TRAFFIC INCIDENT MANAGEMENT

Cost Management and Cost Recovery

Executive-Level Briefing
Agenda

• Briefing Objective and Overview
• Statement of the Problem
• Moving Towards a Sustainable TIM Program
• Action Plan
Briefing Objective

To provide executive leadership with guidance to better manage traffic incident management program resources
Cost Recovery Defined

• Reimbursement received from outside sources
• Examples: Federal grant sources, MPOs, private interest, or others
• Cost recovery vs. cost substitution
Cost Management Defined

• There are four fundamentals of cost management
  – Cost Planning
  – Cost Tracking
  – Cost Analysis
  – Evaluation and Decision
Cost Recovery Defined

Recognizing full or partial reimbursement from sources outside of the budget
Overview of Traffic Incident and Event Management

• Effective TIM programs form the basis for preparedness for other transportation emergencies

• All effective programs include close coordination with a range of agencies, including public safety officials
### Overview of Typical Traffic Incident Management Activities

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<th>TIM Strategic Activities</th>
<th>TIM Tactical Activities</th>
<th>TIM Support Activities</th>
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<td>• Staffing/Resourcing</td>
<td>• Agency Notification</td>
<td>• Data Collection</td>
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<td>• TIM Teams</td>
<td>• Resource Dispatch</td>
<td>• Data Integration</td>
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<td>• Policies and Procedures</td>
<td>• Scene Setup</td>
<td>• Data Sharing</td>
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<td>• Training</td>
<td>• Device Activations</td>
<td>• Traveler Information</td>
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<td>• Vehicle Purchases</td>
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<td>• System Deployment</td>
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<td>• Software Deployment</td>
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<td>• Asset Purchases</td>
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<td>• Asset Typing</td>
<td>• Vehicle Clearance</td>
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<td>• Resource Typing</td>
<td>• HAZMAT Mitigation</td>
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Impact of Incidents

• TIM will continue to be required
  – More than 5 million reported crashes in 2009
  – Nearly 31k fatal and more than 1.5 million injured

• A minimum response of police, fire/rescue and towing with coordination with transportation
Statement of the Problem

• Fiscal impacts of TIM will continue
  – Tactical costs can exceed $200k
  – There are no tabulations of costs associated with strategic and support activities

• Other costs such as insurance, responder training, lost wages by injured first responders, and other societal costs are unknown
Moving Toward TIM Program Sustainability

- Implement accounting procedures that allow for a true understanding of all TIM Costs
- Consider activities that allow costs to be recovered
A Roadmap for TIM Cost Management

• Asset Utilization
  – Consists of the process to understand costs of devices, facilities and other physical, non-human TIM program elements
A Roadmap for TIM Cost Management

- Resource Utilization
  - Consists of the process to understand costs associated with personnel (including both in-house and consultant) situations
A Roadmap for TIM Cost Management

• Performance Measurement
  – Consists of understanding what benefit assets and resources are providing to the system or what implications that lack of assets and resources are having on overall performance.
# A Roadmap for TIM Cost Management

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<tr>
<th>Category</th>
<th>Start-up Plan</th>
<th>Transition Plan</th>
<th>Established Program</th>
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</table>
| **Asset Utilization**     | • Determine TIM Inputs for asset management  
                            • Collect baseline requirements                                                 | • Complete TIM system inventories  
                            • Maintain maintenance costs and operating costs for historical reference     | • Use asset life-cycle and replacement cost estimates to plan for costs on an annual basis  
                            • Use visualization tools to convey the cost of assets versus performance |
| **Resource Utilization**  | • Determine discrete TIM functions by discipline and by position  
                            • Determine shared resources and interdependent resources                       | • Baseline employee capabilities versus each identified discrete function  
                            • Identify gaps in functions provided  
                            • Develop resource training lifecycle  
                            • Include systems to include discrete coding functions for direct and indirect | • Use cost center accounting to track and analyze TIM resource costs  
                            • Assign a charge code for TIM strategic, tactical and support activities |
| **Performance Measurement** | • Determine how the NUG should be measured  
                            • Determine what input and output gaps exist for NUG reporting               | • Implement a NUG Performance Measurement Program  
                            • Collect baseline information to establish a performance index              | • The performance measures from other sections |
Options for Recovering Costs

• Seek and support legislative actions that enable recovery
• Examine opportunities for public-private partnerships
Legislation for Recovery

• Current legislation enabling first responders to collect fees is enacted at the local level
• An opportunity to recover costs is with modification to state statues that stipulate recovery of costs for damages to infrastructure
  - Tactical TIM costs should be viewed as part of the recovery process, including first responder costs
Public-Private Partnerships

• Many transportation agencies already use these partnerships with safety service patrol programs

• Expand TIM cost considerations and seek these types of partnerships:
  – The sale of traffic data to private vendors
  – Implementation of HOT lanes and the inclusion of TIM costs as a part of the calculated costs
Action Plan

• Establish and formalize TIM programs that have strategic direction and multi-disciplinary participation

• Implement the Cost Management Roadmap

• Coordinate with legislators and private industry to identify and implement cost recovery methods