*Transforming a Process: From
"Among the Worst" to "Among the Best"*

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Improving INDOT's DSP Recovery of Costs

Awards & Recognition

- Governor's Leadership Award
- AASHTO President's Award
- USA Today
- Chicago Tribune
- Indianapolis Business Journal

State Highway Fund Revenue

Revenue Since FY 2005
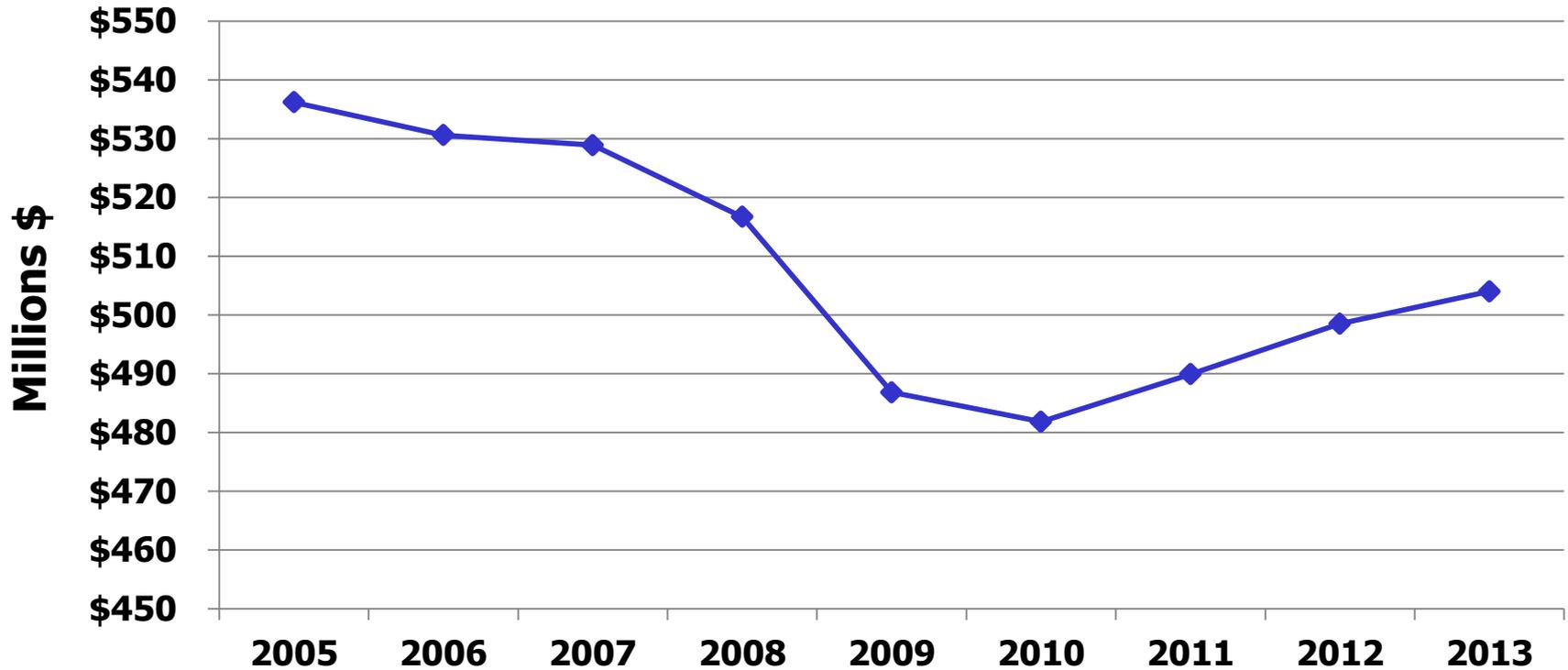
The Precipitous Decline in State Revenue Drove the Urgency for INDOT to Improve its DSP Process

DSP : Creating Awareness

- Early Summer 2010
- Research Study Conducted by Purdue University
- Delivered a Well-Researched and Defined Problem Statement
- INDOT's DSP Performance was Horrible
- No Champion, No Process Owner Existed
- Early Estimates Pegged Opportunity at $1-2 MM Annually

DSP: What's the Fix?

- Assigning Resources – District and Central Office
- Naming a Functional Owner – Statewide
  - Adding FTE's Administrators at Each District
- Developing Software – "Damage-Wise"
- Partnering/Training with Law Enforcement
- Understanding "IT's OUR (INDOT) MONEY"!
- Focus on Speed – From Crash to Billing (DAYS)
- Measure Results
- Collect from Insurers

Steps to a Successful Damage Recovery Process

1. Crash
2. Field Observation
3. Crash Report Query (Identify "Bill To")
4. Prepare M54 (Documenting <u>ALL</u> Costs)
5. Send to Central Office
6. Invoice
7. Collection

DAMAGEWISE

Law Enforcement Participation Starts the Process

Time to Crash Assessment can be Infinite if DSP Checkbox on Crash Report is Left Blank

DSP Indicator Left "Blank"

Total Estimate of all damage in the Crash:

$5001 TO $10000

Other Property Damage (1)	State Property
Other Property Damage (2)	State Property

Checkbox Represents the Primary Trigger for a Crash Assessment

Blank DSP is Consequential:
(**None of these had DSP box checked**)

INDOT District	Crash Sites	Repair Estimate
Crawfordsville	14	$23,946
LaPorte	5	$6,092
Fort Wayne	11	$13,532
Greenfield	8	$12,114
Seymour	21	$23,770
Vincennes	0	$0
TOTAL	**59**	**$79,454**

~3 Mo Sample

Law Enforcement Support is Crucial!

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# Benchmarking Other State DOT's was Critical

- Purdue's Research Conducted (2) Surveys in 2010
  - Participation was Surprisingly Good
- Key Takeaways:
  - Tagging System
  - Application of "Fully – Loaded" Costs
  - Process-Driven Results

Implement a Law Enforcement Tagging System

DAMAGE

Date/Time of Crash _____

SEQUENCE NUMBER _____

VEHICLE: _____

Make/Model _____

Lic. Tag _____

Estimated Damage (FT) _____

Officer _____

Agency _____

North Carolina's Tag

ROADWAY DAMAGE

Investigating Agency: _____

Crash Date/Time: _____

Crash Report ID Number: _____
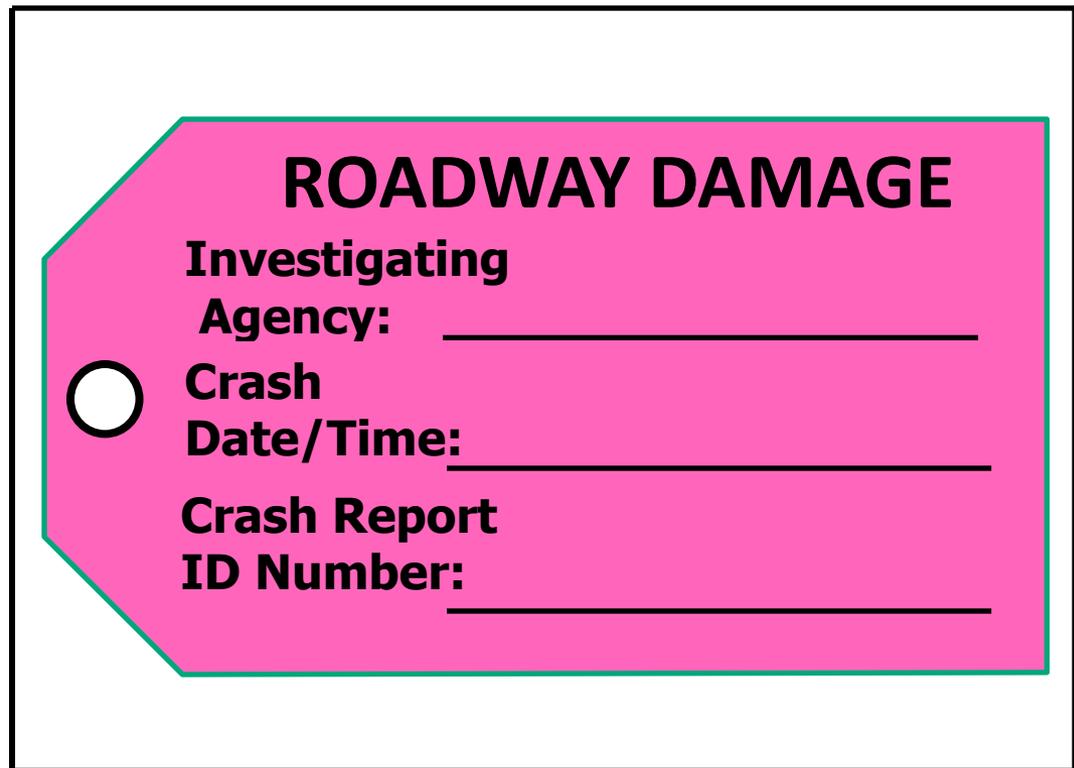
INDOT Tag

BENEFIT: Attributes a greater number of crash reports to DSP; less debate by insurers
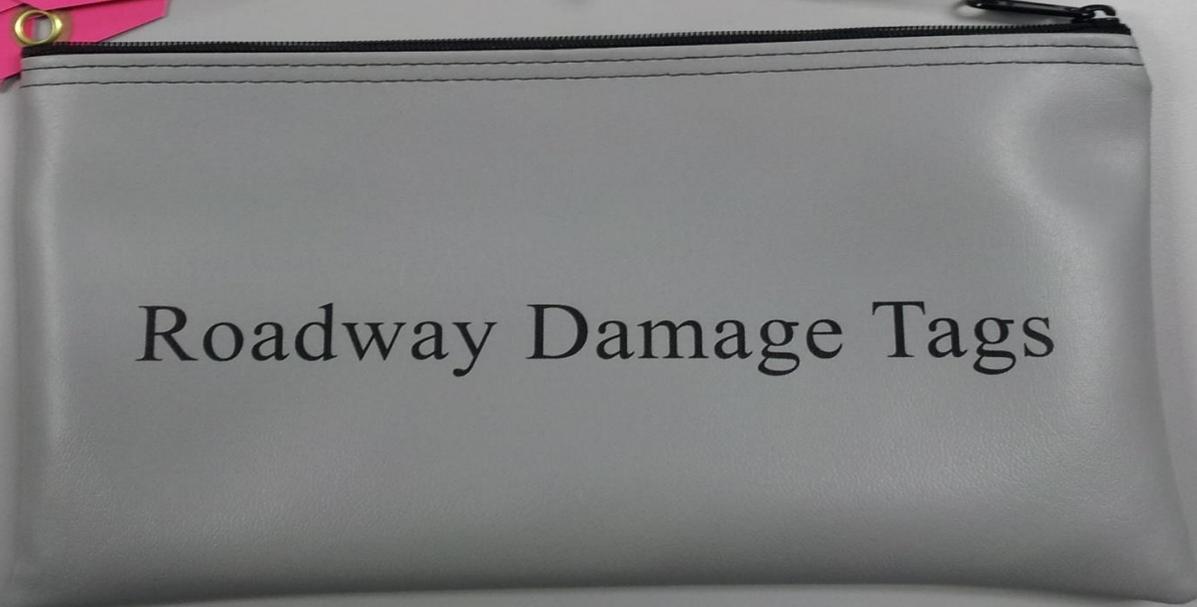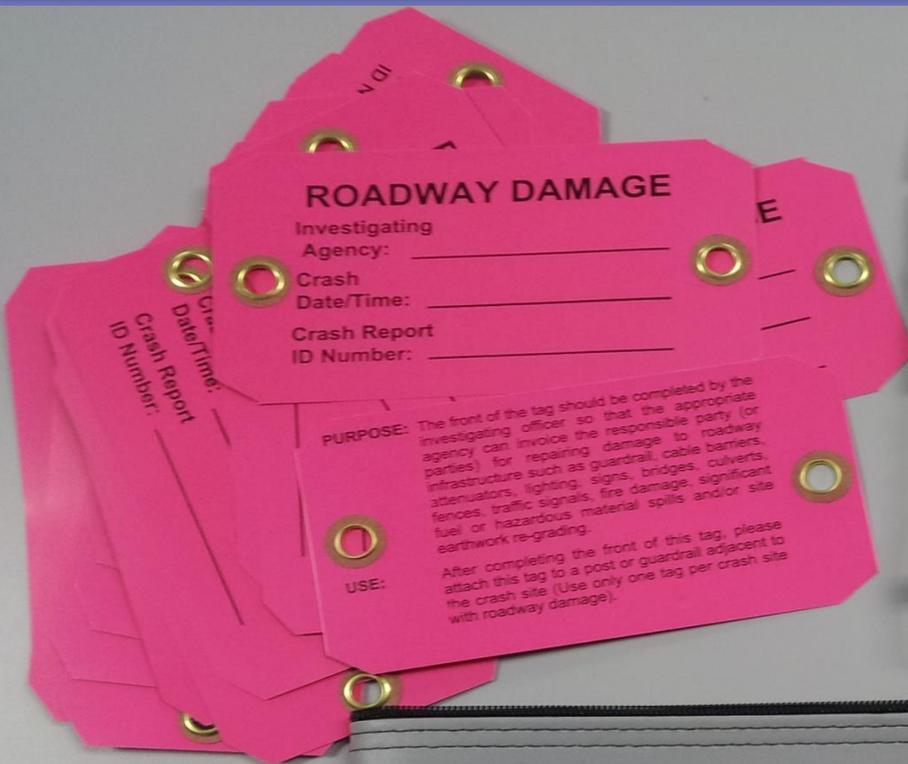
$10.12

Overhead & Admin Fees

STATE	OH%
Nebraska	72%
Hawaii	65%
Indiana	38%
Kansas	30%
Michigan	29%
Ohio	15%
Louisiana	10%
South Dakota	9%
Texas	3 to 6%
Wisconsin	4%

Source: Webinar / State Survey

Claims Must Reflect <u>All</u> Costs

Overhead

MSE Wall

Landscaping

EXIT 139
INDIANA 39
Lebanon
Lizton
1 MILE

MOT (?%)

Sign Damage

Guardrail

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DamageWise – Custom Written Application

What did we do?

❑Systemized the Process with DamageWise
-Written Internally by INDOT

❑Worked with Law Enforcement to Deploy the Roadway Damage Tags and Educate on the Importance of the "Damaged State Property" checkbox on the Crash Report

❑Organizational Shifts to Create Ownership of the Process

❑Cost Enhancements – Updated Standards and Established an Overhead Rate

❑New Metrics to Measure Progress and Encourage Process Improvements

❑Re-focused Efforts on Collections – Much More Aggressive

Police
Officer

District Administration

Crash Assessor

Accounts Receivables/Collections

DamageWise - Workflow
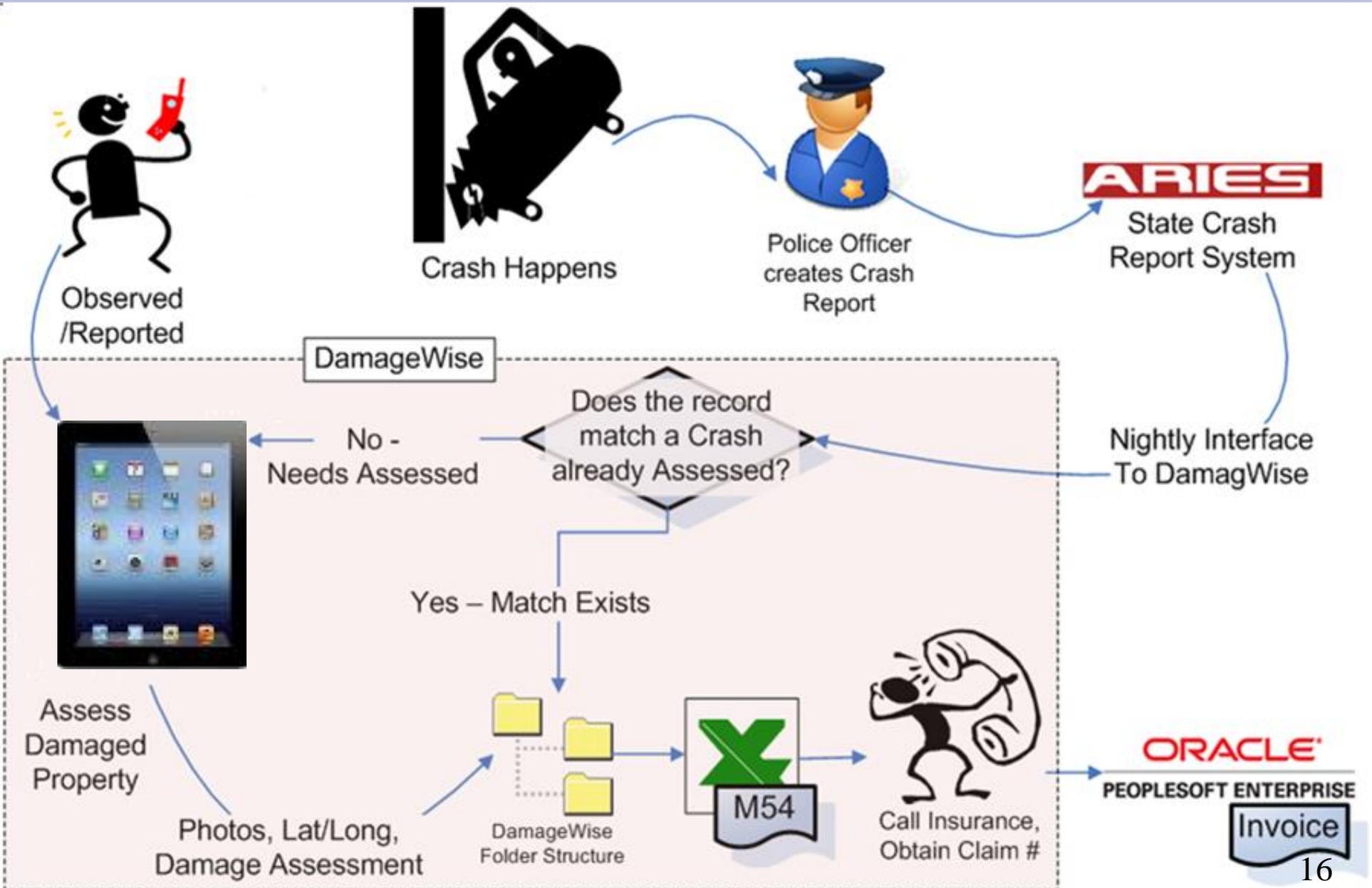
DamageWise - Notification

How does INDOT become aware of damaged property?

Intelligence Gathering Means
1) Police Reports (Aries)
2) Employee Drive-by or Crash Site Assistance
3) Citizen Notification
4) Insurance Companies

DamageWise – General Stats

	2013	2010
How many Roadway Damage bags have been distributed to law enforcement?	2,141	0
How many crashes have been reported on INDOT Roads during the year?	59,288	59,456
How many crashes have been billed?	3,421	1,357
How many iPads are in action?	96	0

Damage to State Property

Annualized Billings

000's in Millions

|	2010	2011		2012	2013
Annualized Billings	$1.4	*	$2.4	$4.1	$4.7
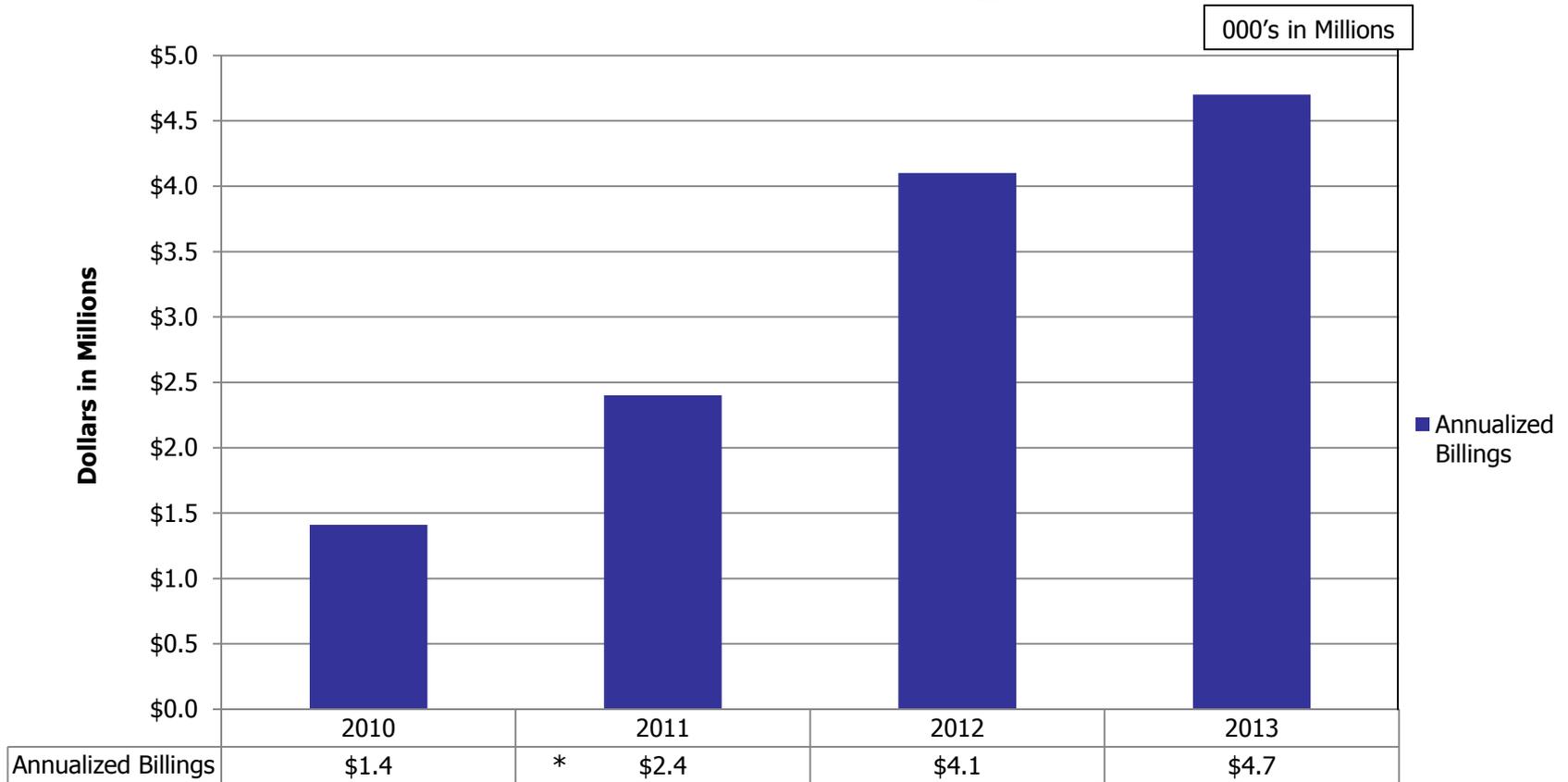
In FY13, INDOT Projects Annualized Billings to Exceed FY10 by 290%, and FY11 by 170% Thereby Improving Resources Returned to the State by Over $2.3 Million Annually.

* Does not include extraordinary $1.3mm in DSP coming from INDOT's Traffic Management Center.

Damage to State Property

% DBO Reduction

| % DBO Reduction	2011	2012	2013
	47%	58%	65%
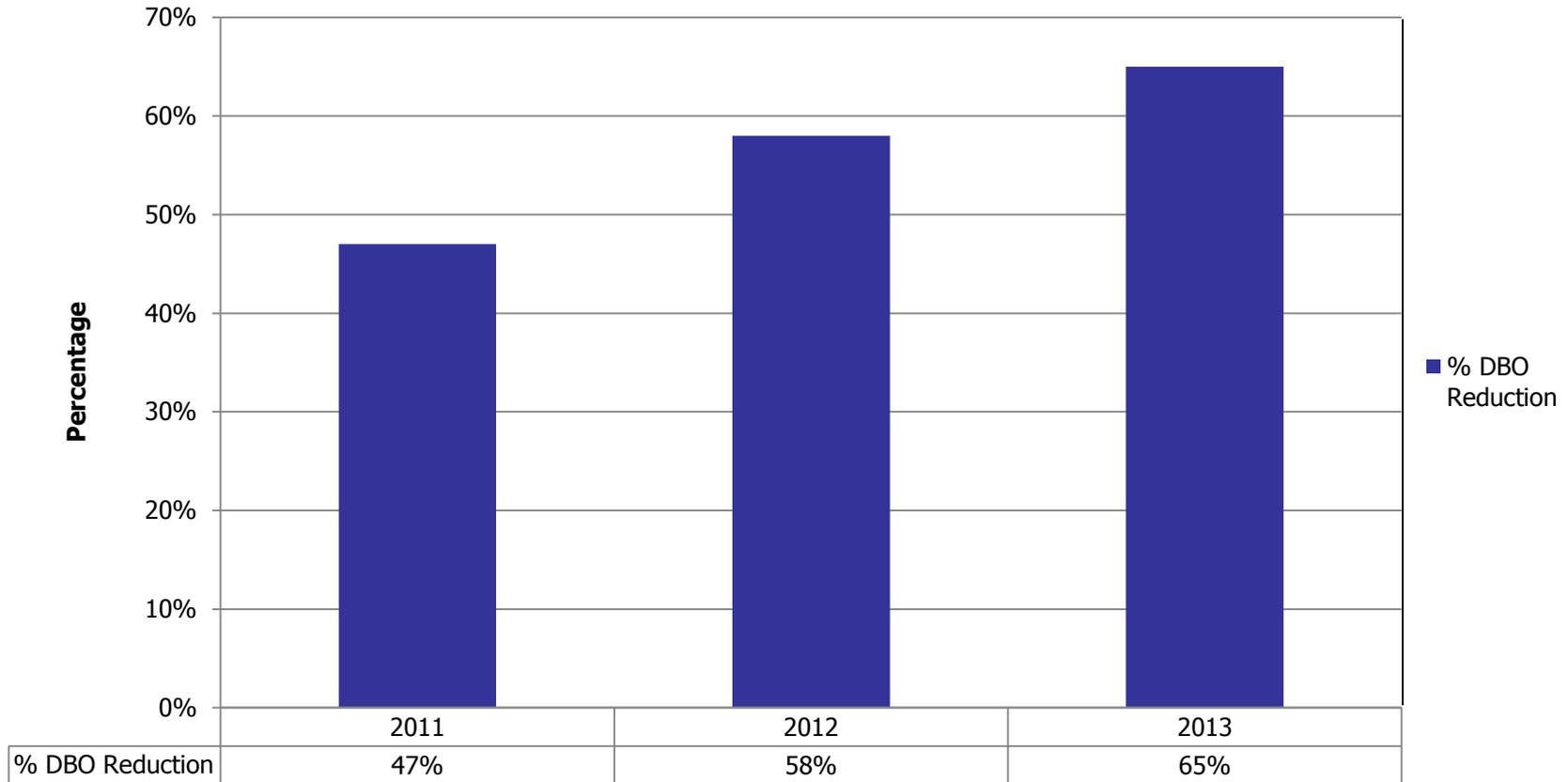
Using 2010 as the Baseline, INDOT Reduced DBO by 47% in FY11, 58% in FY12 and 65% in FY13.

Damage to State Property

Crash to Billing - Days to Execute

	2010	2011	2012	2013
Average Days	227	165	72	40
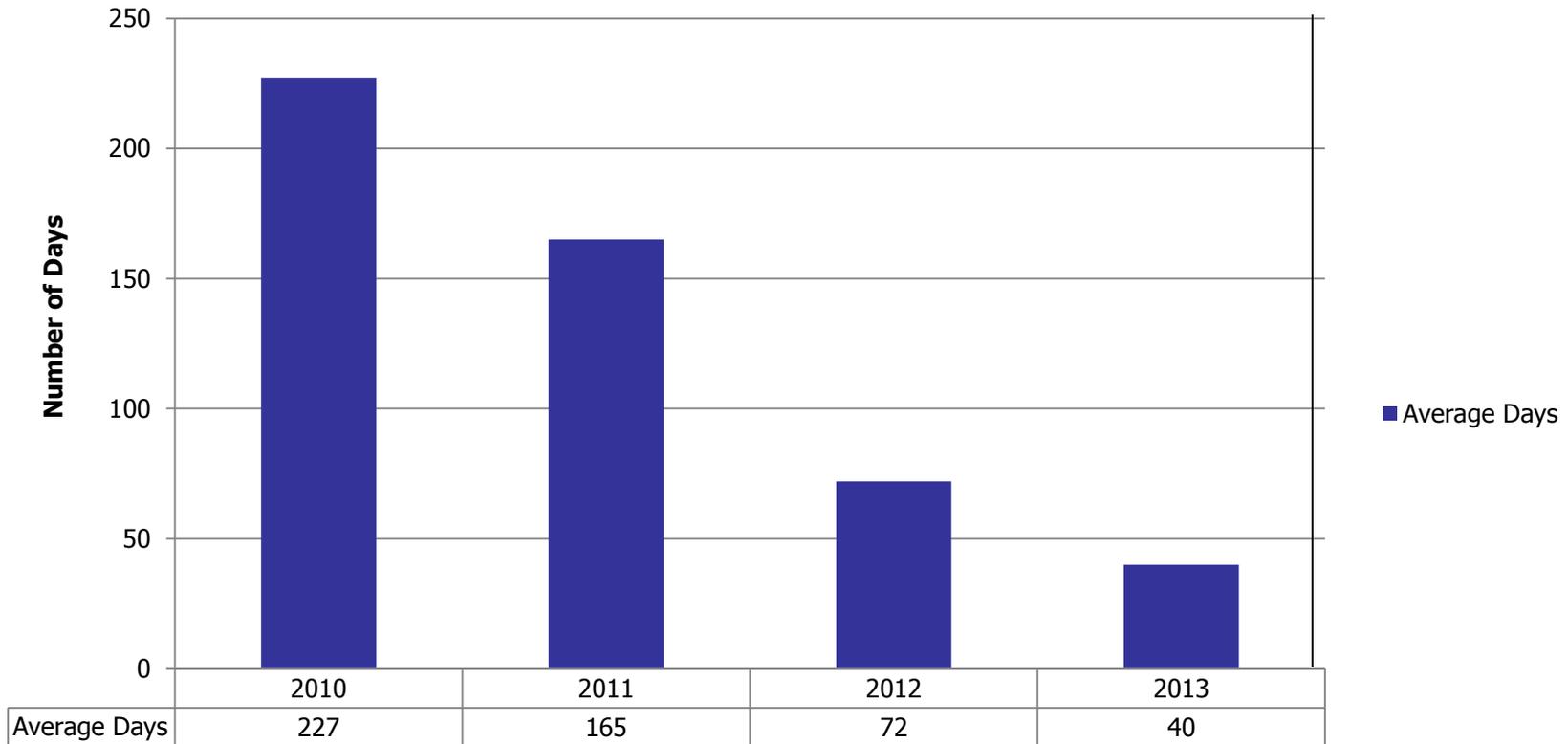
Using DamageWise, INDOT Effectively Reduced the Number of Days From a Crash Event to Billing by 82% Compared to FY10, 76% Compared to FY11, and 44% compared to FY12.

Damage to State Property

Collection Rate

INDOT Collects $0.89 Per Dollar with DSP!

| Collection Rate	2010	2012	2013
Collection Rate	63%	89%	89%

Benchmark
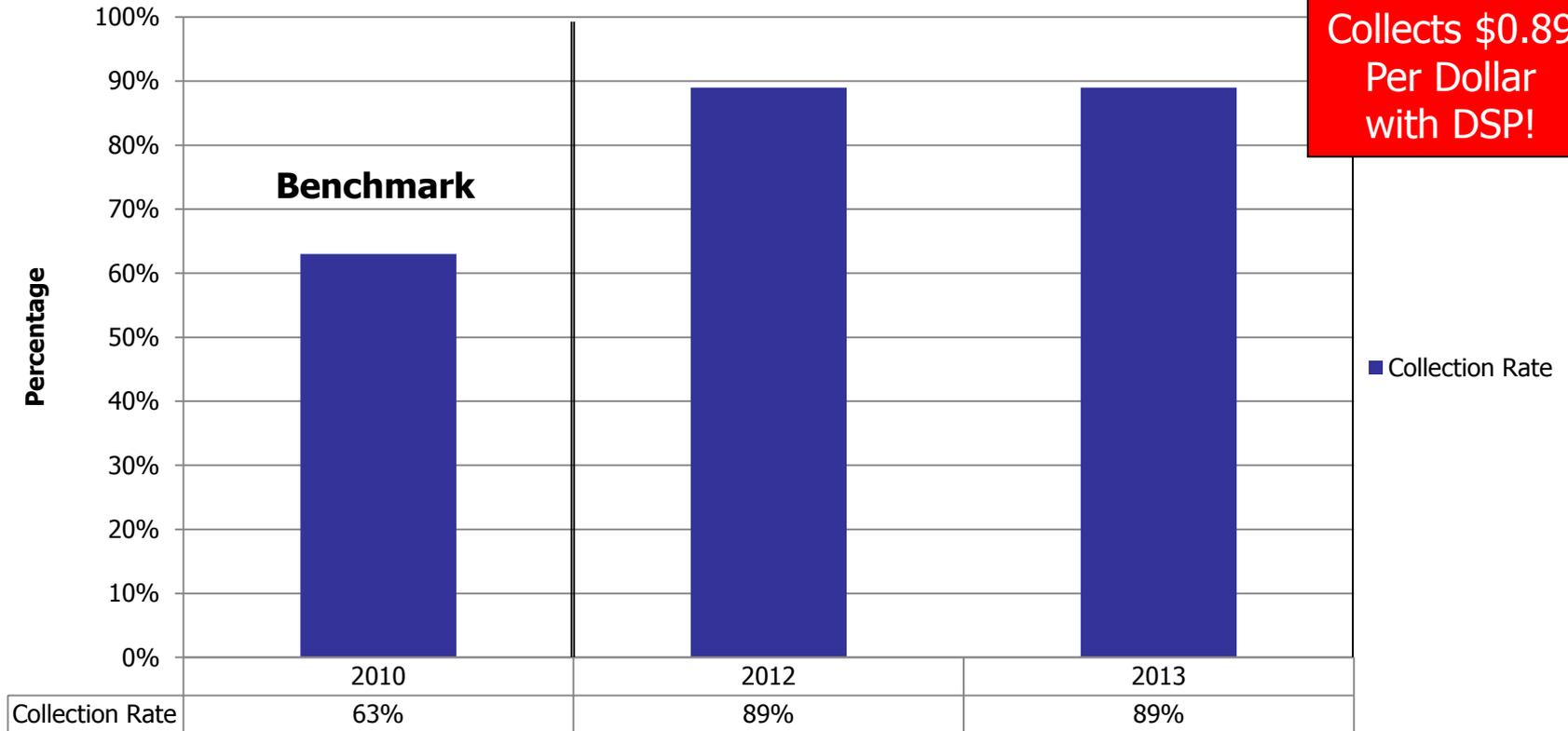
In FY13 & FY12, INDOT Improved Their Collection Rate by 42% When Comparing the Collection Rate in FY10.

Distribution of DSP Invoices

FY 2013

of Invoices

- 83 — Over $10K
- 552 — $2.5K to $10K
- 3,141 — Under $2.5K

Legend:
- Under $2.5K
- $2.5K to $10K
- Over $10K

$ Amount

- $1.0 — Over $10K
- $2.0M — $2.5K to $10K
- $1.7M — Under $2.5K

Legend:
- Under $2.5K
- $2.5K to $10K
- Over $10K
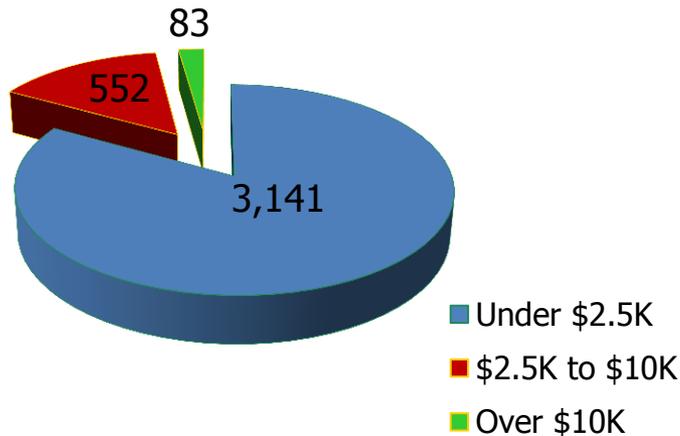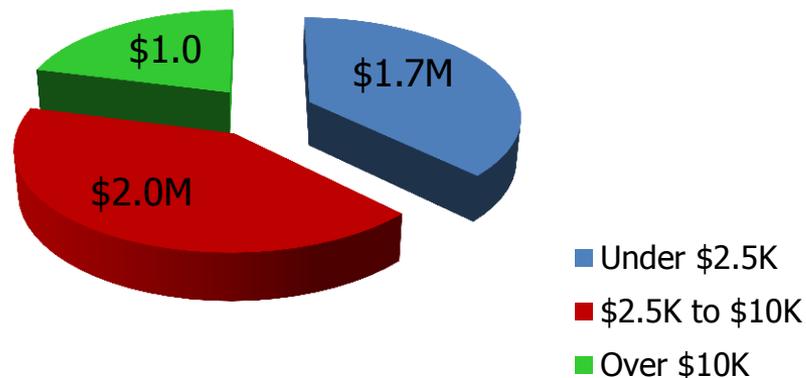
Chasing a Lot of Small Dollars Yields Large Dollar Results $4.7M in FY 2013

Questions & Answers

Thank You!