



# TRAFFIC INCIDENT MANAGEMENT

# Cost Management and

# Cost Recovery

## Executive-Level Briefing



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U.S. Department of Transportation  
**Federal Highway Administration**



# 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

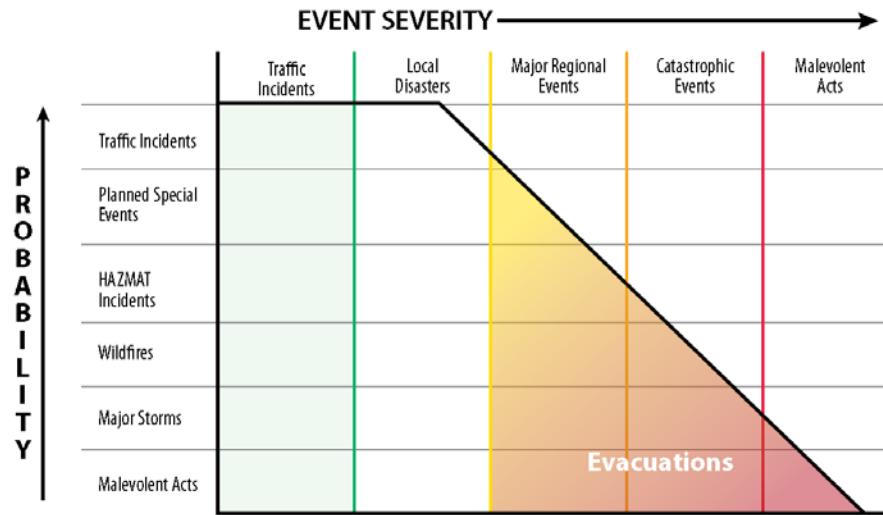




# Cost Recovery Defined

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



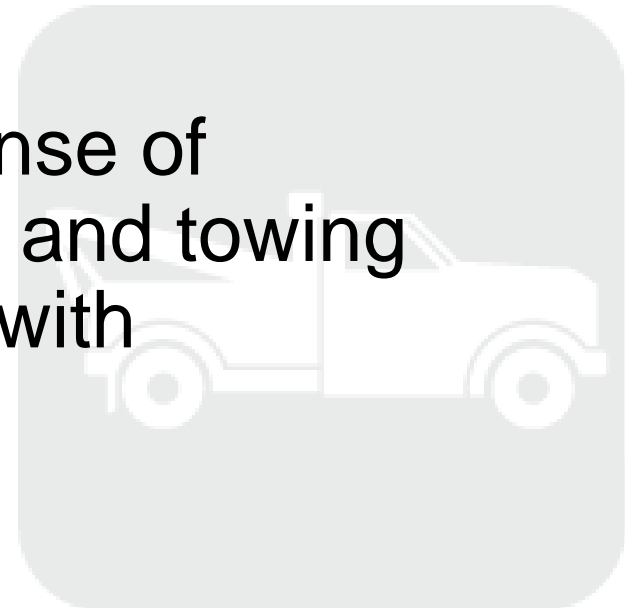
TIM Strategic Activities	TIM Tactical Activities	TIM Support Activities
<ul style="list-style-type: none"><li>•Staffing/Resourcing</li><li>•TIM Teams</li><li>•Policies and Procedures</li><li>•Training</li><li>•Vehicle Purchases</li><li>•System Deployment</li><li>•Software Deployment</li><li>•Asset Purchases</li><li>•Asset Typing</li><li>•Resource Typing</li></ul>	<ul style="list-style-type: none"><li>•Agency Notification</li><li>•Resource Dispatch</li><li>•Scene Setup</li><li>•Device Activations</li><li>•Traffic Diversions</li><li>•Queue Monitoring</li><li>•Investigative Procedures</li><li>•Victim Extrication and transport</li><li>•Vehicle Clearance</li><li>•HAZMAT Mitigation</li></ul>	<ul style="list-style-type: none"><li>•Data Collection</li><li>•Data Integration</li><li>•Data Sharing</li><li>•Traveler Information</li><li>•After Action Reviews</li><li>•Cost Management</li><li>•Cost Recovery</li></ul>





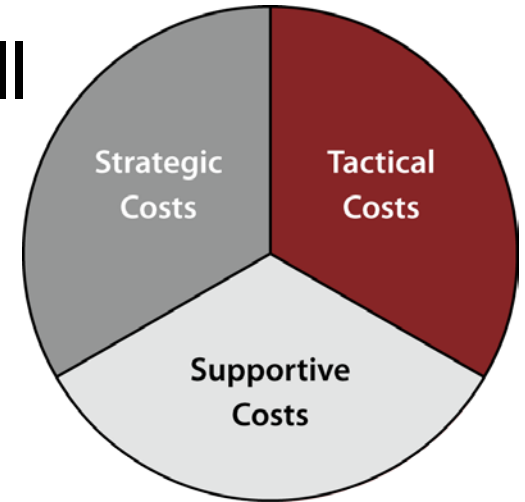
# Impact of Incidents

- 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



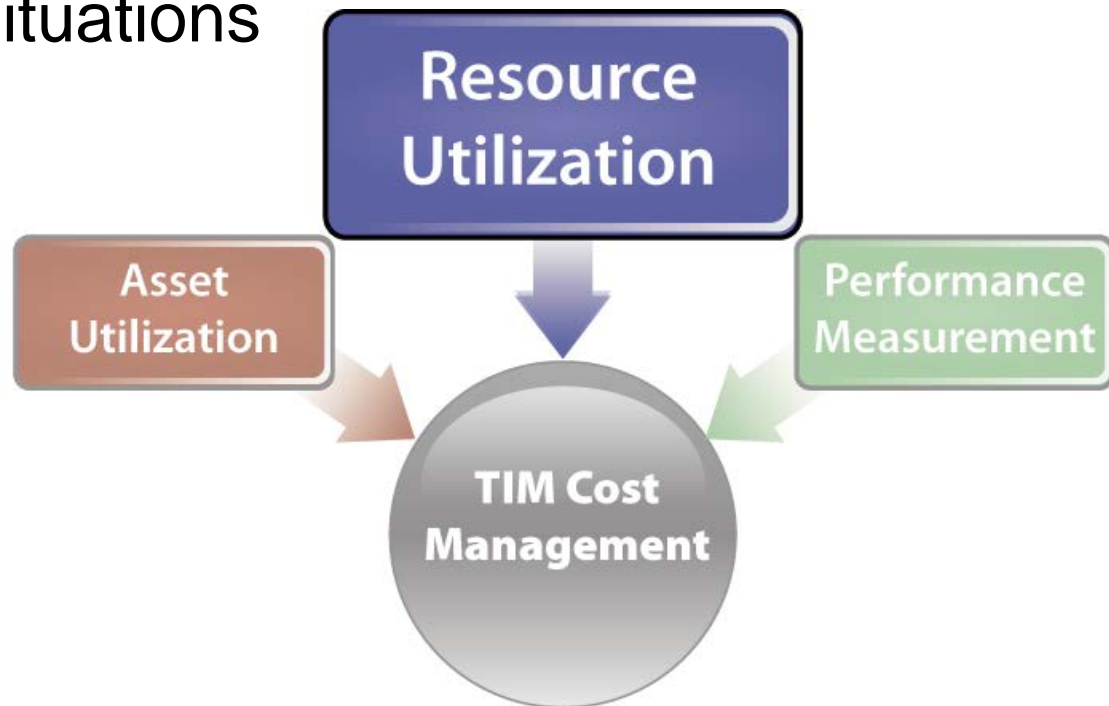
# A Roadmap for TIM Cost Management

- Asset Utilization
  - Consists of the process to understand costs of devices, facilities and other physical, non-human TIM program elements



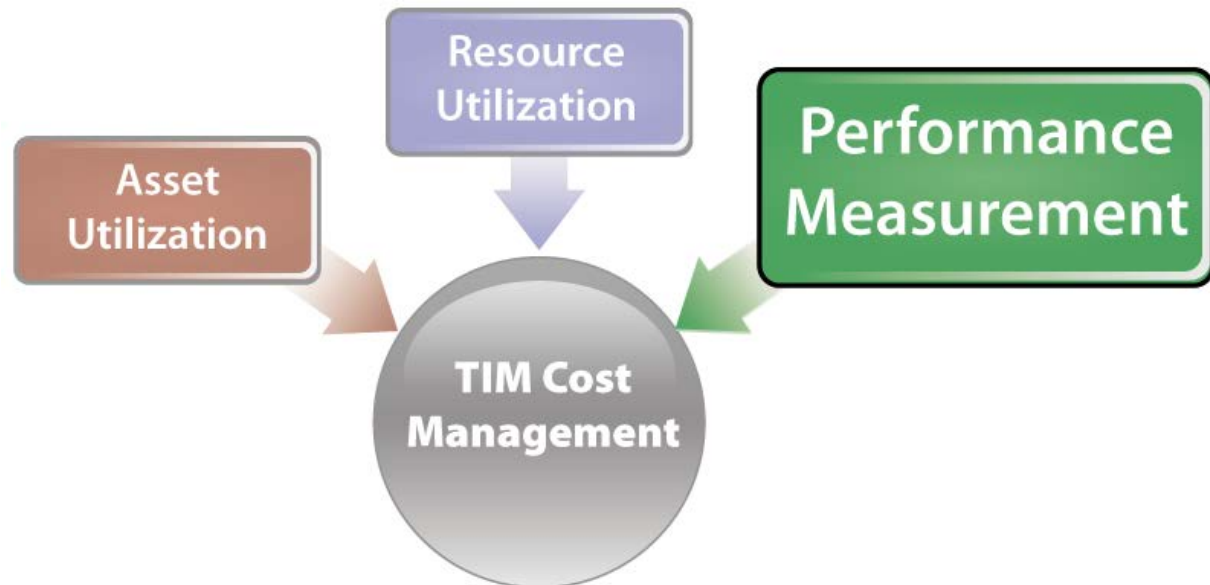
# A Roadmap for TIM Cost Management

- 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



Category	Start-up Plan	Transition Plan	Established Program
<b>Asset Utilization</b>	<ul style="list-style-type: none"> <li>• Determine TIM Inputs for asset management</li> <li>• Collect baseline requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Complete TIM system inventories</li> <li>• Maintain maintenance costs and operating costs for historical reference</li> </ul>	<ul style="list-style-type: none"> <li>• Use asset life-cycle and replacement cost estimates to plan for costs on an annual basis</li> <li>• Use visualization tools to convey the cost of assets versus performance</li> </ul>
<b>Resource Utilization</b>	<ul style="list-style-type: none"> <li>• Determine discrete TIM functions by discipline and by position</li> <li>• Determine shared resources and interdependent resources</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline employee capabilities versus each identified discrete function</li> <li>• Identify gaps in functions provided</li> <li>• Develop resource training lifecycle</li> <li>• Include systems to include discrete coding functions for direct and indirect</li> </ul>	<ul style="list-style-type: none"> <li>• Use cost center accounting to track and analyze TIM resource costs</li> <li>• Assign a charge code for TIM strategic, tactical and support activities</li> </ul>
<b>Performance Measurement</b>	<ul style="list-style-type: none"> <li>• Determine how the NUG should be measured</li> <li>• Determine what input and output gaps exist for NUG reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Implement a NUG Performance Measurement Program</li> <li>• Collect baseline information to establish a performance index</li> </ul>	<ul style="list-style-type: none"> <li>• The performance measures from other sections</li> </ul>

# Options for Recovering Costs

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



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# 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 statutes 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