



MODERNIZE TxDOT: Commission Update for May 2011

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- **Oral interviews were held with the 3 firms that proposed for the change management contract; Kaepfel, Deloitte and Accenture. Based on combined evaluation scores of team members and a price component, the top 2 firms were selected for contract negotiation. Through the negotiation process, Kaepfel emerged as the leading candidate and we anticipate having a signed contract by the commission meeting. We are excited that this firm will provide us with customized change management assistance at a competitive price.**
 - **After a contract is finalized, the team will begin June 1 and will co-locate with TxDOT in our Riverside 118 office. It will be a work authorization contract and the first task will be to help us develop an action plan that includes both improving our culture and our organizational structure, along with specific recommendations from the restructuring council. Important aspects of the overall plan will be the communication plan and the training plan. Finding meaningful ways to engage management and employees is critical to this effort.**

- **Leadership training was presented to members of the administration, district engineers, division, office and region directors and commission assistants on May 2 by the University of Texas - LBJ School of Public Affairs (Barry Bales). It was a positive session that was well received. The change management firm will help us develop a plan to further engage our management team.**

- **Workgroups have been formed to provide input on the recommendations that are moving forward, which the commissioners have been briefed on in past meetings, including;**
 - **Separating government and public relations**
 - **Streamlining the environmental process and**
 - **Streamlining the right of way process**

- **The modernization leadership team has been meeting periodically and will step up these efforts in June along with the new firm. Commissioner Meadows is scheduled to attend the June 7 team meeting at our Riverside office.**

- **http://www.dot.state.tx.us/about_us/modernization.htm is the link to TxDOT's Modernization information on the website. Frequently asked questions and answers were recently sent to employees and posted on the website. Periodic update emails are being sent to the D/D/R/O first, and then followed with emails to all TxDOT employees. A copy of both emails sent to all employees follow this tab.**



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TxDOT Modernization Update

From: Jefferson Grimes

To: Jefferson Grimes

Date: 5/4/2011 2:48 PM

Subject: TxDOT Modernization Update

Attachments: TxDOT Mod Lege Update 4.27.11_1_1.pdf

As we have reported publicly, the Texas Department of Transportation's (TxDOT's) modernization is underway. As we move forward with this initiative, all suggestions and ideas for potential changes will be considered. We are ready to make bold changes to improve the functions of the agency and are committed to this effort. We've also committed to keeping legislative offices current with our work. Attached you will find the first of our periodic updates on the effort. We hope you take time to look it over.

If you have any questions about the agency's modernization efforts, we'll always take the time to answer them. Please feel free to contact Mr. John Barton, Assistant Executive Director, at John.Barton@txdot.gov or at 512-305-9504.

Jefferson M. Grimes
Deputy Director
Government and Public Affairs Division
Texas Department of Transportation
Phone: 512-475-3097
Fax: 512-463-9389

Background

Over the last several years, back-to-back reviews have been conducted on TxDOT focusing on our operations with the intention of reforming and modernizing the agency.

The two most significant reviews were conducted by the Sunset Advisory Commission (June 2008) and the Grant Thornton management and organizational review (May 2010). Both reports identified numerous recommendations to improve the department's operations and culture.

In July 2010, the TxDOT Restructure Council was formed by the Texas Transportation Commission to examine and extract from these reports recommendations for the restructure, reform and modernization of TxDOT that would have the most lasting impact on enhancing the agency's operations. In January 2011, the Council presented 78 recommendations as the highest priority for TxDOT.

These actions have culminated in the establishment of TxDOT's Modernization Leadership Team.

Modernization Leadership Team

In March 2011, the Texas Transportation Commission formed the Modernization Leadership Team (Team) to lead this initiative. The Team will focus on identifying those recommendations that are ready for implementation, developing a high-level implementation strategy, and conducting employee outreach activities. The Team will also direct the work of a change management firm that will be hired to assist with this effort.

The Team consists of 11 members of TxDOT management (chaired by John Barton), and a representative from TxDOT's Audit Office who will monitor this initiative and provide reports to the Commission.

Change Management Consultant

A request for proposals was published in March 2011 to hire a change management firm to provide expertise in organizational change and implementing the recommendations selected by the Team. Three proposals were received. Evaluations are underway and a final selection is expected by May 31, 2011.

Change Management Training

The Team received training on March 8th in the theory and practical application of leading organization change, which was conducted by the University of Texas - LBJ School of Public Affairs. TxDOT's Administration, district engineers, and division, office and region directors will also attend a similar training event in June 2011.

Selection of an Executive Director

The Texas Transportation Commission has hired a national executive search firm to assist them in the process of hiring a new executive director for the agency. A formal posting for this position is expected to be published by June 2011. Final interviews and selection of the new executive director will be conducted by the Texas Transportation Commission.

Recommendations – In Progress

In March, TxDOT moved forward with the implementation on the following recommendations:

- Separate TxDOT's government relations and communications functions
- Eliminate the Business Title and Classification Committee and move those functions into TxDOT's Human Resources Division
- Further streamline the environmental review process
- Further streamline the right-of-way acquisition process
- Establish a central office to manage TxDOT's Historically Under-utilized Businesses & Disadvantaged Business Enterprises programs.
- Hire a change management firm to assist with TxDOT's Modernization effort.

The next step is for the Team to work with TxDOT's district engineers and division, office, and region directors to establish employee work groups, which will assist with developing implementation plans for each recommendation. The change management firm will provide assistance to these work groups.

Recommendations – Completed

Several recommendations have already been implemented. These include:

- Hire new senior-level positions. Two senior management positions were recently filled. Louis Carr was hired to serve as TxDOT's Chief Information Officer. This is a new position for TxDOT and will serve to strengthen the agency's strategic use of information technologies. Dee Porter was hired to fill the vacant Chief Human Resources & Administrative Services Officer position. Both Mr. Carr and Ms. Porter joined TxDOT on April 1st.
- Improve financial management. A Debt Management office and an Innovative Finance office have been created. Both offices will report directly to the Chief Financial Officer.

Employee Outreach & Communications

To keep TxDOT's employees informed, web pages dedicated to the Modernization effort have been created on TxDOT's internal website. The information includes an archive of employee updates and commission presentations, an action plan describing the various phases of the modernization initiative, roles and responsibilities for everyone at TxDOT and a list of frequently asked questions and answers.

In addition, the Team regularly sends e-mail updates to employees and within the next few months, the Team will begin visiting with employees throughout the state giving them an opportunity to ask questions, offer suggestions and discuss TxDOT's mission and goals.

Online Database

The online database of recommendations from the Restructure Council is available on TxDOT's website (www.txdot.gov). This database has been updated to show actions completed and actions planned/in progress. This database was created by the Restructure Council and includes a list of all the recommendations from its final report.

Legislative Update

In an effort to ensure the legislature is updated on the progress TxDOT is making in the implementation of these recommendations and the Modernization effort, periodic legislative updates such as this will be provided to all members of the Texas Legislature. Please contact me at your convenience through the phone number or email address shown below with any comments or questions you may have regarding these updates.

More information on TxDOT's Modernization Initiative is available on TxDOT's internet site at:

http://www.txdot.gov/about_us/modernization.htm

Project Contact

John Barton, P.E.
Asst. Exec. Director for Engineering Operations
Ph: (512) 305-9504
E-Mail: John.Barton@txdot.gov

Modernization Update - April 28, 2011

From: ModernizeTxDOT

To: #TxDOT-ALL

Date: 4/28/2011 9:59 AM

Subject: Modernization Update - April 28, 2011

Attachments: 2011_04_28 Purpose Statement FINAL.pdf; 2011_04_20_General Workgroup Guidelines.pdf

At today's commission meeting, the Modernization Leadership Team provided an update on this initiative. This update included the presentation of a statement we believe clarifies the purpose of this initiative and an update on the implementation of the recommendations approved by the Commission last month. Here's the summary of the presentation.

For employees with limited computer access, the referenced documents are attached for printing and distribution.

TxDOT Modernization - Purpose Statement

In order to help us all better understand why we are undertaking this initiative, the Team has developed a purpose statement to clarify this for us. It includes the reasons for making changes at TxDOT and the expectations we have of ourselves as we move forward. This purpose statement may be found on crossroads, <http://crossroads/modernization/purpose.asp>.

Change Management Firm

Three firms submitted proposals for this work. Each of these firms was interviewed earlier this week. The negotiations for this contract will begin next week and we hope to have a firm on board by May 31 so that the firm can begin its work in June.

As previously mentioned, the firm will help our employee work groups develop implementation plans for the recommendations by the Restructure Council that are adopted by the Commission, and other services to assist us with this initiative. However, the change management firm will not be making any additional recommendations for changes within TxDOT.

Implementing Recommendations - Employee Work Groups

To help us form the employee work groups, the modernization team drafted some guidelines for how employee work groups will be formed, the roles of both the modernization team sponsor and the district/division/office/region (DDOR) leaders and the employee work group responsibilities, expectations, and performance measures.

Our goal for these work groups is to provide our employees the opportunity to be involved in identifying solutions and making decisions that will guide the implementation of these recommendations. Employees that are interested in serving on a work group should contact their supervisor and/or district engineer/division/office/region director.

For the six recommendations that are currently moving forward, the Team has assigned someone to work with the DDOR leader to identify the next steps for moving forward and forming a work group. The work groups and the guidelines may be found on crossroads, http://crossroads/modernization/employee_workgroup.asp.

Dear fellow employees,

The Modernization Leadership Team appreciates the questions and comments you've been sending us about your ideas on how to modernize TxDOT, the employee work groups, the change management training that has occurred, and the status of hiring a change management firm. Below is an updated on all these issues.

The Team encourages your continued participation in the Modernization effort. If you have other questions or comments, please email them to ModernizeTxDOT@txdot.gov.

The Team asks all supervisors to print the attached PDF file and distribute copies of it to your employees that have limited access to a computer.

Thank you for your hard work and continued support.

Frequently Asked Questions

Thank you for submitting your questions to the Team. Many of the most recent questions have focused on employee work groups. Answers to some of those questions are shown below and are also available on crossroads, <http://crossroads/modernization/faqs.asp>

Q: What is the status of the initial employee work groups, and when will other work groups be formed?

A: The initial work groups are expected to be formed by the end of June. Once additional recommendations are ready to be implemented, then additional work groups will be formed to address them. The creation of these additional work groups will be driven by a schedule for implementing the remaining recommendations. The schedule will be developed this summer with the assistance of the change management firm.

To keep you updated on all employee work groups, information will be posted on crossroads, http://crossroads/modernization/employee_workgroup.asp.

Q: Will the employee work groups include employees from a variety of work areas or just employees from the specific division, office, region or district affected by the recommendation? Will these groups include district and field employees?

A: The membership of any specific work group will depend on the specific recommendation being implemented. The general intent of the employee work groups is to encourage participation by employees throughout the department, not just from those that are directly impacted. In many cases, this will mean the work groups will be made up of employees from across the state that work in a variety of areas. And all employees will be invited to participate in the process by sharing their suggestions and ideas on with the workgroups. Stay tuned for more information on this process.

Q: Since district engineers and division/office/region directors will select employees for the work groups, could there be a general call for volunteers?

A: The Team encourages everyone to express their willingness to serve on any work group that interest you. The best way to do this is by sending an email to your district engineer, division/office/region director, or to the Team at ModernizeTxDOT@txdot.gov. The Team will evaluate the effectiveness of this process over time and make modifications as needed to ensure everyone has ample opportunities to participate in this Modernization effort.

Management Training

Last week, the district engineers, division/office/region directors, administration and commission aides attended change management training led by the UT-School of Public Affairs. This training provided them with valuable information on how to manage change. Some things this training recommended we do as we implement changes are:

- Understand how people respond to change.
- Determine what's working within TxDOT and how to do more of it.
- Clearly identify key actions & behaviors we want to keep doing.
- Measure the progress on implementing those changes that are made.

Employee Suggestions

The Modernization Team has received many suggestions from you about your ideas on how to modernize TxDOT. Your knowledge and understanding of the operations of our agency are extremely valuable so please keep sending your ideas to the Team. While it may not be possible to implement every suggestion submitted, all of your ideas are important and will be considered.

Here's a sample of just some of the ideas you've submitted so far:

- Create a system that allows employees to have only one password for all computer applications they must use to do their jobs
- Lease, rather than purchase heavy equipment
- Move toward cloud-based information technology services
- Provide a BlackBerry to all supervisors who work in the field

Update on Change Management

Last month, the Modernization Team completed interviews with three change management firms. The Team narrowed the field down to two firms and are negotiating with these firms now. The goal is to sign a contract with one firm before the end of this month so the selected firm can begin work on June 1.

The Team will provide you more information soon. Keep up the great work you do and stay connected!