year capital transportation plan, as well as a long-range intermodal plan. Both efforts are detailed in the sections that follow.

As transportation reform is now being implemented, the Office of Transportation Planning continues to review its role within MassDOT, and identify ways that it can be structured and harnessed to support the broader organization, perform new functions that may be needed in a new environment, and identify potential efficiencies, opportunities, and cost savings.

5.2.1 Massachusetts Five-Year Transportation Plan

The Office of Transportation Planning is taking a leadership role to meet new statutory requirements of transportation reform. Section 11 of the Act requires the preparation of a state transportation plan every five years, the first of which to cover the period of fiscal years 2011 to 2015. A summary of the requirements is as follows:

- Every five calendar years, MassDOT will publish in the Massachusetts Register a ‘comprehensive state transportation plan’ for the five succeeding years.
- The plan should ensure ‘a safe, sound, and efficient public highway, road, and bridge system,’ to relieve congestion, reduce greenhouse gas emissions, and improve quality of life in the Commonwealth by promoting economic development and employment.
- The plan must be based on ‘objective engineering assessments of condition, safety, and service’ and provide for at least 5% of the annual estimated construction, reconstruction, and repair needs of the highways and bridges of the Commonwealth.
- The estimated value of total needs above must be based on satisfying the current safety and maintenance standards of FHWA and AASHTO, and substantiated by “documented objective engineering estimates.”
- The Secretary ‘shall make plans, and updates thereto, based upon such certified estimates and make such plans or updates available for public review.’
- MassDOT will report annually to the House and Senate Committees on Ways & Means and the Joint Committee on Transportation on the progress made toward the 5% goal.
- The distribution of funds and projects in the plan should be equitable across the Commonwealth, meaning ‘not less than 75% of the annual percentage of the total statewide collections of motor vehicle tax generated by each such district’ should be spent in each

district.

- The development of the plan will include public hearings.
- The plan should include the transportation needs of urban, suburban, and rural residents.
- MassDOT should work with the Executive Office of Energy and Environmental Affairs, the Executive Office of Administration & Finance, and the Executive Office of Housing & Economic Development in the development of the plan.

The above requirements dictate that these five-year plans must be much more oriented toward traditional capital improvements planning than in the past. While certain elements can be drawn from the current Transportation Improvement Programs (TIPs) and Regional Transportation Plans (RTPs), there needs to be a large effort to develop a full cost accounting of all highway infrastructure needs (including life-cycle cost modeling), similar to the “state of good repair” estimates in place for the transit system. MassDOT senior staff is currently working cooperatively to deliver a product that can be used effectively within the new agency structure, while fulfilling the legislative requirements.

5.2.2 Strategic Long-Range Intermodal Transportation Plan

As part of the MassDOT transition, the new consolidated structure of transportation agencies provides a means to implement a coordinated statewide long-range intermodal transportation vision. This vision focuses on improving the quality of life of all Massachusetts residents, while continuing to move freight and people, encouraging economic development, and being sensitive to social and environmental concerns. The Office of Transportation Planning has also begun to lead this additional plan coordination effort to meet the statutory requirements of Section 10 of the Act, which requires MassDOT to develop a long-range comprehensive and coordinated intermodal transportation plan for the Commonwealth. This plan will be informed by further public participation from the “youMove Massachusetts” effort, in keeping with Governor Patrick’s civic engagement initiatives. The Act specifically requires the plan to include, but not be limited to, the following:

- Plans to ensure equitable investment across the Commonwealth.
- Plans for the disposition of any surplus assets.
- Plans for specific transportation projects to be developed in consultation with: the constituent divisions of MassDOT, the Commonwealth Development Coordinating Council, the Executive Office of Administration & Finance, the Metropolitan Planning Organizations (MPOs), the Regional Planning Agencies (RPAs), and the Transportation Finance Commission.
- Consideration of any comprehensive urban development plans.
- An analysis of the operations of each Regional Transit Authority (RTA), with the goal of increasing the efficiency and providing new/expanded transit service.
- An analysis of the cost-savings that could be generated by switching the RTAs to smaller vehicles.

A scope of work is under development for procurement of consultant services to provide technical services for development of the plan. This effort is also being coordinated with the requirements of Section 11 of the Act outlined in the previous section.

5.3 Office of the Chief Administrative Officer

The Office of the Chief Administrative Officer manages all of the administrative functions of MassDOT. This office is responsible for coordinating, overseeing and reviewing human resource, payroll, administrative operations and other administrative actions, ensuring that all policies, programs and procedures are in compliance with state and federal laws, regulations, and guidelines.

These programs include personnel management and administration, recruitment, human resource planning and development, training, employee assistance, performance appraisal, professional development, benefits and payroll administration, worker's compensation, facilities management, vehicle management, civil rights, and security planning and emergency preparedness.

These obligations are fulfilled through the Chief Administrative Officer, Kenneth Weber and staff, reporting directly to the Secretary. Critical management positions within this office include the Chief Administrative Officer, Director of Transition Management, Director of Administrative Services, Director of Human Resources, Director of Labor and Employment Relations, Director of Civil Rights, Director of Facilities Management and Director of Security Planning and Emergency Preparedness.

5.3.1 Office of Transition Management

The Office of Transition Management (OTM) is mandated by the Act and was organized in June 2009 to manage all transition activities. It was originally staffed by representatives of MassDOT and EOAF, and has worked closely with a management consulting firm to assist in the transition.

The day-to-day management of the OTM has now been fully delegated by EOAF to MassDOT, with EOAF maintaining an oversight role through 1) participation in regular finance meetings with MassDOT and OSC; 2) receipt of weekly cost savings forecast from MassDOT; 3) bi-monthly checkpoints with GIC on the transition of employees and benefits of the MBTA and former MTA to GIC; and 4) direct involvement in all debt re-financing and bond activities.

The OTM was successful in accomplishing its short term objective of establishing a functional organization by November 1, 2009. Today, the OTM is implementing six specific objectives to drive continued integration. The OTM is responsible for managing the processes and tools of the integration effort and coordinating senior leadership meetings to support the structure with project management tools and processes. It also provides the resources and assistance needed to build a shared services model, and monitors ongoing goals necessary to complete the integration.

Using an innovative "change management" tool, the OTM continues to recruit and train change agents across divisions, deploying them to assist the organization in finding solutions to facilitate

continued development. In addition, the OTM manages a cost savings database to validate reported figures. The Office also works with leadership to define their roles and responsibilities, to cultivate meaningful relationships based on mutual respect and accountability, and develop management skills. It is also through the OTM that progress reports for the legislature and other stakeholders are completed and submitted in a timely manner.

5.3.2 Human Resources

The newly formed Office of Human Resources is responsible for developing strategic plans to integrate human resource activities and services into one system. Its goal is to build a highly competitive and high performing workforce in a shared services environment. The personnel within this office provide a variety of services and bring expertise from numerous generalist fields; classification/compensation, benefits, Workers' Compensation, human resource processing and payroll, labor and employee relations, and applicable employment laws and regulations.

Obligations related to employee hiring, management, wages, benefits, occupational conditions and standards, and retirement, are fulfilled by this Office. The Office is responsible for ensuring that all divisions and departments have at any given time a sufficient number of personnel at their disposal to deploy in support of daily operations. This division is also responsible for maintaining and administering systems and programs that support the production of information regarding personnel records, contact information, insurance and other benefits information, and protecting the confidentiality of that information. It is responsible for developing mechanisms through which the operating needs of the four divisions of the new transportation organization can be met on a 24-hour basis. It is also responsible for developing mechanisms to ensure the dedication of core human and material resources to complete payroll processing operations on a scheduled basis.

That notwithstanding, economic conditions in the Commonwealth have had an impact on all segments of society, private and public sectors included. MassDOT was also impacted by these conditions and needed to take actions to reduce its workforce. As a result many full time positions have been eliminated through resignations, retirements, terminations, and not filling vacant positions. This is an ongoing process, working with new controls instituted to reduce the use of overtime and to suspend new hire activity. MassDOT also implemented a Voluntary Layoff Program in February 2010 that resulted in 47 additional reductions in the workforce. Since November 1, 2009 a total of 185 full time positions have been eliminated.

The following developments within the Office of Human Resources provide an update on various activities presented in the previous integration report. Many activities are ongoing and new initiatives continue to be developed.

- The Office of Human Resources continues the process of updating all workplace policies. A newly formed Policy Committee made up of representatives from all four divisions, and has drafted twelve new policies which are currently being reviewed for approval and dissemination.

- A new Talent Management Program has been created and is in the process of training individuals who have been identified to fit the role of Change Agents. These Change Agents will be utilized by the Office of Transition Management to assist with integration activities.
- The Office has completed a severance plan and a worker retraining initiative, as mandated by the Act.
- The Office is also leading a Management Classification Review to determine where duplication of effort is being performed and where position consolidations can be made, including management levels and salaries.
- The Office launched a Management Certificate Program in February. Over 850 managers and supervisors participated in the mandatory training. The Office is currently working on the curriculum for Day 2 of the program. Upon completion of the four day training, each participant will receive a certificate of completion. Topics include: Communication, Customer Service, Performance Evaluations, Absence Management, Progressive Discipline and Supervisory Skills.
- The Office has launched a new MassDOT Suggestion Program where employees will be given the opportunity to make suggestions via Transnet or suggestion boxes that are placed in various locations. A committee will review all suggestions on a regular scheduled basis.
- The Office is also working to integrate various employee recognition programs into the MassDOT Performance Recognition Program.
- The Office also continues to work with all divisions to review the prospects and feasibility of merging various Employee Assistance Programs, Fitness for Duty, Wellness Programs, and Substance Abuse Testing Programs.
- The Office has also developed a comprehensive integrated Summer Student Internship program plan which incorporates internship programs across the different divisions and aligns them with the program of the Governor's Office. It is expected that recruitment of students to participate in these programs will begin by the time this report is submitted.

5.3.3 Labor and Employee Relations

The Office of Labor and Employee Relations (OLER) continues to work diligently with all of the constituent labor organizations to establish, among other things, a representation framework for collective bargaining. Agreements have been reached to review recruitments at certain levels of employment, and a process was outlined to facilitate that review.

MassDOT continues to implement various elements of agreements negotiated by OLER covering new employees hired into MassDOT and personnel previously employed at the former Turnpike Authority, MassPort and the Executive Office of Transportation. The agreements have allowed

MassDOT to continue the integration of its workforce. Among other things, the agreements enabled multilateral discussions and set the terms for negotiations with the unions over matters related to employee pay, work, benefits, assignment of work and other terms and conditions of employment.

The negotiating team includes representatives from OLER, Human Resources, Finance, the Highway Division, and the RMV, and representatives of eleven (11) bargaining units. The parties continue to negotiate on a variety of issues. Details of new agreements reached by the parties will be provided in the next integration report.

In addition to the on-going negotiations associated with the merger of the various entities into MassDOT, OLER continues to administer all collective bargaining agreements for MassDOT. In addition, OLER continues to represent MassDOT in proceedings before various administrative forums such as the Civil Service Commission (CSC); Division of Labor Relations (DLR); Division of Unemployment Assistance (DUA); the Massachusetts Commission Against Discrimination (MCAD) and at grievance arbitration before the American Arbitration Association; and before rotating arbitration panels. OLER also represents MassDOT in Superior Court and Appeals Court actions when designated as Special Assistant Attorney General by the Attorney General.

5.3.4 Civil Rights

The Office of Civil Rights is charged with ensuring MassDOT meets its obligations and commitments related to equal opportunity and affirmative action in employment, contracting and in the provision of services. The commitment of MassDOT to diversity in all of its programs is based on the simple premise that the transportation system should mirror the communities it serves, and reflect the diverse populations who use its services.

The Office of Civil Rights has developed a recruitment and promotion strategy with the Office of Human Resources to diversify the pool of potential employees and current employees who might be in a position to advance within the organization.

MassDOT also recognizes that there are also internal cultural issues that need to be addressed and has developed an employee engagement strategy known as the MassDOT Roundtable. The Roundtable seeks to use the knowledge, insights, and experience of MassDOT employees to promote a diverse, engaged, and inclusive workforce. Through the Roundtable, MassDOT will reaffirm a work environment where all employees are treated fairly and with respect, and where everyone can contribute to matters of customer service and employee relations with transparency and accountability. The Secretary and key members of his senior leadership team hosted the first meeting of the Roundtable in March 2010 with over eighty employees representing all segments of the organization. It is expected that this ongoing effort will bring forward key employment issues that can be addressed in a proactive manner. Going forward, the Roundtable will serve a three-fold purpose;

- It is a **Forum** – an internal environment where employees and stakeholders can freely engage in dialog related to issues of diversity, fairness, and respect.

- It is an **Open-thought arena** – a safe space for raising issues, generating ideas, and thinking creatively.
- It is a **Conduit** – a mechanism through which topics from a variety of sources can be processed and recommendations for affecting change can be issued to leadership.

The Office of Civil Rights continues to make progress on integration efforts regarding the internal Equal Employment Opportunity (EEO) and external (contracting) programs.

This has included review of previous polices and the development of new polices to advance civil rights principles. The Office has also integrated staff from the different agencies, and has conducted research to identify needs, existing resources and strategies to support effective integration of civil rights across MassDOT. Various staff members have been reassigned and the need for additional staff, resources and technical assistance continues to be evaluated to support various contract compliance activities, equal opportunity compliance activities, and the conduct of a Transportation Disparity Study. Below are updates to initiatives detailed in the previous integration report.

- The Disadvantaged Business Enterprises (DBE) program is currently under final review with the United States Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA). MassDOT is prepared to augment the program where necessary to ensure that the DBE Program fully reaches its potential and to ensure enforcement and enhancement of opportunities for eligible firms.
- The Office continues to work with FHWA on collecting workforce data for the new Highway Division which now encompasses six districts throughout the Commonwealth and integrates employees from a number of former agencies. As the new structure of the Highway Division is finalized, it is expected that complete workforce profiles will be completed for review and assessment, and if necessary for corrective action where appropriate.
- The Office continues to work with the leadership of the MBTA Office of Diversity and Civil Rights (ODCR) on an assessment of staffing needs, performance of required functions, and program enforcement. The Office has completed an assessment analysis and issued recommendations regarding the ODCR, and is engaged in the next phases of rebuilding staffing, reshaping policies and responding to concerns from federal and state government agencies regarding department functions and effectiveness. A plan is being developed to incorporate recommendations on longer term issues.
- The Office continues to work with federal transportation agencies and other state agencies on the scope and shape of the Unified Certification Program at the State Office of Minority and Women Business Assistance (SOMWBA). MassDOT is prepared to make adjustments to the program as changes in the structure of SOMWBA are completed.
- The Office of Civil Rights has completed revisions to the Disparity Study Request for Proposals and is currently undergoing legal review before it is released to the public.

This study will determine if the state has a continued compelling interest in maintaining affirmative market programs for specific businesses.

- The Office of Civil Rights has received a grant from the FHWA to continue implementation of its DBE Supportive Services Program to build business capacity and development skills among selected firms.
- The Office is now using standard contract documents for the Highway Division related to all contract compliance programs, and continues to explore the deployment of a single software system for contract compliance management purposes.
- The Office continues to develop work plans for MassDOT regarding compliance with Americans with Disabilities Act and Title VI of the 1964 Civil Rights Act as required by federal transportation agencies.

5.3.5 Security Planning and Emergency Preparedness

The Office of Security Planning and Emergency Preparedness ensures that MassDOT develops an ongoing emergency management program to mitigate, prepare for, respond to, and recover from natural and human-caused emergencies and disasters that could impact its jurisdiction and operations, and cooperates with other external entities as may be necessary to ensure the safety and well being of the public and property in the Commonwealth. The Office of Security Planning and Emergency Preparedness continues to spearhead initiatives with all divisions for the conduct of vulnerability assessments, the development of mitigation strategies, the development of emergency management plans, response plans and procedures, and the design and conduct of training and exercise programs.

The Office continues with the design, development, coordination, and conduct of a multiple transportation agency drill and exercise program, and successfully worked with a multiple agency task force to conduct a First Responder Workshop (FRW) in March 2010. Since that time, the Office has been working with various agency representatives and the Executive Office of Public Safety and Security (EOPSS) to continue preparations for a Senior Leadership Seminar on Incident Command to be held in May 2010.

The Office of Security Planning and Emergency Preparedness has also continued to work with the EOPSS to expand a grant application for the Massachusetts Emergency Transportation Fiber Optic Network (METFON), which will provide substantial benefits to the state's multi-modal transportation system and support public safety operations across the Commonwealth, allowing agencies to collaborate virtually through their operations control centers with real time video and information regarding escalating emergency incidents in different jurisdictions.

The Office of Security Planning and Emergency Preparedness continues working with the Office of the Chief Information Officer on a Department of Homeland Security (DHS) grant funded project for the conduct of an Information Technology Security Systems Review to ensure the new MassDOT systems are secure and that vulnerabilities are mitigated.

As the organizational structure of MassDOT is finalized, the Office is positioned to lead efforts to complete a new emergency management plan for the organization that outlines a Concept of Operations, including a modular and scalable event classification and notification system for escalating incidents, and an overview of emergency management functions to be performed by all operations and administrative divisions and departments.

The Office continues to work closely with the Massachusetts Emergency Management Agency (MEMA) to ensure appropriate transportation resources are available to the Commonwealth during various emergency situations. MassDOT personnel were recently deployed to the MEMA Emergency Operations Center to monitor and support emergency response during the flooding rains of March 2010.

The Office also continues to work with FHWA and the EOPSS to review and refine traffic management plans that would be activated in the event of an emergency, and to provide overviews to other states on how transportation-based emergency management concepts and principles are deployed in the Commonwealth. The Office also continues to work with the Transportation Security Administration and the State Fusion Center to identify critical assets, capture information related to those assets, conduct assessments of those assets, and develop mitigation strategies.

5.3.6 Facilities Management

The Office of Facilities Management (OFM) is responsible for many of the material resources utilized by MassDOT employees to get their jobs done in an efficient manner. This important office oversees the delivery and distribution of mail, manages the use of administrative vehicles, and coordinates the storage of archived records. The staff of this office also support warehousing operations, print shop operations, and manage the use of office space and equipment. Significant progress has been achieved in integrating various facility management functions previously performed by different agencies. Below are some of these milestones:

- All mail room operations have been combined into a single operation at the MassDOT Headquarters at Ten Park Plaza, in Boston, MA. The office also integrated former RMV mail services and couriers into MassDOT mail operations, thereby reducing duplicative processes.
- The former MTA and EOT motor pool operations have been combined into a single operation. This has increased vehicle availability and reduced the number of rescheduled off site trips for customers. The additional staff integration has allowed for an increase in the ability to transport staff to meetings at the State House, other Commonwealth facilities, and other area locations.
- The OFM has also consolidated various record storage operations, and successfully integrated archival record storage operations from the former RMV into a single operation at Concord, MA. This facility is MassDOT-owned and therefore reduces the overhead associated with renting a facility. Through this consolidation, the OFM also standardized all record storage processes and materials to create an efficient process for

records storage, and has improved maintenance and management of approved destruction schedules. This has also allowed for the storage and retrieval of all non Central Artery Tunnel (CAT) project archival records at a significant cost savings.

- With respect to warehousing operations, distribution center operations have been integrated into a single MassDOT facility in Weston, MA. This has eliminated the need to lease space for consumable storage, and allows for use of direct ship programs available from Statewide Master Agreements and reduces the amount of consumable inventory required. In addition, this has eliminated the over-procurement of printed materials by establishing print on demand programs, and has eliminated the practice of storing and shipping printed materials multiple times, further reducing the warehouse footprint. The center also modified delivery schedules to be more flexible and responsive to Registry facilities with more frequent trips.
- The OFM also now provides an in-house, high volume capability print shop to all divisions that precludes the need to contract with outside vendors. The single shop has also allowed Human Resources personnel to design, print and mail packages from one location, and also provides large format printing for the Highway Division. With respect to Office Space, the OFM has successfully consolidated all Human Resources personnel into a single location, has repositioned approximately 75 % of all personnel who report to the Chief Information Officer, and is working to integrate incoming DCR personnel into various Highway Division work locations.

5.4 Office of the Chief Financial Officer

The Office of the Chief Financial Officer is responsible for formalizing and implementing financial management and investment guidelines that enable all divisions and departments to achieve goals in a fiscally prudent manner, through the coordination of various activities, including the development of annual operating and capital budgets, financial management and accounting controls, long term capital plans, construction project finance plans, note and bond issuances, investor relations, procurement, and risk management. The Office oversees all of the fiscal-related functions for MassDOT and reviews all fiscal management, budget, and capital expenditure and program office functions and related operations. These programs include accounting, revenue operations, fiscal operations, federal grants, operating and capital budgets.

On March 2, 2010, Secretary and CEO Jeffrey B. Mullan announced two important financial appointments. Arthur Shea was appointed Chief Financial Officer and Sue Bristol was appointed Controller of MassDOT. Shea and Bristol bring to their new roles decades of financial acumen working for the Commonwealth and other government agencies. They will work closely with all MassDOT divisions to organize a Finance Department that ensures a streamlined and efficient operation.

Moving forward, the Finance Office continues its focus on finalizing and streamlining its operations to ensure that all fiduciary and statutory obligations are met. The Office will continue to update procedures and policies, improve forecasting of revenues and expenditures while completing workflow protocols, internal controls and financial reporting. The Office will also

continue to manage the transition of the former MTA accounting platform which is substantially complete.

Since the last integration report, MassDOT executed the first in a series of bond refinancing that will save the Commonwealth \$30 million annually. In addition, MassDOT received significant ratings upgrades on the former MTA bonds, allowing access to capital markets for the first time in years. In March, the MassDOT Board approved a plan to refinance as much as \$2.275 billion of the former MTA's Metropolitan Highway System Revenue Bonds at lower interest rates to dramatically reduce transportation debt service costs. Included are bonds related to risky financial transactions, "swaptions", originally entered into by the former MTA. By refinancing the swaption-related bonds, MassDOT will save an estimated \$2.5 million per month.

As noted by Fitch, the implementation of the transportation reform law, coupled with the Commonwealth's \$100 million in financial support, means MassDOT "now has a larger window of financial flexibility than has existed in the past decade." The result is improved bond market access and lower borrowing costs, meaning MassDOT can save money while continuing to make critical investments in our roads, bridges, and public transit system.

The Finance team has developed a FY 2010 eight-month budget for all funding sources and is in the process of developing an FY 2011 budget. Consistent with Secretary and CEO Jeffrey B. Mullan's vision of transparency and accountability for the enterprise, the Office of the Chief Financial Officer anticipates issuing the first set of integrated financial reports for the department within the next few months. These financial reports will demonstrate the financial integration of former MTA, Tobin Bridge and Commonwealth assets, revenues and expenditures into a standardized, accessible format.

On March 8, 2010, the Office of the Comptroller in conjunction with the Executive Office of Administration and Finance issued a projected monthly cash flow for the Commonwealth Transportation Fund that includes a monthly schedule of transfers to the Massachusetts Transportation Trust Fund.

The fixed assets for former EOT agencies, MTA and the Tobin Bridge are being transitioned to MMARS as MassDOT assets. Meanwhile, the MTA's debt information has been loaded on to the Commonwealth's debt management system.

5.5 Office of the Chief Information Officer

The Office of the Chief Information Officer under the leadership of Mary Joe Perry, is responsible for ensuring that MassDOT is equipped with advanced material and human resources to facilitate the accessibility, exchange, maintenance, and recovery of information and communication 24 hours a day, and that it plans for the acquisition and deployment of technological enhancements for MassDOT and its divisions to maximize organizational efficiencies. The Office manages the daily maintenance and operation of the new organization's network and telecommunications infrastructure. This includes business applications, networks, servers, architecture, telephones, mobile devices, and desktop computers, data on equipment, fiber, electronic mail, and internet services. It also manages MassDOT's internal- and external-

facing websites and various business applications, including financial and accounting systems, human resource management systems, payroll, time and attendance systems, project management systems, software development, database administration, recordkeeping and storage systems, reporting systems, quality assurance systems, and intelligent transportation systems.

The IT Division performs seven distinct and interrelated functions for MassDOT:

- Business Application Development and Support
- Operations Support which includes Networking and Service Delivery
- Project Management Office (PMO) and Customer Engagement
- Technology Innovation
- Intelligent Transportation Systems (ITS)
- Information Technology Business Administration
- Information Technology Security

IT supports every aspect of the organization from its administrative functions to its operations functions. Every MassDOT employee will rely on some form of information technology hardware, software or application in order to perform their assigned job functions. Every division of MassDOT is supported by technical assets, such as desktops, laptops, thin clients, phones, and intelligent transportation systems to operate in a consistent and successful manner.

Prior to November 1, IT was historically a decentralized organizational model among each of the agencies. As MassDOT evolves, the information technology needs of the new enterprise will shift as well. To meet that goal, the Office of the Chief Information Officer has recently implemented an organizational structure to best meet the needs of MassDOT. This new IT organizational model is based upon a combination of federated and centralized governance models which provides for commonality with the infrastructure, services and standardization of IT.

The Office of the Chief Information Officer is led by the Secretariat CIO and seven key Information Technology senior managers. These senior managers include the Deputy CIO, Director of the PMO, Director of Business Applications, Director of IT Operations, Director of Innovation, Director of IT Managerial Services, Director of IT Security.

As part of ongoing development to integrate the workforce within the IT Division, the IT Helpdesk was consolidated to facilitate team collaboration. Additionally, the IT HelpDesk has consolidated the various helpdesk phone numbers to one centralized support number. TransNet, MassDOT's internal website has been updated to reflect these changes and to allow MassDOT employees to easily locate IT HelpDesk contact information to best address employees' technology questions.

To further IT integration efforts, the Office has kicked off an IT staff evaluation process to allow staff the opportunity to identify areas for improvement, goals and milestones. This evaluation process is in alignment with the ACES/EPRS training that was provided to MassDOT management in April 2010.

Since February, the Office of the Chief Information Officer has completed work to improve the administrative operations of MassDOT. Among the accomplishments were implementation of the new MMARS Financial IT Chart of Accounts and centralization of several administrative controls such as procurement, budgeting, time and contract management.

A consolidated e-mail infrastructure plan is currently in development and design, while efforts underway to consolidate applications and operations network activities.

The Office of the Chief Information Officer is exploring several areas of potential cost savings and improved efficiencies. Evaluating maintenance and software agreements and integration of current Control Center Systems are potential areas of benefit. Implementation of One Voice, an RMV call center initiative detailed in previous reports, could also generate significant savings for MassDOT.

Beginning in May, the 511 traveler information service will be expanded statewide and drivers will have the opportunity to automatically receive personalized travel information alerts via email, text or telephone. Previous 511 services only covered eastern Massachusetts. This innovative public-private partnership with Sendza, a Massachusetts-based communications software company, will come at no cost to the state, resulting in \$4.1 million in one-time savings and \$1.2 million in annual savings for MassDOT. The current 511 system handles approximately 500,000 calls per month.

Finally, improvements to the operations of the Highway Division's project management database (ProjectInfo) have been completed, and utilization of the Kronos time and attendance system has been initiated. The IT PMO has developed and distributed an IT Project Portfolio. This project portfolio encompasses all active IT projects organized by divisional area. The portfolio is used to prioritize projects with Division Administrators, department heads and also to manage resource allocation. Development of an IT project portfolio is a new concept to MassDOT that will promote transparency and accountability in accordance to the core themes of the organization.

5.6 Office of the General Counsel

The Office of the General Counsel, under the leadership of Monica Conyngham, provides diverse legal services to all divisions and departments, and assists with policy development in a number of areas, including those related to the statutory and regulatory mandates of the transportation system. The Office executes policies as a result of court decrees, administrative orders, or regulations. Other functions include coordinating litigation strategies, assessing proposed laws and regulations, drafting and preparing legislation, contract preparation and approval, and reviews of leases, agreements, and licenses related to transportation. The OGC also provides in house legal services to all divisions of the new organization and oversee the utilization of outside counsel on a variety of other projects, including but not limited to electronic toll collection, construction claims and changes, real estate development, cost recovery processes, and litigation services.

The Office of the General Counsel continues its mission to provide clear, accurate, and uniform determinations to each of the MassDOT divisions and offices regarding the legal requirements of the transportation reform act and the operations of the MassDOT Board.

Throughout the early months of 2010, the Office of the General Counsel has been focused on issues related to the refinancing of former MTA Subordinated and Senior Debt. The bond restructuring, expected to save \$2.5 million per month, has required cooperation by the Office to ensure all related legal matters are addressed.

As MassDOT reaches the six-month mark, the focus of the Office is returning to identifying and assisting in resolving legal matters related to the day-to-day operations of MassDOT. The Office provides critical support in procurement and contracting, litigation and claims, operations, and employment and civil rights matters. Work continues on the consolidation of claims and litigation handling for MassDOT. In addition to the expected organizational efficiencies, this effort is expected to yield some budgetary savings to MassDOT.

5.7 Office of Real Estate and Asset Development

The Act enables MassDOT to retain the proceeds from the disposition of its own real estate, rather than direct those proceeds to the General Fund. The mission of the newly-formed Office of Real Estate and Asset Development (OREAD) is to identify non-core real estate assets of the four divisions and facilitate their sale or development, as appropriate, not only to generate needed revenue, but also to spur economic development and job growth.

Real estate staff members from the former agencies are currently consolidating into this new office, led by Peter O'Connor, Director. OREAD staff are compiling and combining current asset inventories to develop a uniform system for the disposition of potential development assets of both MassDOT and the MBTA. Specifically, they are creating a single database of telecommunication and fiber optics leases and are also examining the way in which private utilities acquire rights in MassDOT property.

The February 2010 Integration Report described a new approach to structuring air rights development deals in which MassDOT receives annual payments over the life of the lease after the new development begins, is occupied, and begins generating rental income. Previously, the former MTA would require a substantial up-front payment to MassDOT due at lease signing, which significantly hindered the ability of such developments to get financing. This new structure was first implemented to spur development of Air Rights Parcel 7 over the Turnpike, between Boylston Street and Brookline Street in the Fenway section of Boston. Execution of a new development agreement with the Parcel 7 developer is expected shortly, and construction of the MBTA's Yawkey Commuter Rail Station is expected to begin this summer. OREAD continues to work with designated developers of other MassDOT assets to spur stalled projects through this new financial approach.

5.8 Office of Performance Management

Effective performance management is at the core of transportation reform, and the Office of Performance Management at MassDOT, under the leadership of Director Albert Shaw, is charged with developing mechanisms to assess performance of the new organization and to present that information to the public.

In December 2009, the Office published its first ScoreCard for the four divisions of the organization with specific performance measures, and continues to make progress in collecting data for the public who use the transportation system. The Office continues integrating various reporting systems in the Highway Division and supports the Division as it devises a cohesive maintenance strategy so that common measures are reported.

In the coming year, the Office will continue to focus on improving performance management and ensuring that all key performance statistics are being reported and evaluated on a regular basis. As performance trends are tracked and better understood, performance goals will be established across the organization, and reported regularly through the MassDOT website.

Managing based on performance is a long term project but it is a critical path forward as MassDOT seeks to hold itself accountable to residents and taxpayers. The Office is working to identify meaningful trends even as many functions are integrated, with the goal of developing an historical database that can be used in the future to demonstrate how improved performance was a key part of the integration and made a difference to the public.

Another part of performance management is transparency. For too long, people have not known how their tax, toll, and fare dollars were being spent in transportation. MassDOT is committed to developing new tools that will allow users of the system to see how their dollars are being utilized to improve transportation service and infrastructure. The Office of Performance Management is also exploring ways to enhance and expand ProjectInfo, the public project information system, so that the public can see the progress MassDOT is making on all projects. The Office is also building on the success of the Accelerated Bridge Program (ABP) which has provided an important laboratory for innovation. New project controls in use for the ABP have improved project management and delivery, providing lessons learned and best practices that can be applied to future construction investments and projects.



6.0 Division Updates

For months, reform has served as the mantra for MassDOT. The four divisions had to reorganize and recommit to improving customer service, identifying cost efficiencies, and instilling an innovative spirit. As MassDOT reaches its sixth month of existence, with the spirit and intent of transportation reform feeding the new enterprise, the focus is shifting towards a more holistic environment where reform efforts and day-to-day operations operate uniformly.

6.1 Highway Division Update

The Highway Division includes the roadways, bridges, and tunnels of the former Massachusetts Highway Department (MHD), Massachusetts Turnpike Authority (MTA), Tobin Bridge and certain assets of the Department of Conservation and Recreation (DCR). Under the leadership of Luisa Paiewonsky, Administrator, the Highway Division is responsible for the design, construction and maintenance of the Commonwealth's state highways and bridges. The Division is also responsible for overseeing traffic safety, engineering activities and snow and ice removal to ensure safe road and travel conditions.

The Highway Division continues to integrate the various policies, standards, systems and procedures that drive its day-to-day operations. On March 5th, Administrator Luisa Paiewonsky announced two safety documents – “Work Zone Safety” and “Standard Details and Drawings for the Development of Temporary Traffic Control Plans” – that will guide Highway Division personnel for the 2010 construction season. Training for work zone safety and flagger regulations is also underway. Progress to merge information continues in areas like design standards, traffic signal and sign policies, speed regulations, environmental permitting and asset management system. Guidelines for accident recovery and the roadway assistance program are also being defined.

Administrator Paiewonsky has announced one senior manager since the previous Quarterly Report. Shoukry Elnahal, P.E., has been appointed as Deputy Chief Engineer for Bridges and Tunnels. Elnahal has nearly 40 years of experience in structural design, construction, inspection and management. Since January 2009, he has served as Director of the Accelerated Bridge Program. Under his leadership, the Accelerated Bridge Program has generated design and construction of critically needed bridge repair, rehabilitation and replacement projects totaling nearly \$500 million. He has also spearheaded a number of innovative design and construction technologies, which will result in more rapid and comprehensive improvement of bridges throughout the Commonwealth. In his role as Deputy Chief Engineer, he will continue to direct the Accelerated Bridge Program while overseeing the Statewide Bridge Program and tunnel systems.

In April 2010, MassDOT received its first national award. The Federal Highway Administration presented the 2010 Stewardship Award, part of the FHWA Excellence in Right-of-Way Awards, to two employees in MassDOT's Right of Way Bureau: Pamela Marquis and Linda Walsh. Marquis and Walsh were recognized for preparing and presenting a training program entitled “Right of Way Process: Helping Communities Move Projects Forward.” This community

training program, epitomizing MassDOT’s commitment to customer service, helps to streamline the acquisition process while protecting the rights of property owners and tenants.

On April 2, the Patrick-Murray Administration notified the Commonwealth’s cities and towns that they will receive \$155 million in state Chapter 90 funding this year. Part of the Patrick-Murray Administration’s record level of investment in infrastructure, this figure represents a \$5 million increase over 2009 levels in local road and bridge repair.

Meanwhile, the Highway Division’s construction pace continues at record levels. Spending from July 1, 2009 to March 12, 2010 totaled \$594.7 million. Chapter 291 of the Acts of 2004 (Transportation Bond Bill) requires that the Highway Division spend a minimum of \$450 million per year on the Statewide Road and Bridge Program from 2006 through 2012. Investment levels continue to be higher than the same date last year.

Construction Program	Total Spent (in millions)
Statewide Road and Bridge Program	\$472.2
Accelerated Bridge Program	\$85.8
American Recovery and Reinvestment Act Program	\$36.7
Grand Total	\$594.7

6.1.1 Organizational Chart

Organizational realignment is a natural element of any reorganization, especially one the size and scope of the current effort within the new transportation family. Since the previous Quarterly Report, the Highway Division has unveiled a draft organizational chart to document the layout of the new agency. While future changes to this document are expected, this chart maps the Highway Division’s initial chain of command.

The Highway Division, in particular, had the heaviest lift with regards to inter-division reorganization. The Act mandated a merging of personnel and assets from four separate sources: the former MHD, MTA, DCR and Massport. Over the past several months, Highway Division staff has worked to establish the groundwork for the most efficient highway enterprise in the country. Meanwhile, as the structure brought together the various pieces, it did so without disrupting the day-to-day operations that impact every highway user in the Commonwealth.

According to the draft, the MassDOT Highway Division is divided into six major operating sections. Each of the sections reports directly to the Chief Engineer. The Chief Engineer reports to the Highway Division Administrator.

The Organization Chart is broken down as follows:

- The Design section, managed by a Deputy Chief Engineer, handles elements related to the development of roadway projects. Work involving right of way, environmental services and project management fall under this category.

- The Bridges and Tunnels section, managed by a Deputy Chief Engineer, oversees work related to bridge and tunnels throughout the Commonwealth. This includes the Accelerated Bridge Program and the Charles River Basin.
- The Construction section, managed by a Deputy Chief Engineer, handles construction work initiated by the Highway Division.
- The Operations and Maintenance section, managed by a Deputy Chief Engineer, oversees the widest array of responsibilities. The Highway Operations Center and incident management; roadway operations including snow and ice; roadway maintenance; tolling operations; operations and maintenance support programs like Adopt-A-Highway and permits; as well as State Police Troop E all report to this section head.
- The Safety and Mobility section, managed by a Deputy Chief Engineer, handles all work related to highway safety (traffic operations, signs and markings, etc.) and Intelligent Transportation Systems.
- The Highway Division splits the Commonwealth into six districts, each with an office located in the corresponding region. Each District maintains a regional presence for MassDOT and conducts much of the local “on-the ground” work in areas like construction, maintenance and project development. District 6, located in the greater Boston area, also houses tunnel and mechanical/engineer staff who maintain their specialized assets in and around the capital city. Each district is managed by a District Highway Director, who reports to the Chief Engineer.

6.2 Rail and Transit Division Update

The Rail & Transit Division is responsible for all transit, freight and intercity rail initiatives and oversees the Massachusetts Bay Transportation Authority (MBTA) and all Regional Transit Authorities of the Commonwealth. The MBTA Board of Directors serves as the governing body of the MBTA, which itself remains a separate authority within MassDOT. The five members of the MassDOT Board of Directors also serve on the MBTA Board of Directors.

The past quarter has been promising for the Rail and Transit Division. A new division head was announced and he reaffirmed MassDOT’s commitment to improving safety throughout the transit system. This is an area of great interest to MassDOT customers.

At the same time, the Division is focused on identifying areas of cost savings. The MBTA’s FY2011 budget, approved by the MBTA Board of Directors at its March 2010 meeting, contains a number of assumptions regarding savings to be achieved throughout FY2011 due to Transportation Reform. These include:

- \$3.4 million in personnel reductions unrelated to service,
- \$2 million in Group Insurance Commission (GIC) savings,
- \$1.7 million in savings due to a projected 20% reduction in Customer Service Agent Subway coverage,
- \$1.5 million in personnel savings from single person train operations on the Orange and Blue Lines and
- \$0.9 million in contract cleaning savings for vehicles, stations and facilities (a 5% reduction).

Assuming all of these efficiencies are achieved in FY2011, the MBTA anticipates a total of approximately \$9.5 million in savings resulting from Transportation Reform in FY2011 alone.

In addition, the Act mandated that all MBTA employees, retirees and survivors join the GIC for health, life and other insurance benefits. The MBTA implements this in an orderly, phased approach. The Phase I transition was completed earlier this year. Phase II is underway, impacting approximately 1500 active employees and retirees.

6.2.1 New Leadership

In March 2010, the MassDOT Board of Directors approved the appointment of Richard A. Davey as Rail and Transit Administrator. Davey will serve as MBTA General Manager, as well as oversee the Commonwealth's 15 Regional Transit Authorities and MassDOT's freight and passenger rail program.

Davey is an experienced rail and transit manager who served as General Manager at the Massachusetts Bay Commuter Railroad (MBCR), the company which operates and maintains MBTA commuter rail service, the 5th largest in the U.S. At MBCR, Davey initiated programs that improved operations and safety, strengthened customer service and changed the culture within the company.

As Administrator, Davey's top priorities are safety, customer service, an inclusive employee work environment, fiscal responsibility, and an innovative approach to delivering transit services.

Davey succeeds William Mitchell who served as Acting Rail and Transit Administrator and Acting MBTA GM. Mitchell will return to his prior role as MBTA General Counsel and continue to play a major role in transportation reform implementation.

6.2.2 Addressing MBTA Public Safety and Expanding Access

Recognizing the concern about bridge safety, the MBTA Design and Construction section has begun monthly meetings with MassDOT Highway Division to manage the integration of bridge inspection activities.

MBTA Service Planning is working on operational needs for proposed future transit services with MassDOT's Office of Transportation Planning, which includes exploring future transit service via Logan Airport, East Boston, and Chelsea. Service Planning is also working with MassDOT Legislative Affairs office to address concerns by legislators regarding MBTA services.

Design and Construction also continues working with MassDOT's Office of Transportation Planning on the implementation of the South Coast Rail and the TIGER Grant funded bridge replacement project in New Bedford, MA.

Operations Technology and ITD are working with MassDOT as part of an Open Data Initiative to release real-time bus location data to third-party application developers, which has already been used to create a number of innovative applications for MBTA customers.

6.3 Aeronautics Division

The Aeronautics Division under the direction of Christopher Willenborg, Division Administrator, has jurisdiction over the Commonwealth's public use airports, private use landing areas, and seaplane bases. It is responsible for airport development and improvements, aviation safety, aircraft accident investigation, navigational aids, and statewide aviation planning. The Division certifies airports and heliports, licenses airport managers, conducts annual airport inspections, and enforces safety and security regulations.

The Aeronautics Division continues to be involved in civic engagement activities with aviation stakeholders throughout the state through presentations, quarterly meetings, and site visits. It also continues work on the Statewide Massachusetts Airport System Plan Project which will review the state's airport system and the roles of each airport, both in their communities and system-wide. Currently, the plan is being completed and will include performance measures based on the following goals: Standards, Environmental Stewardship, Economic, Preservation, Public Outreach, Transportation Integration and Accessibility. More information on the plan can be found at the Aeronautics Division website: www.mass.gov/massdot/aeronautics.

The Aeronautics Division and the Federal Aviation Administration continue to finalize the five year Airport Capital Improvement Program, which is based on assessments of each airport's capital infrastructure and which will assist public-use general aviation airports with funding for capital improvements.

Since the last report, the Aeronautics Division has also initiated the following projects;

- Aeronautics is working with the Office of the Chief Information Officer to determine if MassDOT IT can assume internal responsibility for monitoring the statewide airport security badge program, and create efficiencies and costs savings.
- Aeronautics is also working with MassDOT IT to determine if staff can develop a new web based Airport Information Management Systems (AIMS) program, which would also bring savings as the project is typically outsourced to consultants.
- Aeronautics is exploring the feasibility of decommissioning navigational aids and replacing them with newer GPS based technologies, again providing savings by reducing costs associated with the maintenance and inspection of these systems.
- Aeronautics is also working with the Massport to continue to build stronger relationships in common areas of concern such as environmental, planning, and engineering.

6.4 Registry Division

The Registry of Motor Vehicles (RMV) Division, under the leadership of Rachel Kaprielian, Registrar and Division Administrator, is responsible for vehicle operator licensing and vehicle and aircraft registration available both online and at branch offices across the Commonwealth. The RMV oversees commercial and non-commercial vehicle inspection stations.

The Division continues to utilize resources of the new organization to streamline operations and services, and achieve cost savings and efficiencies. The RMV has consolidated facilities management functions and continues to utilize existing state owned locations and resources to provide registry services. It has also eliminated the need for contracted courier services and external printing services.

As reported previously, the Division assisted with the creation of a comprehensive, updated inventory of MassDOT fleet vehicles, converting vehicle registrations to reflect the new ownership of the vehicle fleet. The Division continues to issue courtesy notices for driver's license and MA ID renewals using a secure notification service that alerts customers a month before their license expires by email, phone or text message, and is exploring expansion to other registry services including registration and vehicle inspection renewals.

The RMV also continues to utilize new license equipment and technology which detects efforts to obtain Massachusetts license and identification cards through fraudulent means, allows customers to use debit cards as a method of payment, and allows RMV staff to efficiently execute license transactions. Expansion of web-based customer service options continues to enable first-time drivers and new residents to pre-stage applications online for the conversion of out-of-state licenses or for the issuance of permits. In addition, the RMV continues to provide customers an online transaction that enables customers to request and pay for an accident report search. The RMV is also working to improve how it responds to requests for customer assistance, and exploring ways to improve all on-line services.

The Division also continues to support local law enforcement agencies, organizing a statewide undercover operation targeting illegal drivers and motorists who fail to stop for school busses, and supporting undercover inspections of school transport vehicles.

Since the previous integration report, the RMV Division has also organized a team of professionals in partnership with the Office of the Chief Information Officer to explore the use of new technologies to produce innovative new customer service delivery options. This includes expansion of pre-stage customer transactions, integrating real time licensing information to enable customers to determine if they are eligible to conduct a requested transaction. Other projects will allow customers to return license plates via an internet transaction, reducing branch customer volume by up to 30,000 transactions per month.

Another pilot project launched at the Springfield RMV is being studied where customers can schedule a time for a license transaction. The team is also exploring implementation of a link on all RMV transactions that will direct customers to the License Renewal Reminder Service, and provide information regarding automatic renewal notices. The team is also working with the

Office of Security Planning and Emergency Preparedness to identify funding sources to expand the One Voice Project to enhance the Division's telephone center at the same time it also provides a platform to support multiple public safety applications.



7.0 MassDOT; Looking Ahead

While MassDOT is still a young organization, it has established a solid organizational structure, deploying diverse and extensive expertise from multiple agencies and authorities to drive a full and successful implementation of transportation reform.

Although there remain many challenges to overcome looking ahead, with strong leadership put in place by the Patrick-Murray Administration, MassDOT is well positioned to become a model for reform where best practices are identified and put in place, and where every effort is made to minimize the impact of integration on the public who utilize the transportation system everyday.

MassDOT will continue to meet the requirements set forth in the Act, and will continue to use well established performance management concepts and principles to steer the decision making process needed to ensure it succeeds. The organization is moving ahead and continues to conduct an internal examination to ensure it can be held accountable, enhance customer service, and promote public safety.

Various management applications will continue to be considered as lessons are learned, with priority placed on reducing costs and maximizing efficiencies, as MassDOT operates as one cohesive transportation organization. The leadership team recognizes that the organizational framework must support business needs at the same time it establishes an enterprising environment where employees are invited and motivated to be innovative.

Going forward, the new spirit of reform will continue to thrive in every corner of the agency, as employees and the public will see that fresh and bold ideas are being considered and deployed. The operational and administrative offices of the organization will continue to collaborate on all aspects of the integration, and these quarterly reports will continue to provide details on that progress.

While there are signs that the economic downturn in the Commonwealth may be on the upswing, funding constraints will remain and MassDOT will need to continue to find innovative ways to provide transportation service. This report demonstrates that by all expectations, MassDOT is on a successful path to do so as it approaches one year since the transportation reform legislation was passed into law.