

2012-2013 Accountability Report

Transmittal Form

Agency Name: The South Carolina Department of Transportation

Date of Submission: September 16, 2013

Agency Director: Secretary Robert J. St. Onge, Jr.

Agency Director's e-mail: StOngeRJ@scdot.org

Agency Contact Person: Rob Manning

Agency Contact Person's E-mail: ManningRL@scdot.org

Agency Contact's Telephone Number (803) 737-2649



TABLE OF CONTENTS

Section I- Executive Summary	2
Section II- Organizational Profile	6
Section III- Elements of Malcolm Baldrige	11
Category 1: Senior Leadership, Governance and Social Responsibility	11
Category 2: Strategic Planning	14
Category 3: Customer Focus	18
Category 4: Measurement, Analysis, and Knowledge Management	19
Category 5: Workforce Focus	21
Category 6: Process Management	26
Category 7: Results	28

Section I- EXECUTIVE SUMMARY

I.1. Department of Transportation Purpose, Mission, Vision, and Values

Purpose:

SCDOT's purpose is to provide a safe, properly maintained transportation network that adequately supports citizens, visitors and commerce throughout the state. The road and bridge system SCDOT is responsible for consists of 41,422 miles of roads and 8,402 bridges, establishing it as the fourth largest state-owned highway system in the nation according to the Federal Highway Administration.

Mission:

SCDOT's statutory mission (Section 57-1-30, SC Code of Laws) is:

"The department shall have as its functions and purposes the systematic planning, construction, maintenance and operation of the state highway system and the development of a statewide intermodal and freight system that is consistent with the needs and desires of the public."

Vision:

The SCDOT vision is, "***To provide safe, reliable transportation systems.***" The vision statement captures the essence of SCDOT's focus and direction. It provides unity and clarity to individual and collective efforts to accomplish the agency's mission. The agency strives to provide infrastructure and effective support for a healthy South Carolina economy through smart stewardship of all available resources.

Values:

SCDOT is a values-based organization. These values are found in its employees throughout the agency. SCDOT's workforce serves as the foundation to accomplish its mission and achieve its vision. SCDOT's values are:

Service

Commitment

Delivery

Opportunity

Trust

I.2. Major Achievements from the Past Year

The highlights of some of the major SCDOT achievements during SFY2012-13 include:

- **Customer Service Center's One-Year Anniversary**

The SCDOT Customer Service Center was created and opened in June 2012. It provides the public as a central location for service requests or for information needed by the

public. The Center handled 14,960 calls from July 1, 2012 through June 30, 2013, averaging 288 calls per week.

- **Safe Routes to School Program Wins Award**
SCDOT's Safe Routes to School (SRTS) program won an award from the American Council of Engineering Companies. SCDOT is only one of three states (the others being Georgia and Massachusetts) to establish Resource Centers to assist school districts in the planning, development and implementation of SRTS projects and activities.
- **US 17 ACE Basin Project Wins Environmental Awards**
Segments 1 and 2A of the US17 project in Beaufort and Colleton Counties were selected as a winner of the 2012 American Road and Building Transportation Association Globe Award. This is a national award that serves to recognize construction industry excellence for environmental protection and mitigation. The project also received an award by the American Council of Engineering Companies on August 8, 2012 for safety improvements resulting from the project.
- **State Human Services Transportation Infrastructure Review.**
SCDOT, in collaboration with SC Department of Health & Human Services and the SC Interagency Transportation Coordination Council, initiated a project to review the existing statewide structure for coordinated public and human services transportation services, with particular attention on the state's Non-Emergency Medical Transportation needs, in an effort to achieve greater efficiencies for South Carolina. A final report will be prepared with a completion date targeted for spring 2014.
- **Veterans Transportation & Community Living Grant Initiative**
SCDOT successfully submitted an application on behalf of the Lowcountry Council of Governments for a grant of \$49,714. The program provides improved access to local transportation for veterans and their families, wounded warriors and other military personnel.
- **AASHTO Awards**
SCDOT won a Regional American Association of Highway Transportation Officials (AASHTO) award in the category of "Ahead of Schedule" for the replacement of the bridge that crosses I-85 in Cherokee County near Gaffney that was completed one month ahead of schedule, just 152 days after the bridge was closed.
Additionally, SCDOT's Technical Applications Director, Dipak Patel, won one of the ten President's Transportation "Research" Awards given by AASHTO. The research involved a GPS-based INRIX data collection system that displays travel times on message boards for drivers on interstate highways, allowing engineers to pinpoint congestion problem areas.
- **South Carolina Multimodal Transportation Plan**
A formal kick-off meeting of the 2040 South Carolina Statewide Multimodal Transportation Plan was held on July 31, 2012. Hosted by SCDOT, nearly 150 stakeholders from across South Carolina's transportation community attended the meeting. The plan, required by federal and state law, will guide multimodal transportation decisions over the next 25 years. It is scheduled for completion by spring 2013.

- **Strategic Management Plan**

SCDOT has implemented a Strategic Management Plan to gauge agency progress towards accomplishing its mission of building and maintaining roads and bridges and providing transit services to the citizens of South Carolina. The plan is in concert with other required planning documents such as the Statewide Multimodal Plan, the Statewide Transit Plan and others. Periodic reviews of the progress in meeting the goals and objectives of the Strategic Management Plan and business plans began in the first and second quarters of 2013, with full implementation occurring on July 1, 2013.

- **Manpower Review**

In SFY2012-13, SCDOT created an office of Human Capital Investment within Human Resources. It was designed to develop and oversee a comprehensive human capital investment program capable of effectively integrating manpower management, centralized training management, and career development planning in an effort to enable SCDOT to attract, hire, train, develop, and retain talented and versatile people. Human Capital Investment undertook a significant project in the area of manpower management during SFY2012-13 and laid a firm foundation for accomplishing success in training management and career development planning in SFY2013-14. The sequential efforts of a Manpower Management Task Force and a Manpower Review Team resulted in a comprehensive evaluation of SCDOT's manpower requirements and produced a system which provides leadership with previously unparalleled clarity in prioritizing manpower assets in order to most effectively and efficiently pursue the Department's mission. A related effort, closely examining the nature, purpose, extent, and cost of outsourced work, is nearing fruition.

- **ProjectWise Software**

The SCDOT Procurement Office has successfully begun an on-line process for receiving proposals and qualifications from architectural and engineering firms applying to serve as SCDOT consultants. The new ProjectWise software allows the four-step process to be completed on-line, eliminating the need for volumes of paper submittals that must be copied by both SCDOT and the consultant and eliminates the need for the Evaluation Committee to meet face-to-face in Columbia.

- **New SCEIS Functions**

SCDOT participated in the statewide rollout of the Agency Blocked Invoice Reconciler, MRBR transaction within SCEIS. A MRBR transaction is an automated process that will identify any discrepancies between the purchase order, the goods receipt and the invoice. SCDOT has successfully initiated the MRBR function and is currently analyzing the impact on internal processes.

- **SCDOT Safety Council**

SCDOT established an interagency (DMV, DPS, DOI, etc.) Safety Council earlier this year with the purpose of identifying how collectively, SCDOT can achieve a safer environment for motorists on SC's highways and for SCDOT employees. The Council also explores ways to motivate the SCDOT workforce to live healthier lifestyles.

- **Two Year Cash Flow Model**

SCDOT has developed a two-year forward-looking cash flow model. Regular Program & Resource Analysis meetings ensure that financial resources are available to fund the projected project schedules.

- **Encroachment Permit Processing Systems**

SCDOT implemented the new on-line Encroachment Permit Processing System (EPPS) in all engineering districts. Applicants can submit permit request via the internet. The program will allow routing of permits electronically, thus reducing the processing time.

- **Enhanced 511 Traveler System**

As of June 2013, SCDOT offers enhanced one-stop shopping for travel speeds, work zone locations, real-time traffic congestion reports and real-time feeds from the traffic cameras. South Carolina's "Next Generation 511 System" includes an interactive map locating traffic incidents, construction projects, average speeds of traffic, weather information, and Twitter © to provide users with real-time important travel information.

I.3. Key Strategic Goals for Present and Future Years

SCDOT established a strategic management and planning process through a Strategic Initiatives Group (SIG). The individuals represent the agency's six Critical Management Areas (CMAs): Workforce, Customer Service, Partnerships, Stewardship, Planning and Transportation Systems and Infrastructure. The SIG defined 19 strategic goals along with 41 supporting objectives and 107 tasks measured against 76 different metrics as part of the agency's Strategic Management Plan (SMP). These goals, objectives, tasks and metrics will allow key leaders and managers to effectively stay abreast of changing strategic events now and in the future.

I.4. Key Strategic Challenges

SCDOT, with the support of State leadership, is on the road to providing safe and reliable transportation systems that will assist the agency in meeting its mission and achieving its vision. The principal strategic challenge remains "Getting to Good" and staying there given a limited resource stream.

I.5. How the Accountability Report is used to improve organizational performance

This report will serve as part of the strategic management and planning processes for the agency. Its value is measured in the substance of the report's questions. The agency's aforementioned SIG will use the questions to assist in the facilitation of discussion and dialogue in the evaluation of performance measures. This report, coupled with the tracking mechanisms as part of the agency's SMP, will also allow key leaders and managers to conduct periodic self-assessments throughout the state fiscal year.

Section II – Organizational Profile

II.1. Your organization’s main products and services and the primary methods by which these are delivered;

SCDOT groups its main products and services into six Critical Management Areas:

Workforce CMA: forms the bedrock of the agency, executes the SCDOT’s statutory mission, and accomplishes the vision of providing safe, reliable transportation systems.

Customer Service CMA: focuses on SCDOT’s customers by providing exceptional customer service which is consistent, professional and timely.

Partnership CMA: maintains a strong, cooperative, and collaborative partnership with key governmental and non-governmental agencies creating teamwork and unity of purpose to achieve SCDOT’s mission, goals, and objectives.

Stewardship CMA: defines how SCDOT will prudently manage resources by providing centralized oversight and effective management of procurement functions, and maximizes the utility of the South Carolina Enterprise Information System (SCEIS).

Planning CMA: incorporates Moving Ahead for Progress 21 (MAP-21), asset management, and performance based management into the SCDOT planning process while managing the STIP and Transportation Plan.

Transportation Systems & Infrastructure CMA: addresses planning, construction, maintenance and operation of the state highway system through the management and development of plans for rail, freight and intermodal systems; coordinates and supports local controlled transit operations; development of asset management plans and ensures consistency with MAP-21 by implementing a multimodal maintenance program that maximizes preservation of the state’s transportation infrastructure; executes a bridge maintenance program that is highly compliant with the National Bridge Inventory System requirements; and ensures the state transportation network moves people and goods as efficiently as possible.

II.2. Your key customer/groups and their key requirements/expectations;

- United States Department of Transportation including:
 - Federal Highway Administration (FHWA)
 - Federal Transit Administration (FTA)
 - Federal Rail Administration (FRA)
 - Federal Motor Carrier Safety Administration (FMCSA)
 - National Highway Traffic Safety Administration (NHTSA)
- All of whom provide funding and guidance and expect compliance.

- Citizens of South Carolina and the motoring public who use the state's highways and bridges expect safe and reliable transportation
- Citizens who use public transportation expect safe and reliable transportation
- Businesses and commercial utilities who rely on the state transportation system to deliver goods and services in-state and across the region
- Contractors, consultants, suppliers, civic groups and governmental entities at all levels expect prompt and courteous attention to needs and concerns

II.3. Your key stakeholder groups

- Governor
- General Assembly
- SCDOT Commission
- Local governments
- Citizens of South Carolina
- General motoring public, including motorists from out of state

II.4. Your key suppliers and partners

- 17,000 suppliers that SCDOT utilizes for procurement
- 460 contractors
- Federal Highway Administration (FHWA)
- Federal Transit Administration (FTA)
- American Association of State Highway Transportation Officials (AASHTO)
- Southeastern Association of State Highway Transportation Officials (SASHTO)
- Regulatory Agencies (i.e. Army Corps of Engineers, Department of Health and Human Services, Department of Natural Resources, etc.)

II.5. Your operating locations;

- SCDOT has an active presence in the state's 46 counties
- The central headquarters is located in Columbia

II.6. The number of employees you have, segmented by employee category

- Classified employees: 4,405
- Unclassified employees: 4
- Temporary employees: 48
- Temporary grant employees: 12

II.7. The regulatory environment under which your organization operates

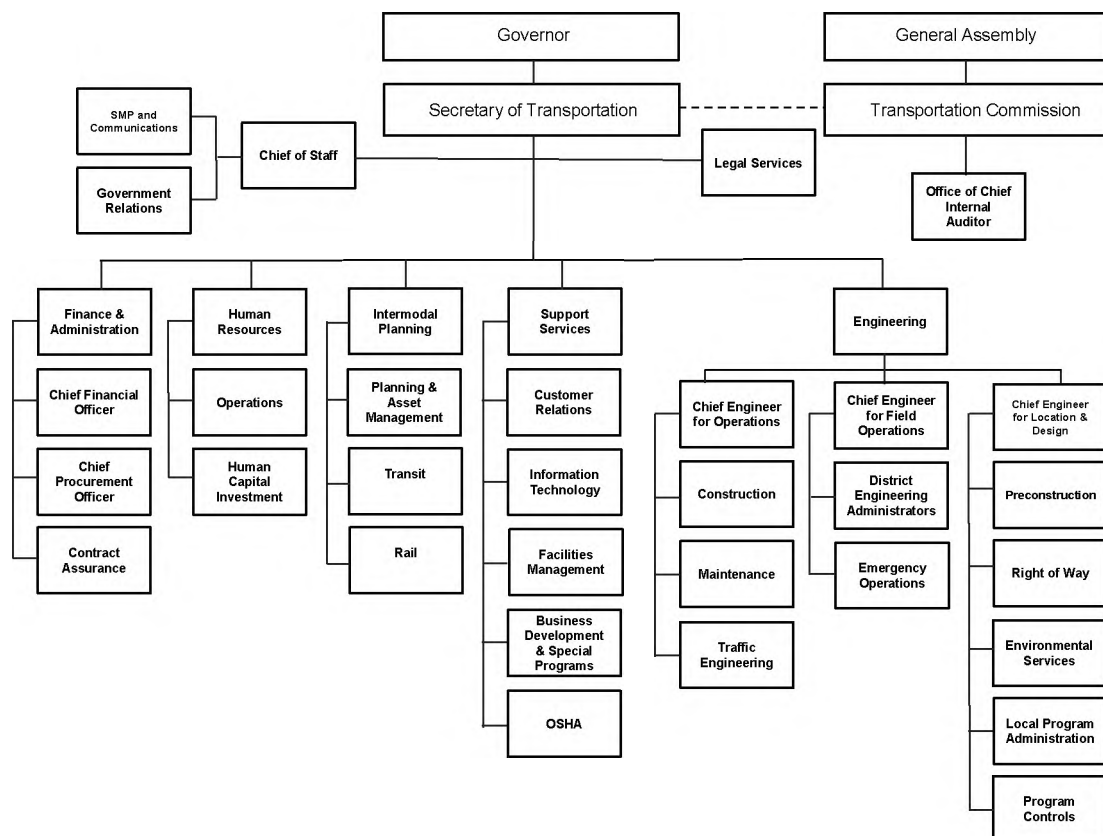
- State and Federal laws (Code of Federal Regulations 23, Title 57)
- Governor's policy
- SCDOT Transportation Commission Policies
- Occupational Safety & Health Administration (OSHA)

- National Environmental Policy Act of 1969 (NEPA)
- Moving Ahead for Progress in the 21st Century (MAP-21) Federal Authorization Bill
- Permits (to include, but not limited to, 401 and 404 Permits (water quality and impacts to water in US), US Army Corp of Engineers, Department of Health and Environmental Control, Fish and Wildlife, Department of Natural Resources, etc.)

II.8. Your performance improvement system(s)

- Creation of the Strategic Initiatives Group (SIG) to assist in implementing the Strategic Management Plan and to become a liaison with the Secretary's Office on pertinent issues
- District offices and the principal offices in Headquarters develop business plans
- Quarterly Employee Performance Feedback reviews
- Annual Employee Performance Management System (EPMS) reviews

II.9. Your organizational structure;



II.10. Your Expenditures/Appropriations Chart

Accountability Report Appropriations/Expenditures Chart

Base Budget Expenditures and Appropriations

Major Budget Categories	FY 11-12 Actual Expenditures		FY 12-13 Actual Expenditures		FY 13-14 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$ 175,186,058	\$ -	\$ 176,015,617	\$ -	\$ 189,453,027	
Other Operating	\$ 347,470,715	\$ 197,787	\$ 257,814,895	\$ -	\$ 421,907,941	
Special Items	\$ -	\$ -	\$ -	\$ -	\$ -	
Permanent Improvements	\$ 667,669,514	\$ 2,478,102	\$ 502,210,089	\$ -	\$ 749,747,905	\$ 50,000,000
Debt Service	\$ 59,024,347	\$ -	\$ 58,390,195	\$ -	\$ 63,042,236	
Distributions to Subdivisions	\$ 28,928,405	\$ 57,270	\$ 20,827,621	\$ 57,270	\$ 29,587,150	\$ 57,270
Fringe Benefits	\$ 69,938,580	\$ -	\$ 69,700,786	\$ -	\$ 78,241,625	
Non-recurring		\$ -	\$ -	\$ -		
Total	\$ 1,348,217,619	\$ 2,733,159	\$ 1,084,959,203	\$ 57,270	\$ 1,531,979,884	\$ 50,057,270

Other Expenditures

Sources of Funds	FY 11-12 Actual Expenditures	FY 12-13 Actual Expenditures
Supplemental Bills		
Capital Reserve Funds		
Bonds		

II.11. Your Major Program Areas Chart

Major Program Areas

Program Number and Title	Major Program Area Purpose (Brief)	FY 11-12 Budget Expenditures	FY 12-13 Budget Expenditures	Key Cross References for Financial Results*
05010000 - General Administration	General Administration is the agency-wide executive management and support service function	State: Federal: Other: 43,164,255.89 Total: 43,164,255.89 % of Total Budget: 3%	State: Federal: Other: 32,143,916.23 Total: 32,143,916.23 % of Total Budget: 3%	
20010000 - Engineering Administration	Program funds the core management to support the delivery of the highway construction program.	State: Federal: Other: 80,781,303.86 Total: 80,781,303.86 % of Total Budget: 6%	State: Federal: Other: 80,789,682.65 Total: 80,789,682.65 % of Total Budget: 7%	Figures: 7.3.2 7.3.3, 7.3.4 7.5.1 7.6.1
20030000 - Engineering Construction	Program funds the construction of roads and bridges.	State: Federal: Other: 885,339,701.98 Total: 885,339,701.98 % of Total Budget: 66%	State: Federal: Other: 671,156,590.51 Total: 671,156,590.51 % of Total Budget: 62%	Figures: 7.3.2 7.3.3, 7.3.4 7.5.1 7.6.1
20050000 - Highway Maintenance	Program funds the maintenance of roads, bridges, buildings, rest areas, and welcome centers.	State: Federal: Other: 218,561,937.26 Total: 218,561,937.26 % of Total Budget: 16%	State: Federal: Other: 185,249,104.63 Total: 185,249,104.63 % of Total Budget: 17%	Figure 7.3.3
35000000 - Non-Federal Aid Highway Fund	Program funds maintenance on non federal aid secondary roads.	State: Federal: Other: 18,141,341.14 Total: 18,141,341.14 % of Total Budget: 1%	State: Federal: Other: 18,372,554.19 Total: 18,372,554.19 % of Total Budget: 2%	Figures: 7.1.1 7.2.1 7.3.3

Below: List any programs not included above and show the remainder of expenditures by source of funds.

05050000 - Land and Buildings
30000000 - Toll Operations
95050000 - State Employer's Contributions
40000000 - Mass Transit
99000000 - Capital Projects

Remainder of Expenditures:	State: Federal: Other: 104,962,238.15 Total: 104,962,238.15 % of Total Budget: 8%	State: Federal: Other: 97,247,355.08 Total: 97,247,355.08 % of Total Budget: 9%
-----------------------------------	---	---

* Key Cross-References are a link to the Category 7 - Business Results. These References provide a Chart number that is included in the 7th section of this document.

Section III – Elements of Malcolm Baldrige Criteria

Category 1 – Senior Leadership, Governance, and Social Responsibility

III.1.1.How do senior leaders set, deploy, and ensure two-way communication throughout the organization and with customers and stakeholders, as appropriate for:

a) Short and long term organizational direction and organizational priorities

SCDOT has a deployment plan for the distribution, receipt and understanding of key Strategic Management Plan (SMP) materials that are relevant and necessary for all employees. Announcement of the distribution of materials was made by the Secretary to all employees explaining the importance and relevancy of priorities and how they support the direction in which SCDOT is moving. Feedback mechanisms will be built into SMP goals, objectives, tasks and metrics that will measure and ensure communication with employees, partners and other key stakeholders.

b) Performance expectations

Performance expectations will be measured on a continuing basis against approved and established metrics. The Direct Reports to the Secretary of Transportation communicate with senior staff to review the goals and objectives in the agency's Strategic Management Plan. Both short and long-term goals are identified in the plan.

c) Organizational values

Organizational values are clearly laid out in the SMP and part of the agency's deployment plan is to ensure all employees know and understand SCDOT's values and their role in embodying the values at all times.

d) Ethical behavior

Act 114 of 2007 requires SCDOT Commissioners, the Secretary of Transportation, the Chief Internal Auditor and all SCDOT staff to take two hours of training every two years concerning ethics.

III.1.2.How do senior leaders establish and promote a focus on customers and other stakeholders?

SCDOT opened a Customer Service Center in 2012 to respond more effectively to customer needs. The Center has a toll-free number and responds to requests statewide. As of June 30, 2013, the Center received 14,960 phone calls.

III.1.3. How does the organization address the current and potential impact on the public of its programs, services, facilities and operations, including associated risks?

SCDOT uses a multitude of forums to determine and address highway and public transit issues that affect the public in South Carolina. The SCDOT Commission holds monthly meetings, which are open to the public.

SCDOT updates the State Transportation Improvement Plan (STIP) with input from the public transit agencies, Metropolitan Planning Organizations (MPO), and Councils of Government (COG) which gathers input from all 46 counties. Public involvement is encouraged at all levels of a project through public hearings, press releases, SCDOT website, and newspaper or announcements. SCDOT Public Hearing Officers facilitate the formal portion of public hearings to ensure feedback from the public, in compliance with Act 114 of 2007.

III.1.4. How do senior leaders maintain fiscal, legal, and regulatory accountability?

SCDOT prepares financial statements each year that are audited by an independent public accountant. The audit is conducted in accordance with the Generally Accepted Auditing Standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States. In addition, the Office of Chief Internal Auditor, which reports directly to the SCDOT Commission, conducts regular audits. SCDOT places all expenditures on the South Carolina Government Transparency Website.

III.1.5. What performance measures do senior leaders regularly review to inform them on needed actions?

The Program and Resource Analysis Meeting (PRAM) brings key leaders in the Engineering, Intermodal, Finance, and Legal Divisions together monthly to review and discuss the construction program, budget/expenditure status, key agency activities and cash flow issues. Beginning in SFY2013-14, the performance measures of the Strategic Management Plan and key dashboard measures will be tracked and evaluated.

III.1.6. How do senior leaders use organizational performance review findings and employee feedback to improve their own leadership effectiveness, the effectiveness of management throughout the organization including the head of the organization, and the governance board/policy making body? How do their personal actions reflect a commitment to organizational values?

Frequent meetings with the Direct Reports to the Secretary are used to share feedback to improve leadership effectiveness and management throughout the organization. Additionally, employees are encouraged to take training classes, and all managers and supervisors are required to take leadership training as part of their professional development.

III.1.7. How do senior leaders promote and personally participate in succession planning and the development of future organizational leaders?

Senior leaders in SCDOT are personally involved in the process of selecting candidates for voluntary programs that prepare existing employees for more senior leadership positions, such as the SCDOT Resident Engineer Academy, the State Associate Public Manager Program, and the State Certified Public Manager Program. See charts below for the 2013 Resident Engineer Academy numbers by district. These programs routinely have many more applicants than there are available slots, and SCDOT senior leaders employ them to ensure that the best and brightest of the Agency are groomed to fill its future leadership requirements.

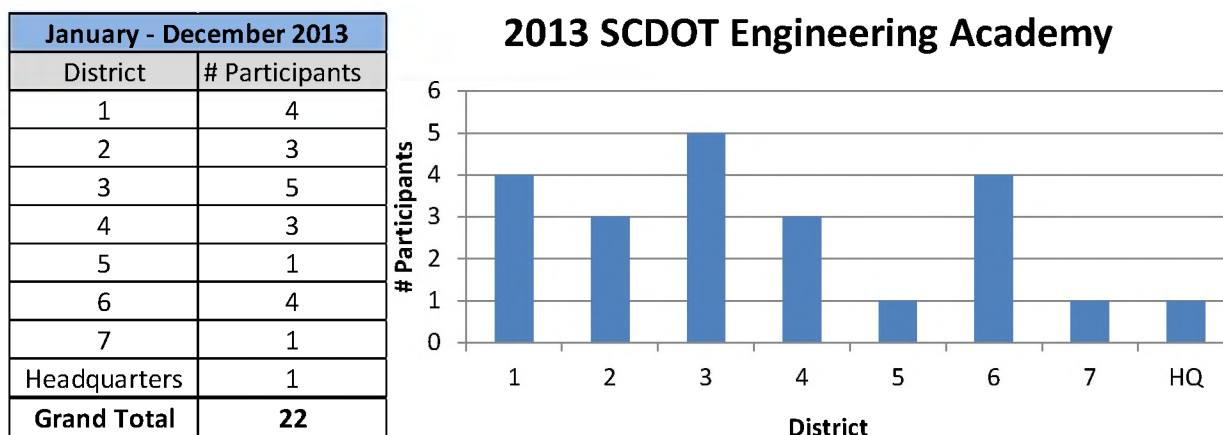


Figure 1.7.1

III.1.8. How do senior leaders create an environment for performance improvement and the accomplishment of strategic objectives?

The SMP establishes goals, objectives, and tasks in six Critical Management Areas (CMA); and establishes metrics for assessing performance. Periodic assessments will be made in each CMA against these metrics. As the new SMP is more fully implemented, performance appraisals will be linked to accomplishment of the goals and objectives it establishes.

III.1.9. How do senior leaders create an environment for organizational and workforce learning?

Managers and supervisors encourage employees to participate in available training. The Agency facilitates this by coordinating the delivery of classroom training in the various districts and directly offering a wide variety of job-related e-learning classes, both internally and externally developed. In SFY2012-13, 12,359 e-learning sessions were completed by SCDOT employees. Over 10,000 of these were directly related to on-the-job skills. SCDOT also facilitates web-based and classroom training from the National Highway Institute and the Federal Highway Administration's Local Technical Assistance Program.

III.1.10. How do senior leaders engage, empower, and motivate the entire workforce throughout the organization? How do senior leaders take an active role in reward and recognition processes to reinforce high performance throughout the organization?

The Agency has a multi-tiered reward and recognition program which encompasses time-in-service awards, as well as rewards for extraordinary accomplishment which include SCDOT-logo merchandise and cash bonuses. Individual and team accomplishments are shared agency-wide through *The Connector*, a quarterly publication mailed to every employee. In May 2013, in honor of National Public Employees Recognition Week, the Secretary of Transportation prepared a video thanking all employees for their efforts and contributions throughout the year. This video was posted on the Department intranet, and distributed by DVD to be viewed by district and county employees.

III.1.11. How do senior leaders actively support and strengthen the communities in which your organization operates? Include how senior leaders determine areas of emphasis for organizational involvement and support, and how senior leaders, the workforce, and the organization contribute to improving these communities.

SCDOT values supporting and strengthening the communities in which SCDOT has a presence. The citizens of South Carolina are SCDOT's primary customers. Therefore, outreach programs that keep citizens informed so that they will better understand SCDOT's mission and purpose within their respective communities will be done on a regular and continuing basis. To ensure this comes to fruition, the agency has included restoring its Speaker's Bureau as part of the Strategic Management Plan. SCDOT leaders at multiple levels and locations will deliver messages across the State, and be engaged in the communities for which they serve. Sustaining current programs as well as initiating new ones will greatly assist this endeavor. Some of those programs include:

- American Heart Walk
- American Red Cross Blood Drives
- Career Fairs
- Community Health Charities
- Engineering in Schools
- Frequent Public Speaking Engagements across the State
- Harvest Hope Food Bank
- Lunch Buddies Programs
- United Way
- Walk to School Day

Category 2 – Strategic Planning

III.2.1. What is your Strategic Planning process, including key participants, and how does it address:

SCDOT established a process that has a clear vision for the future that is supported by State and Federal laws and regulations, as well as a statutory mission with specified and implied tasks. Threats and risks are identified, assessed and analyzed in the form of a mitigation plan and then priorities are established with Critical Management Area (CMA) goals and

objectives. Business plans are then developed, assessed and feedback is provided. This process is executed by a Strategic Initiatives Group (SIG), with representatives and leaders from each of the six Critical Management Areas.

a) Your organizations' strengths, weaknesses, opportunities and threats

Strengths, weaknesses, opportunities and threats are all addressed in the Strategic Management Plan (SMP), which is based upon a detailed analysis of SCDOT's statutory mission, state laws, guidance from the Governor, direction from the Transportation Commission, and the requirements imposed on the state by the federal government. It is also based upon analysis of threats and risks to SCDOT's abilities to accomplish its mission to acceptable standards. The Agency developed priorities and identified Critical Management Areas (CMAs) which were adopted by all divisions and incorporated into individual unit's business plans.

b) Financial, regulatory, societal and other potential risks

Financial, regulatory, societal and other potential risks are also addressed in detail in the plan with an entire CMA committed to financial stewardship. Through the Stewardship CMA, management controls are put in place and properly monitored so that SCDOT meets its fiduciary responsibilities in spending the tax dollars entrusted to us. This is accomplished through project oversight activities to ensure compliance with federal and state requirements, maintaining adequate operating policies and procedures, a sound accounting system with proper internal controls, and appropriate independent audit activities.

c) Shifts in technology and customer preferences

Customer Service also has a dedicated CMA to address customer preferences since the majority of customers are the citizens of South Carolina, the motoring public, transit riders and business partners who deserve prompt and courteous attention to their needs and concerns. For SCDOT to provide great customer service and maintain public trust, there is a constant mission to identify and understand the variety of customers and adept to the shift in technology to improve the way needs are met. Again, the SCDOT Customer Service Center was created and opened in June 2012 to provide the public with a central location for service requests or to provide information needed by the public.

d) Workforce capabilities and needs

Human Capital Investment, a Section of HR, focuses directly on the evaluation workforce capabilities and needs. In FY2012-13, this encompassed an exhaustive manpower review which identified, in greater detail than ever before, the exact manpower requirements of the organization, and a near simultaneous detailed examination of agency training requirements.

These two initiatives will be integrated into a cohesive career development and training system for SCDOT as outlined by goals and objectives of the SMP.

e) Organizational continuity in emergencies

The Transportation Systems & Infrastructure CMA consists of activities central to the provision of transportation infrastructure, including system management and operations activities. Two goals within this CMA deal directly with the Agency's preparedness in the event of a loss of availability of the infrastructure, one integrating all emergency plans and activities with the South Carolina State Emergency Management Division.

f) Your ability to execute the strategic plan

The Secretary established a Strategic Initiatives Group (SIG) with representatives from each of the Critical Management Areas (CMAs) to review and revise as necessary the agency's SMP. The SIG conducts analysis and synthesis of strategic information and provides feedback to the collective group of CMA leads, direct reports and the Secretary. This process has already yielded improved SMP goals, objectives and metrics as well as newly established tasks and reporting matrices. The SIG is now focused on the development of business plans, business rules for measuring progress and looking to the future in the development and implementation of an interactive dashboard to effectively track and manage organizational performance.

SCDOT leadership believes the SMP will be effectively executed because of the inclusive process (SIG). The SIG's review of the process ensures that required coordination and collaboration occurs between CMAs.

III.2.2. How do your strategic objectives address the strategic challenges you identified in your Executive Summary?

SCDOT's SMP is completely linked. The vision, mission, priorities, values, risks analysis, CMA goals, objectives, tasks and metrics are all critical parts of the SMP. The CMAs are interwoven and mutually supportive of the other.

III.2.3. How do you develop and track action plans that address your key strategic objectives, and how do you allocate resources to ensure the accomplishment of your action plans?

SCDOT is refining a reporting matrix that will track the execution of CMA management plans. The matrix will include CMA goals, objectives, tasks, metrics, reporting period, reporting offices, and a green, amber, red status with associated business rules in determining the color status of actions. SCDOT's Director for Strategic Planning and Communication, in coordination and collaboration with SIG members, will collect and conduct analysis from the information contained within the reporting matrices and report out to the agency's senior leadership.

III.2.4. How do you communicate and deploy your strategic objectives, action plans and related performance measures?

Some of the techniques and procedures for deployment will include, but not be limited to, videos, posters, email, twitter, handouts, business card type information for each person to carry in their wallet, etc.

III.2.5. How do you measure progress on your action plans?

Progress is determined by “how” the business rules are defined within the reporting matrix. Leaders and managers will clearly know if tasks are in a green, amber or red status. Business plan formats will include critical dates as part of the business rules before a color status is given. Also, business rules will be measured using the approved metrics within the SMP.

III.2.6. How do you evaluate and improve your strategic planning process?

Given the mission and CMAs, SCDOT conducted a risk assessment with responsive mitigation efforts. The matrix below reflects the initial risk analysis at the macro, departmental level. While these risks are major factors in identifying management goals and objectives, risks that are more specific are identified in each CMA and in each organization, and contribute to the development of goals, objectives and metrics. This effort will be ongoing and refined as needed based on results from periodic reports.

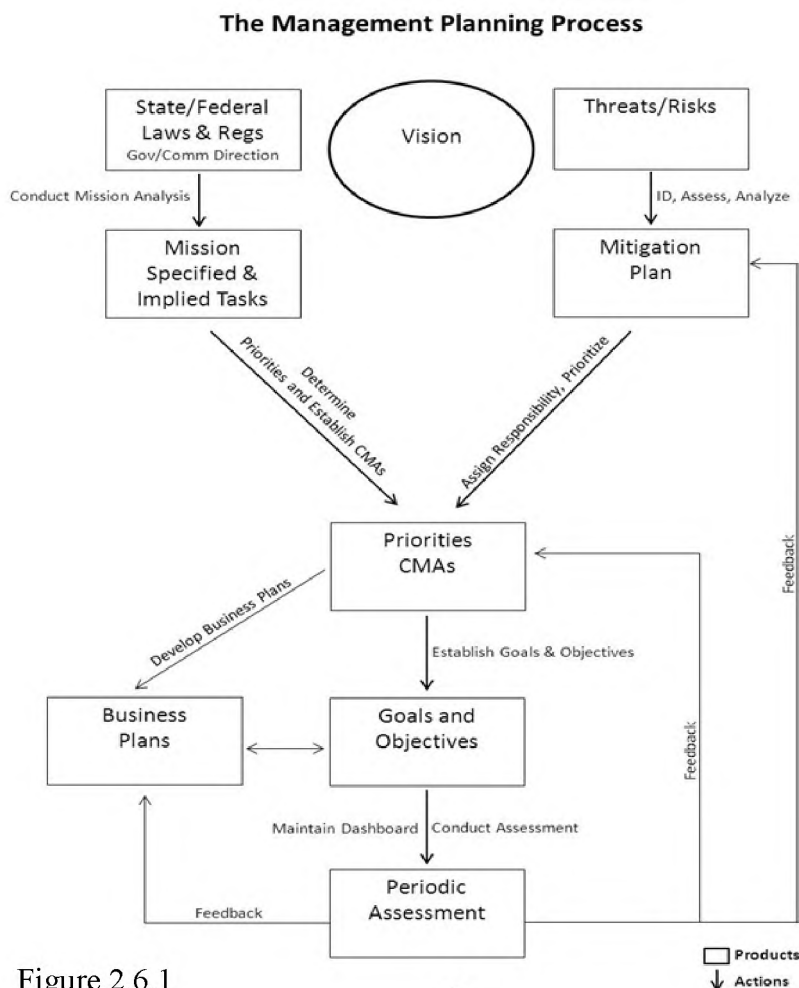


Figure 2.6.1

III.2.7. If the agency's strategic plan is available to the public through the agency's internet homepage, please provide a website address for that plan.

The agency Strategic Management Plan is located on the internet at <http://www.scdot.org/inside/smp.aspx>.

Category 3 – Customer Focus

The Customer Focus Category examines how your organization identifies its customers, their requirements and the continued relevance of these requirements. It also examines how your organization builds relationships with customers and determines the key factors that lead to their satisfaction.

III.3.1. How do you determine who your customers are and what their key requirements are?

SCDOT determines its customers and their requirements by interacting with elected representatives and governmental agencies at the federal, state, county, and municipal levels. SCDOT holds public forums and performs surveys of different stakeholders. SCDOT has presence in all 46 counties open during normal business hours to the public. Additionally, SCDOT's website receives work requests and public comments. SCDOT also meets with chambers of commerce and civic organizations when invited.

III.3.2. How do you keep your listening and learning methods current with changing customer/business needs and expectations?

SCDOT is involved with professional associations and the community. The agency also meets with industry representatives to discuss issues. Additionally, frequent public speaking engagements are held across the state.

III.3.3. What are your key customer access mechanisms, and how do these access mechanisms enable customers to seek information, conduct business, and make complaints?

Customers contact SCDOT through telephone, personal contact, mail, email, website comments, and customer surveys. The agency also opened a Customer Service Center in 2012, allowing customers to have one central contact point regardless of location or need.

III.3.4. How do you measure customer/stakeholder satisfaction and dissatisfaction, and use this information to improve?

SCDOT conducts follow-up surveys of customers, including callers to the Customer Service Center, requesters of maintenance services, motorists assisted by incident responders, and landowners affected by right-of-way negotiations. Responses are evaluated and improvements are made as necessary.

III.3.5. How do you use information and feedback from customers/stakeholders to keep services and programs relevant and provide for continuous improvement?

SCDOT conducts public information meetings for all major highway projects, where program managers are present to answer questions regarding projects. The SCDOT Commission conducts monthly meetings, and each meeting has a time for public comment.

III.3.6. How do you build positive relationships with customers and stakeholders to meet and exceed their expectations? Indicate any key distinctions between different customer and stakeholder groups.

SCDOT management meets with stakeholders, such as elected officials, industry representatives, and special interest groups, to hear their concerns as they relate to the agency's activities.

Category 4 – Measurement, Analysis, and Knowledge Management

III.4.1. How do you decide which operations, processes and systems to measure for tracking financial and operational performance, including progress relative to strategic objectives and action plans?

A monthly Program and Resource Analysis Meeting (PRAM) established by the Secretary of Transportation, is used to evaluate SCDOT's current financial status and projected financial stability. These meetings provide a forum for the identification of key SCDOT activities and their potential impact. Beginning in SFY2013-14 the performance measures of the Strategic Management Plan and key dashboard measures will be tracked and evaluated in the monthly PRAM.

III.4.2. How do you select, collect, align, and integrate data/information for analysis to provide effective support for decision making and innovation throughout your organization?

The Department provides products and services to all state citizens on a frequent basis, and the primary performance goals are related to the speed, accuracy, security and efficiency of services. SCDOT attempts to capture data related to these goals and use the information to identify operational weaknesses and improve operations. As an organization, the key to success is to capture relevant data, present it to decision makers in a meaningful manner and use the data to make business decisions.

Additionally, SCDOT uses comparative data from other transportation agencies across the nation, Federal Highway Administration statistics, as well as information provided by professional organizations such as American Association of State Highway and Transportation Officials and the Transportation Research Board. SCDOT has a number of automated systems that allow it to select data to review for timely decision-making.

III.4.3. What are your key measures, how do you review them, and how do you keep them current with organizational service needs and directions?

Key measures are defined within the Critical Management Areas of the Strategic Management Plan. Beginning in FY2013-14 the performance measures of the Strategic Management Plan and key dashboard measures will be tracked and evaluated. The Critical Management Areas goals, objectives, tasks and metrics in collaboration with the Program and Resource Analysis Meeting (PRAM) will be assessed periodically. Additionally, SCDOT measures customer satisfaction by conducting follow-up surveys of people assisted or affected by the agency's activities.

III.4.4. How do you select and use key comparative data and information to support operational and strategic decision making and innovation?

SCDOT is an active participant in the American Association of State Highway and Transportation Officials (AASHTO) and the Southeastern Association of State Highway and Transportation Officials (SASHTO). These organizations continually review and evaluate the many challenges facing the state Departments of Transportation. They facilitate the flow of information between the various organizations involved in the construction and maintenance of the transportation system including potential innovative opportunities and items with strategic implications.

III.4.5. How do you ensure data integrity, reliability, timeliness, accuracy, security and availability for decision making?

The S.C. Enterprise Information System (SCEIS) went online for SCDOT in September 2011 and represents a significant change in agency data management. SCEIS is the foundation of the financial systems. SCDOT operates a number of financial data systems other than SCEIS; as a result, the Finance area is working to insure data integrity between the various systems as well as implement more of the SCEIS features and capabilities.

SCDOT has also participated with the Division of State Information Technology in the successful deployment of Mandiant Incident Response technology. In addition, SCDOT's Information Technology area has taken a number of steps to enhance data security including, analyzing and evaluating all SCDOT data to determine what is personally identifiable information and encrypting data on the agency databases. SCDOT's Information Technology area is also in the process of deploying authentication software and offering security training for all SCDOT computer users; this is scheduled to begin in December 2013.

III.4.6. How do you translate organizational performance review findings into priorities for continuous improvement?

SCDOT's current financial status and projected financial stability are evaluated at a monthly Program and Resource Analysis Meeting (PRAM). These evaluations provide an oversight of the performance of various SCDOT operations. These meetings frequently result in follow up activities that influence both short and long term initiatives to improve the operations of the Agency.

Beginning in SFY2013-14, the performance measures defined within the Critical Management Areas of the Strategic Management Plan and key dashboard measures will be tracked and evaluated. This will provide valuable insight to organizational performance which will assist in identifying opportunities for continuous improvements.

III.4.7. How do you collect, transfer, and maintain organizational and workforce knowledge (knowledge assets)? How do you identify, share and implement best practices, as appropriate?

The PRAM continues to serve as an excellent means to gather and share information where SCDOT can compare processes used by other transportation departments to identify areas of growth. Another means to collect and share information is through the SIG. By design, the SIG is structured so that representatives bring information to share and take away information that can be used by their CMA. A typical SIG session will have discussion and dialogue especially as it pertains to best practices.

Category 5 – Workforce Focus

III.5.1. How does management organize and measure work to enable your workforce to: 1) develop to their full potential, aligned with the organization’s objectives, strategies, and action plans; and 2) promote cooperation, initiative, empowerment, teamwork, innovation, and your organizational culture?

In FY2012-13 the Department of Transportation created an office of Human Capital Investment within Human Resources, designed to develop and oversee a comprehensive human capital investment program. The goal of the program is to effectively integrate manpower management, centralized training management, and career development planning to enable SCDOT to attract, hire, train, develop, and retain talented and versatile people. The development of a centralized training management strategy that is linked to career development and tracked through an effective manpower management process is integral to ensuring development of employee potential.

III.5.2. How do you achieve effective communication and knowledge/skill/best practice sharing across departments, jobs, and locations? Give examples.

Communication is very important to SCDOT, especially since the majority of the workforce is spread throughout the state. As such, SCDOT established a Strategic Management Planning and Communications Office that ensures that information being transmitted is timely, accurate and relevant. A few examples: The Secretary implemented a semiannual training meeting concept for leaders that encourages the sharing of best practices, knowledge and skills; the Human Resources Director meets with District HR Coordinators and Headquarters HR Liaisons to discuss relevant topics such as changes in policy and processes, new HR legislation, and other pertinent human resources issues; and SCDOT also has a quarterly publication, “The Connector” that reaches all employees, partners and stakeholders. The Connector is very effective in collecting and sharing best practices throughout the agency, and is a very popular means in sharing information, as it is well liked by employees, partners and stakeholders alike.

III.5.3. How does management recruit, hire, place, and retain new employees? Describe any barriers that you may encounter.

The utilization of NeoGov, the statewide on-line application system, has caused a significant change in the SCDOT recruiting process. NeoGov generates a relatively large number of qualified applicants for virtually every position; therefore, SCDOT is not solely dependent on traditional career fair attendance at State two and four year colleges. The Human Resources office is currently evaluating the appropriate mix of traditional and online recruiting. SCDOT faces significant barriers in hiring and retaining employees in the lower pay bands which make up the majority of the SCDOT workforce. SCDOT faces challenging wage competition from both the private sector, and both wage and benefit competition from county and municipal transportation departments.

III.5.4. How do you assess your workforce capability and capacity needs, including skills, competencies, and staffing levels?

The Agency undertook a significant project in the area of manpower management during SFY2012-13 and laid a firm foundation for accomplishing success in training management and career development planning for SFY2014. The sequential efforts of a Manpower Management Task Force and a Manpower Reporting Team resulted in a comprehensive evaluation of SCDOT's manpower requirements and produced a system which provides leadership with previously unparalleled clarity in prioritizing manpower assets in order to most effectively and efficiently pursue the department's mission.

A related effort, closely examining the nature, purpose, extent, and cost of outsourced work, is nearing fruition. Additionally, the Agency is in the first phase of an effort to catalogue all department individual training requirements, align them under organizational collective tasks, and analyze gaps between training requirements and training opportunities. The intended result of this process is a training management system which allows for central management and decentralized execution of training, elimination of redundant or unnecessary training, and identification of critical training requirements which will provide career development for employees and allow effective succession planning for the department. Moving into FY2013-14, the agency will integrate enhanced manpower management and the training management system into a career development planning program which provides the maximum ability for talented and motivated employees to advance within the organization to fill vacancies as they occur.

III.5.5. How does your workforce performance management system, including feedback to and from individual members of the workforce, support high performance work and contribute to the achievement of your action plans?

Annual performance evaluations and required periodic, informal feedback sessions provide a method for accomplishing two-way communication between staff and supervisors that is directly linked to work performance. The increasing linkage between these reports and the metrics being developed in support of the Agency's goals and objectives provides for direct comparison of individual performance and the Agency mission.

III.5.6. How does your development and learning system for leaders address the following:

a. Development of personal leadership attributes

All supervisors and managers attend Essence of Leadership, a dynamic, scenario-based leadership training session. Eighty-nine (89) supervisors and managers attended this course in SFY2012-13. The Fundamentals of Human Resources Management course also required of all managers and supervisors addresses significant leadership subjects including selecting, interviewing, hiring, evaluating and disciplining employees. One hundred thirteen (113) employees attended the course in SFY2012-13. Additionally, thirty-four (34) employees attended the in-house Steven Covey Seven Habits of Highly Effective Leaders course.

b. Development of organizational knowledge

All SCDOT leaders complete New Employee Orientation which outlines the Agency's organizational structure, goals, and values. Additionally, SCDOT University offers eLearning courses in every aspect of SCDOT Operations, including Construction, Maintenance, Planning, Pre-Construction, and Traffic Engineering.

c. Ethical practices

Completion of ethics training is required of all employees bi-annually. Some ethics issues are also addressed in the new employee orientation.

d. Your core competencies, strategic challenges, and accomplishment of action plans

Core competencies are specifically addressed in both externally provided training and internally developed training. External sources of core competency training include the Transportation Coordination Curriculum Council, the National Highway Institute, and the Transportation Technology Transfer Service. The hundreds of classes available from these three sources are offered in a variety of methods, including classroom instruction, online learning, and web-based interactive seminars. SCDOT's internal development and learning systems include a range of products that address broader strategic challenges and accomplishment of action plans, like online courses addressing the missions, goals and objective of departments, an internal system of technician certifications, and a Resident Engineer Academy.

III.5.7. How do you identify and address key developmental training needs for your workforce, including job skills training, performance excellence training, diversity training, management/leadership development, new employee orientation, and safety training?

In SFY2012-13, the Secretary directed a complete review of all training requirements in SCDOT. He also directed the creation of a Human Capital Investment office within the Human Resources Office to concentrate on training, career development and manpower management. This review process is ongoing. Its anticipated outcome is a centrally managed training system with decentralized execution which ensures that all resources are focused on providing the right training to the right employee at the right time.

SCDOT continues to implement cost-savings measures in the area of training, including on-the-job training and eLearning; and by offering professional development opportunities within the Agency. SCDOT University is an online system that provides a core of technical, operational, and safety training, as well as general employee training. As part of workforce planning for SCDOT's future staffing requirements, opportunities are available for selected staff to participate in the following programs:

- Associate Public Manager Program (APM)
- Engineering Orientation Program (EOP)
- Essence of Leadership
- Fundamentals of HR Management
- Human Resources Professional Development Program (HRPD)
- Public Professional Development Program (PPD)
- Resident Engineer Academy

The SCDOT training curriculum includes over 50 courses directly addressing safety, ranging from the OSHA 30-Hour Construction/General Industry Safety Course taught in the classroom, to a one-hour online class on safe chainsaw operation. In SFY2012-13, SCDOT employees completed over 7,000 formal safety training courses, in addition to the monthly informal group safety training sessions conducted by the districts.

Specific training in diversity is aimed at managers and supervisors, with the intent of encouraging them to foster practices with their respective units that promote diversity. This training is delivered within the Fundamentals of Human Resource Management course which is required of all SCDOT leaders at foreman level and higher. One hundred and thirteen SCDOT leaders completed this course in SFY2012-13.

SCDOT requires its employees to attend Prevention of Workplace Violence training and Prevention of Sexual Harassment training. In SFY2012-13, two hundred and forty-four employees were trained in these areas. Additionally, all new employees at SCDOT begin their employment with an orientation program through eLearning, which addresses the Agency's organizational structure, mission, and values.

III.5.8. How do you encourage on-the-job use of new knowledge and skills?

This Department employs and requires extensive and repetitive means of communicating knowledge and best practices. District Engineering Administrators meet at least quarterly, and frequently more often, in Columbia to discuss relevant issues. Safety meetings are held with all employees in each of the seven engineering districts. The *Connector* is a quarterly publication of the SCDOT which addresses major activities of the Agency and is mailed to every employee. Quality Maintenance Teams inspect construction, maintenance, and safety operations around the State. The results of these inspections are summarized and shared with SCDOT leadership for dissemination throughout the Department.

Best practices identified in these inspections are also shared by the inspection teams as they travel around the state. The SCDOT Human Resources Director meets with District HR Coordinators and Headquarters HR Liaisons frequently to discuss relevant topics such as

changes in policy and processes, new HR legislation, and other pertinent human resources issues. Finally, every department and each district maintains an intranet site on which matters relevant to their respective organizations and the SCDOT as a whole are posted.

III.5.9. How does employee training contribute to the achievement of your action plans?

Employee training is addressed in the EPMS in both the performance requirements and in the Employee Professional Development Plan. These requirements directly reflect the mission and functions of the various organizations within SCDOT. As the Strategic Management Plan is fully implemented, EPMS performance objectives are nested within the metrics of Critical Management Area tasks and goals.

III.5.10. How do you evaluate the effectiveness of your workforce and leader training and development systems?

The Human Resources Development unit constantly monitors the performance of its instructors and effectiveness of its products in both workforce and leader training. This is completed through direct observation, electronic feedback, and written critiques and reviews.

III.5.11. How do you motivate your workforce to develop and utilize their full potential?

The principle tool of motivation for employees to utilize their full potential is a meaningful conversation between supervisor and employee about expectations, job performance and future development. The Agency mandates counseling beyond the annual, state-mandated conversation linked to the EPMS. Additionally, the creation of the SCDOT Human Capital Investment Office in FY2012-13 helped to improve the coordination and delivery of training, created a relevant and fiscally sustainable career development model, and enhances the existing agency reward and recognition program.

III.5.12. What formal and/or informal assessment methods and measures do you use to obtain information on workforce well-being, satisfaction, and motivation? How do you use other measures such as employee retention and grievances?

Mandated periodic informal performance assessments provide supervisors both an opportunity to provide feedback to employees and an opportunity for supervisors to assess the level of motivation, well-being, and satisfaction of their employees. Upon terminating employment, whether voluntarily or otherwise, all employees are provided with an exit survey, the results of which are summarized and analyzed for trends in the HR department, and provided to senior leadership of the Agency.

III.5.13. How do you manage effective career progression and effective succession planning for your entire workforce throughout the organization?

Knowledge, skills, and attributes for all non-supervisory positions are listed on Agency's Human Resources intranet site, providing employees with a road map for making themselves eligible to compete for vacancies as they occur. Employee Professional Development Plans are completed jointly by the employee and the supervisor as part of the planning stage of the

EPMS. Training in the development plan is aimed at preparing employees for advancement as well as ensuring they retain critical job skills in their current position.

The Resident Engineer Academy is an internal, year-long training program aimed at preparing engineers within the department for positions of increased responsibility. Additionally, employees are identified for attendance of the various state leadership programs noted above. Finally, as noted above, the Department created the Human Capital Investment office to develop and oversee implementation of a relevant and fiscally sustainable employee development program, aimed at creating a pool of well-qualified internal candidates for vacancies as they occur.

III.5.14. How do you maintain a safe, secure, and healthy work environment?

SCDOT has headquarters, district, and county OSHA officers who are charged with ensuring the agency is in compliance with all safety-related mandates. Regularly scheduled safety inspections are conducted and a safety newsletter is distributed monthly to all employees. The agency has a drug-free workplace policy, and drug and alcohol testing is performed as specified by the policy and federal regulations. Annual health screenings are offered to all employees as well.

Category 6 – Process Management

III.6.1. How do you determine and what are your organization's core competencies, and how do they relate to your mission, competitive environment, and action plans?

SCDOT's core competencies are overseeing the engineering and allocation of resources to build and maintain the state highway system, which is the statutory mission of the agency.

III.6.2. How do you determine and what are your key work processes that produce, create or add value for your customers and your organization and how do they relate to your core competencies? How do you ensure these processes are used?

SCDOT is guided by statutory requirements and federal and state regulations when determining work processes. The agency also receives guidance from the Governor and direction from the SCDOT Commission.

III.6.3. How do you incorporate organizational knowledge, new technology, cost controls, and other efficiency and effectiveness factors, such as cycle time, into process design and delivery?

SCDOT uses various inputs to determine process improvements. Many innovative improvement initiatives are initiated through the American Association of State Highway and Transportation Officials (AASHTO) and Southern Association of State Highway and Transportation Officials (SASHTO) conferences that showcase key products and services germane to the transportation industry. Additionally, Request for Proposals (RFP) are structured to solicit new and innovative solutions to technical and process challenges; such as Design/Build for construction. Finally, the employees are an invaluable source of process

improvement suggestions and senior leaders actively solicit input from employees on all levels; and many of these suggestions are operationalized into system processes and departmental procedures.

III.6.4. How does your day-to-day operation of these processes ensure meeting key performance requirements?

SCDOT constantly monitors business processes and undertakes improvements as appropriate. Additionally, the Human Resource Office conducts exit interviews, addresses employee relations issues, conducts surveys, obtains feedback from managers and supervisors, and develops statistical reports which serve as evaluation tools to identify processes for improvement.

III.6.5. How do you systematically evaluate and improve your key product and service related work processes?

Most evaluations for SCDOT come from customer input. Additionally, research, discussion of best practices, and the network of transportation professionals from other states, assist in systematically evaluating and improving key products.

III.6.6. What are your key support processes, and how do you evaluate, improve and update these processes to achieve better performance?

SCDOT's support processes are internal processes that are required to support key core business processes aimed at external customers. Key support processes include:

- Finance** —Maintains control over budget, revenue, general accounting, accounts payable and fixed assets.
- Procurement**—Maintains oversight of all procurement functions, process requisitions, purchase orders and contracts.
- Human Resources**—Plans and coordinates classification, compensation, recruiting, staffing, employee performance, corrective action, benefits, payroll, training and talent management.
- General Counsel**—Provides legal advice to the entire agency.
- Support Services**—Oversees Customer Relations, Business Development and Special Programs, Facilities Management, and Information Technology.
- Strategic Management Planning and Communications**—Maintains and implements internal and external communications plans.

The primary input for support process improvement is the voice of customers and employees.

III.6.7. How does your organization determine the resources needed to meet current and projected budget and financial obligations?

SCDOT uses historical data and analysis to estimate current and projected financial obligations. Monthly, the PRAM group continues to meet and address financial obligations, budget, procurement, obligations, and cash flow issues. The focus of the meetings is on major payout inputs that include construction contracts, maintenance operations, procurement, payroll, debt service payments, and consultant contracts.

Another governing document that is used is the Statewide Transportation Improvement Program (STIP). The STIP is a scheduling and funding program document. It covers all federally funded improvements for which funding has been approved and that are expected to be undertaken during the upcoming six-year period. The STIP is updated every three (3) years; however, normal program amendments and corrections occur as necessary to keep the document current. This document also assists the Department in determining current and projected financial obligations.

Category 7 – Key Result Areas: Product and Service; Customer Service; Financial, and Market; Workforce-Focused; Process Effectiveness, and Leadership and Community Support

III.7.1 What are your performance levels and trends for your key measures of mission accomplishment/product and service performance that are important to your customers? How do your results compare to those of comparable organizations?

Customer service is a major part of the Strategic Management Plan. SCDOT uses an Internet-based Maintenance Work Request System to monitor its response to citizen work requests with a goal to complete all work requests within 60 days. In SFY2012-13, SCDOT completed 89 percent of work requests within 60 days.

Prior to 2011, deficiencies identified by SCDOT personnel during roadway inspections were documented and managed through the Highway Maintenance Management System (HMMS) as “deficiencies”. In 2011, a process improvement was implemented and these deficiencies are now entered in HMMS as “internal work requests”. In an effort to ensure the data reported is queried consistently, 2011 and 2012 data was corrected to show external requests only, as was reported prior to 2011; and indicated in the below chart.

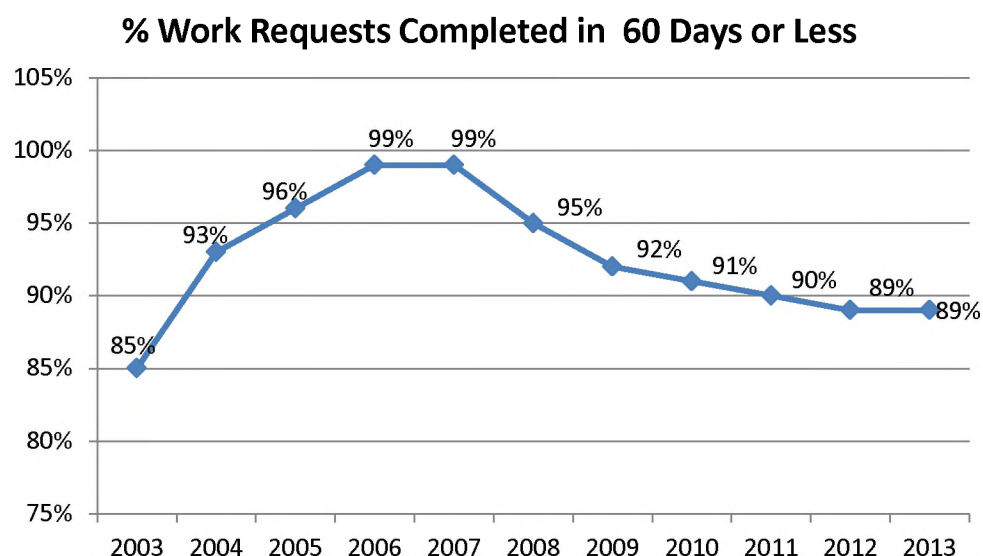


Figure 7.1.1

The chart indicates that the decline that began after 2007 now appears to be stabilizing. There are two contributing factors to this trend -the first and major factor is resources. Both financial and labor resources have been limited over this time period and have contributed to

this downward trend. Mandatory vacancy rates for in-house staff have reduced the number of workers available to address work requests. In addition, limited financial resources have also reduced the amount of work that could be contracted and performed by private contractors.

A second factor contributing to this trend is the focus of the limited resources that are available. As the transportation infrastructure ages and deteriorates, resources have been increasingly dedicated to production type work that has a greater impact on the preservation of the infrastructure. When feasible, work requests are addressed during planned maintenance operations in an effort to improve productivity. As a result, it may take longer to complete some work request.

III.7.2 What are your performance levels and trends for your key measures on customer satisfaction and dissatisfaction? How do your results compare to those of comparable organizations?

SCDOT conducts follow-up surveys of customers, including callers to the customer service center, requesters of maintenance services, motorists assisted by incident responders, and landowners affected by right-of-way negotiations. Responses are evaluated and improvements are made as necessary.

To evaluate customer service performance, the Maintenance Office utilizes a customer survey program to provide feedback from customers which helps gauge performance and identifies opportunity for improvement. All negative responses are sent to the appropriate district with a request that the unsatisfied customer be contacted and additional effort made to improve service. Customers are given an opportunity to rate SCDOT on four key indicators: Timeliness, Professionalism, Completeness, and Satisfaction. These indicators are rated on a 1 to 5 scale with 1 being the lowest score and 5 being the highest score. The chart below illustrates a trend of the average of all the customer responses from the last several years.

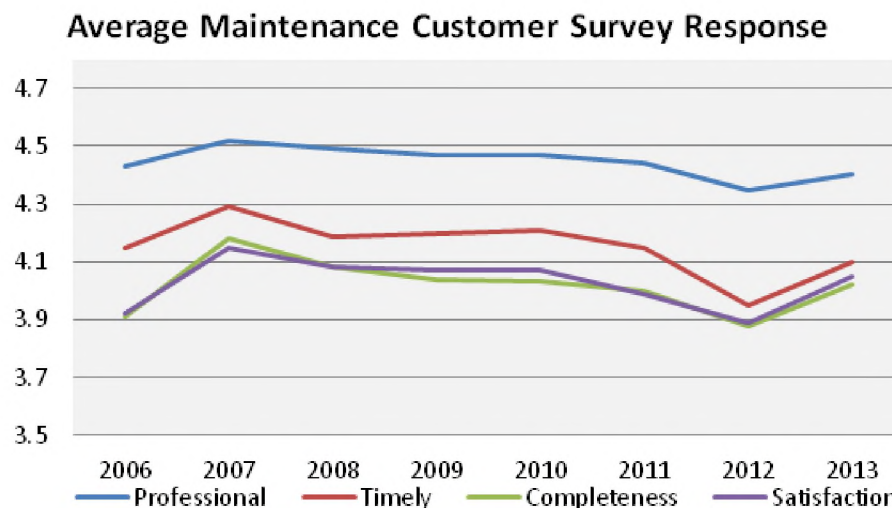


Figure 7.2.1

Although the averages have always been very positive, the SFY2012-13 results show an improvement from the prior year.

III.7.3 What are your performance levels for your key measures on financial performance, including measures of cost containment, as appropriate?

The Department has a very finite amount of resources to bring to bear on the challenges it faces in conducting its mission. SCDOT has established a goal utilizing all the Federal Funding available to the State from the Federal Highway Trust Fund. Because of the long lead time associated with most highway projects (preconstruction planning, environmental impacts, permitting requirements and construction) cash planning is a crucial activity. Monthly, the PRAM group reviews the current cash status, the financial activity for the prior month, and the cash forecast. The chart below shows the Actual Month End Cash Balance for key SCDOT cash accounts for the Fiscal Year Ending June 30 2013.

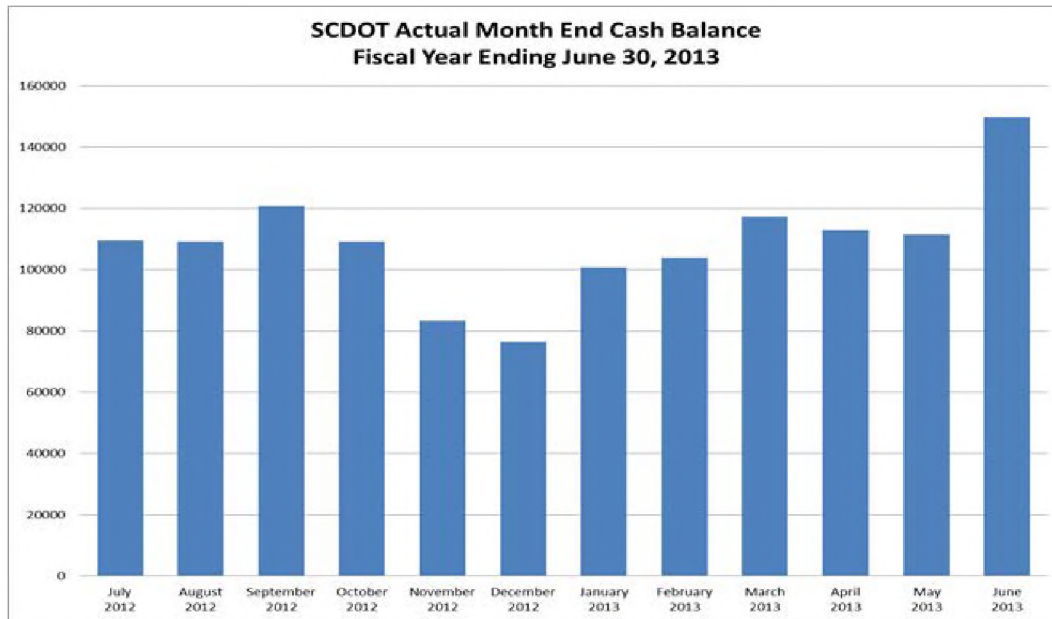


Figure 7.3.1

The figure below shows a snapshot of the Projected Cash Receipts, Projected Payments and Projected Cash Balance as of August 6, 2013.

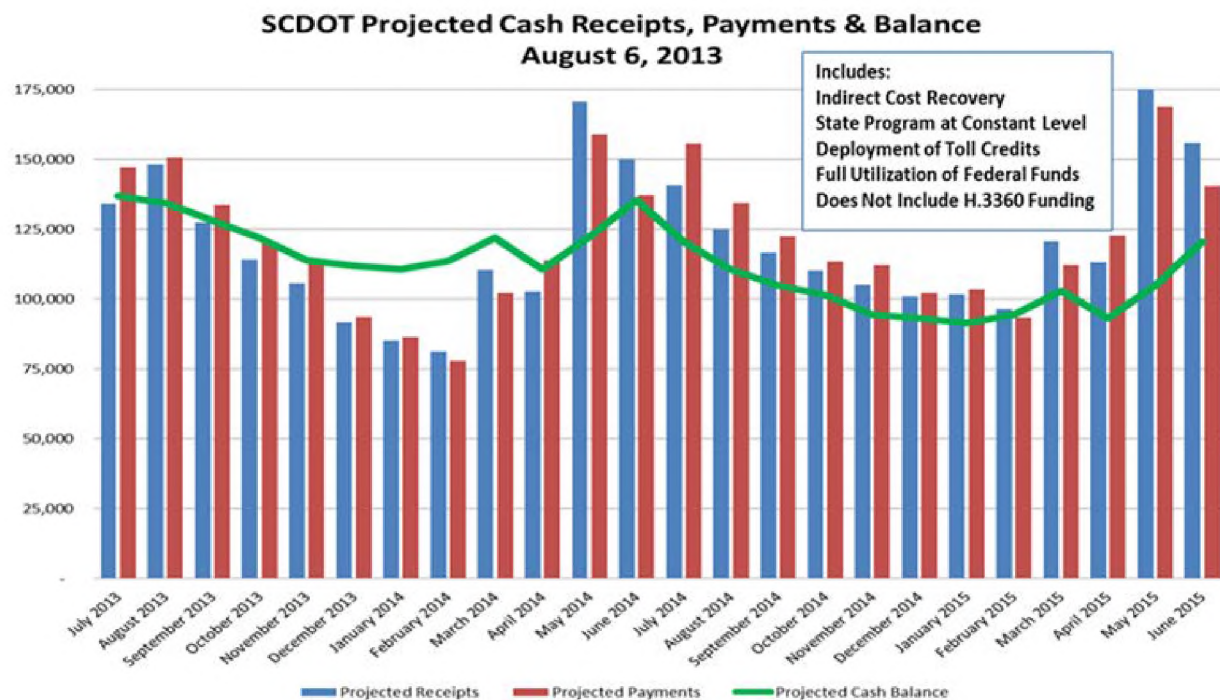
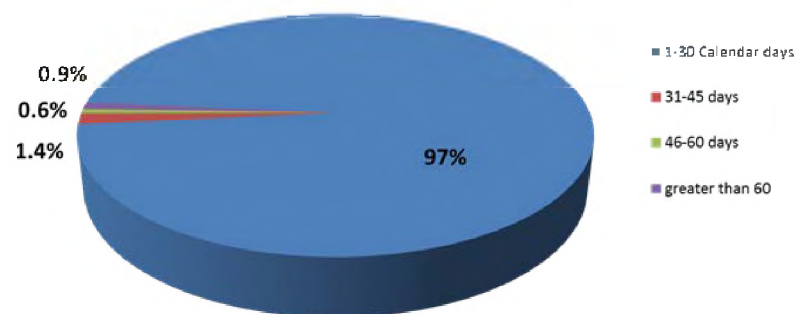


Figure 7.3.2

The figure below shows the Accounts Payable Annual Analysis of Invoices Paid by Aging Category.

Account Payable Analysis Invoices Paid in FY2013- Based on # of Dollars



Total \$801.7 M (73,118 Items)

Figure 7.3.3

Engineering-Condemnation Rate

Right-of-Way (ROW) acquisition for highway and transportation projects can be expensive. An important performance indicator for ROW is cost to the project, which can be measured through condemnation rates. The lower the condemnation rate, the higher the successful ROW acquisitions; therefore, the lower the project cost. Figure 7.3.4 depicts the condemnation rates for the last three years. In SFY2012-13, there were 865 parcels acquired; 792 (or 92%) were successful with 73 (or 8%) requiring condemnation.

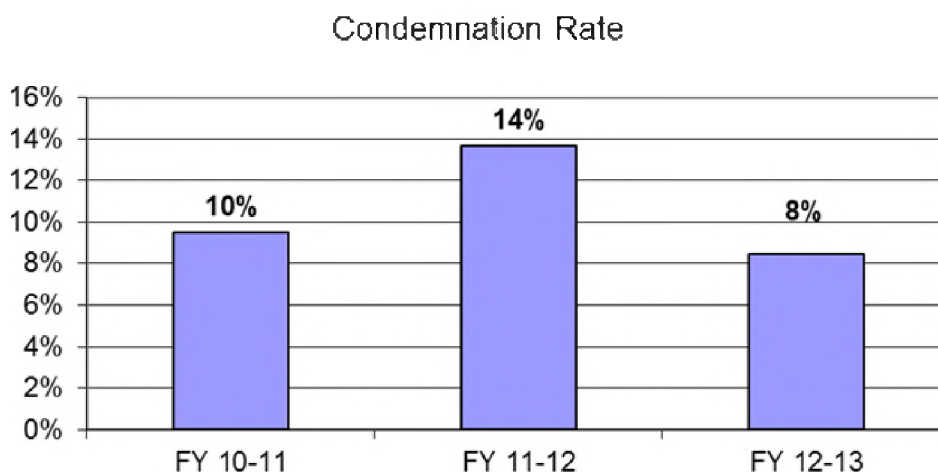


Figure 7.3.4

III.7.4 What are your performance levels and trends for your key measures of workforce engagement, workforce satisfaction, the development of your workforce, including leaders, workforce retention, workforce climate including workplace health, safety, and security?

SCDOT has traditionally measured workforce engagement and satisfaction informally, through in-depth discussions between the Secretary and the Directors and DEAs, and between the DEAs and Directors and their respective subordinate leaders, as well as personal climate assessments by the Secretary and key leaders. The Human Capital Investment office is currently developing an organizational climate survey for distribution throughout the Agency to measure these areas. Additionally, that office is working through the SCDOT budget office to craft a proposal for the Secretary's approval which will result in a fiscally responsible talent management program for implementation in SFY 2014-15.

As a result of internal auditing, the Agency developed a more robust and comprehensive process for recording and reporting injuries to the workforce in SFY2012-13. The aim of this process is to identify trends more quickly and accurately, resulting in fewer injuries, and enhanced productivity from employees. Although data for all of SFY2011-12 is not available for comparison, year-to-date data for the period January to June 2013 shows a nearly 25% reduction in employees with lost work days compared to the same period in 2012.

The Agency continues to provide routine hearing examinations, begun in 2004, to employees in positions with traditionally high noise exposure to identify any threshold shift in hearing. The data collected in these examinations not only benefits employees by identifying noise-induced hearing loss early, but benefits the Agency in its role of identifying the efficacy of its hearing protection policies. Last year, 767 employees were tested and 3 were found to have a measurable, noise-induced hearing loss.

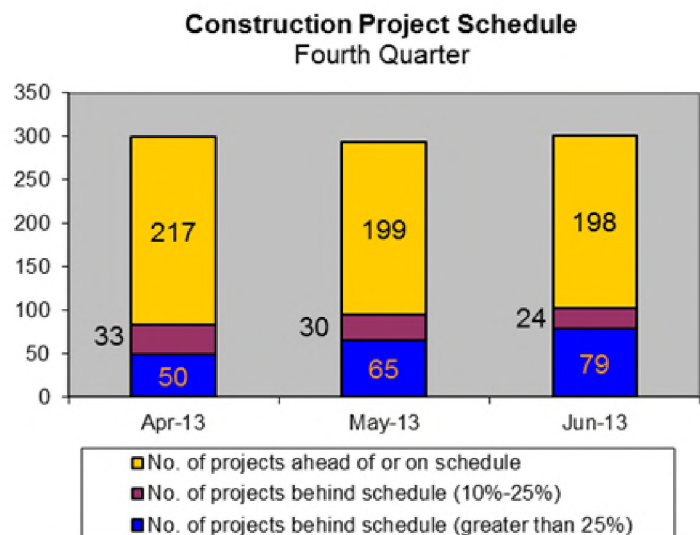
Each year SCDOT and Prevention Partners vendors sponsor a wellness screening for all employees who desire to participate. Employee out-of-pocket expense for basic health screening is \$15, if the employee has a State Health Insurance Plan. State Health Insurance pays the remainder. Employees without a State Health Insurance Plan pay \$42. The screening includes a Health Risk Appraisal, height and weight measurement, blood pressure reading, and a basic metabolic panel. This screening can identify potentially serious medical conditions before they become symptomatic, resulting in better health for SCDOT employees and lower medical insurance costs to the state. About 1,300 employees took advantage of this screening in SFY2012-13.

III.7.5 What are your performance levels and trends for your key measures of organizational effectiveness/operational efficiency, and work system performance (these could include measures related to the following: product, service, and work system innovation rates and improvement results; improvements to cycle time; supplier and partner performance; and results related to emergency drills or exercises)?

The Agency's Strategic Management Plan is based on SCDOT's risk analysis and its ability to accomplish the Agency's mission to acceptable standards. The Agency developed priorities and identified CMAs which were adopted by all Engineering Operations divisions and incorporated into their individual unit's business plan. One of the CMAs, Transportation Systems & Infrastructure, consists of activities central to the provision of transportation infrastructure, including system management and operations activities. Two goals within this CMA deal directly with the Agency's preparedness in the event of a loss of availability of the infrastructure, one integrating all emergency plans and activities with the South Carolina State Emergency Management Division.

A large portion of the SCDOT budget is dedicated to Construction. Project cost estimates for Construction are based on the project schedule which is tracked of all construction projects. Typically, projects that are on schedule or ahead of schedule represent projects that are below or near the estimated cost. SCDOT tracks the schedule of all construction projects. The chart to the right is from the final quarter of SFY2012-13.

Figure 7.5.1



One of the major areas within SCDOT is the Engineering group that includes Operations, Field Operations, and Location & Design. Each quarter a Dashboard report is captured on major components within these areas.

The following is a snapshot of the Dashboard report for the State Transportation System for the final quarter of SFY2012-13. These represent key measures for bridges, roadway systems, pavement service life and traffic signal installations. These measures are tracked each month and are reported out quarterly.

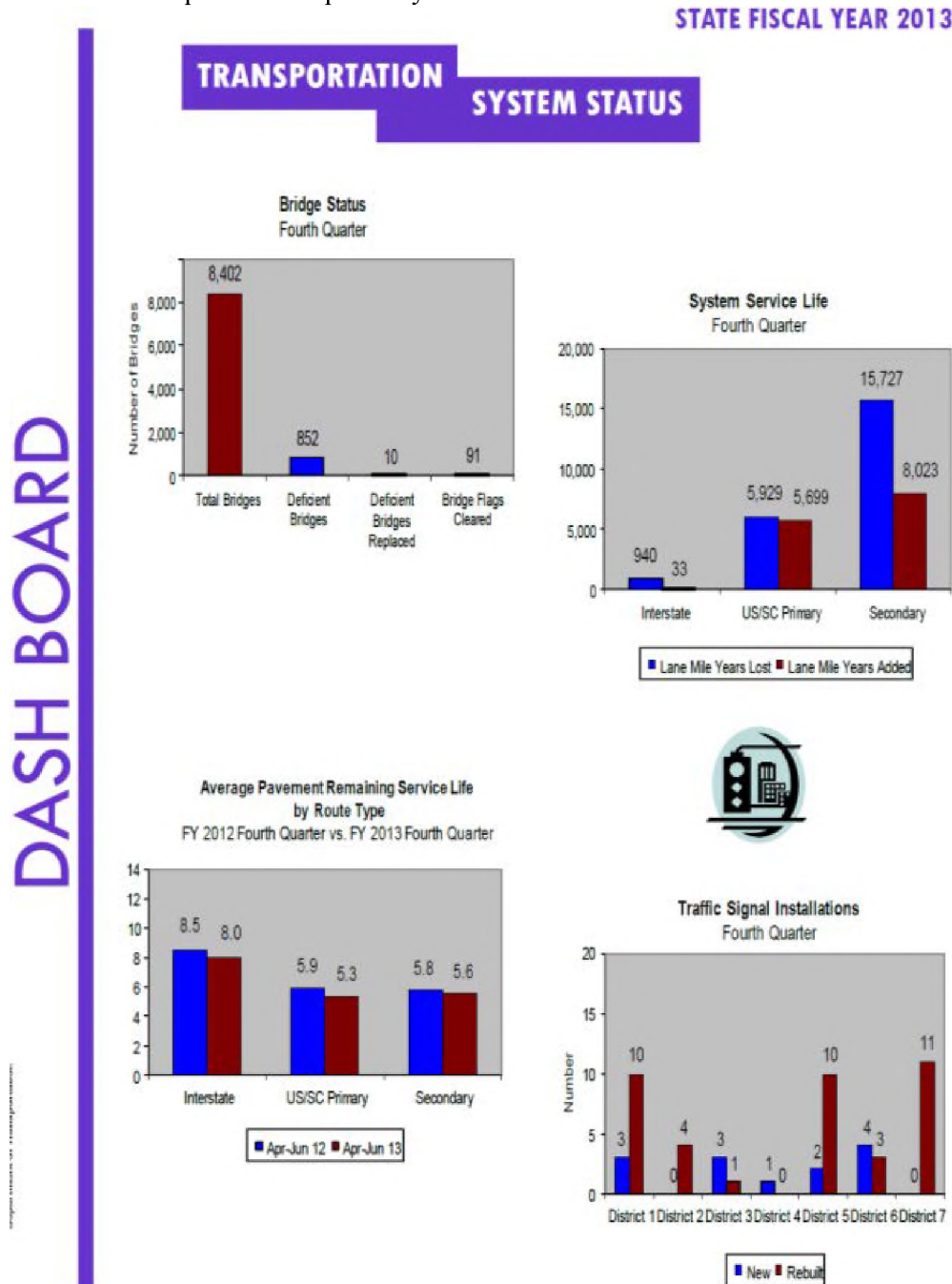


Figure 7.5.2

III.7.6 What are your performance levels and trends for the key measures of regulatory/legal compliance and community support?

Some of the regulatory environments under which SCDOT operates are the requirements to obtain permits. The permits vary in nature based on the project (bridge replacement, intersection improvement, roadway improvement, etc.). SCDOT tracks the number of permits submitted and the average number of days for the permits to be processed and issued. The approval time is the time from permit submittal to permit approval.

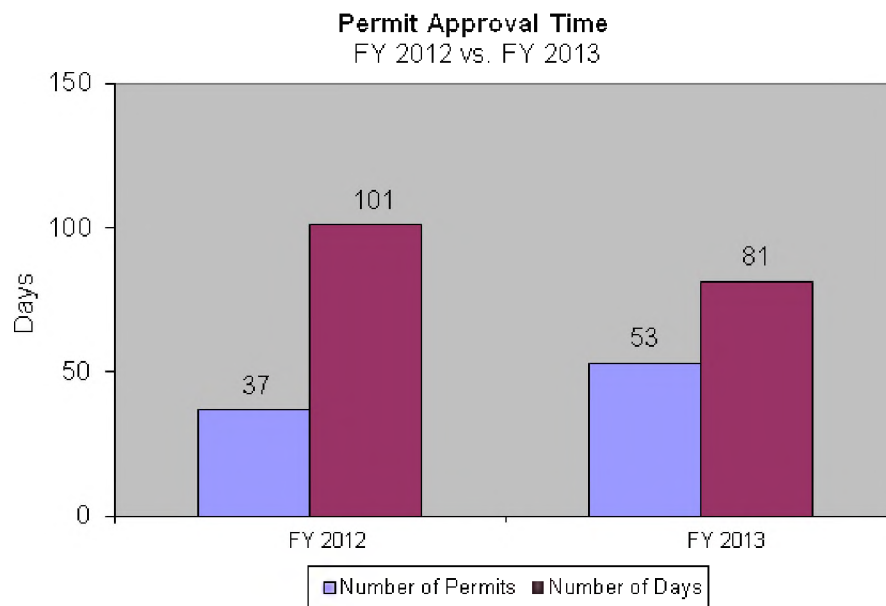


Figure 7.6.1