



Oregon

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Department of Administrative Services Recommendations for the Oregon Department of Transportation

- 1. The Governor and Legislative Leadership should commission a workgroup to clarify the governance structure for the Oregon Department of Transportation (ODOT) and the Oregon Transportation Commission (OTC), focusing on statutory and administrative changes that could improve role clarity for all governing bodies.**

The workgroup should include current and former OTC members, legislators, Governor's staff and regional and community partners. The Department of Administrative Services (DAS) recommends facilitation by Portland State University's National Policy Consensus Center – an experienced and neutral non-profit organization with years of experience supporting government solutions. Goals of the work group should include:

- A review of elite DOTs, with particular attention paid to delegation of authority, roles of governing bodies, statutes and governing documents.
- A review of current ODOT/OTC statutes and governing documents.
- The development of recommended legislative and administrative changes to clarify the roles and responsibilities of the Legislature, the Governor's Office, the OTC, and ODOT management.
- Recommendations should be delivered to the Governor, the Legislature and the OTC by November 1, 2017.

Desired outcome: A clear, documented, shared understanding and alignment of roles and responsibilities of the Legislature, the Governor's Office, the OTC, and ODOT management.

- 2. The Governor should direct ODOT working with the OTC, to examine their management structure; and develop broad measures of agency success and a structure that ties individual efforts of ODOT employees to agency goals and statutory mandates.**

- ODOT and OTC should develop an agency strategic business plan by January 1, 2018
- ODOT and OTC should deliver recommended success metrics to the Governor by April 1, 2018.
- A plan that ties division, department and individual efforts to approved success metrics should be developed and delivered to the OTC and Governor by September 1, 2018.
- ODOT should consider the use of a management consulting company to develop the five year strategic plan.

Desired outcomes: A clear, shared vision with cascading goals for employees that tie directly to agency statutes, mission and goals; and a structure that promotes agency-wide accountability for individuals and for work teams.

3. DAS should convene a team of procurement professionals from state agencies, the private sector and the Department of Justice to review the contracting process for highway projects and for vendor management, and make process improvement recommendations.

Recommendations should include:

- Role clarity in the ODOT procurement department – the function is currently spread across the agency.
- Ways for ODOT to increase the procurement department’s strategic role, elevating the function in the agency to better leverage buying power and manage vendors.
- Identifying opportunities for increased financial vetting, or scrubbing, of projects even after they are budgeted.
- Recommendations should be delivered to ODOT by March 1, 2018.

Desired outcomes: Improved role clarity within the procurement and vendor management process including strategies for improvements. Include reviews and consideration of statutory and rule changes that may facilitate more efficient procurement and vendor management processes.

4. ODOT should contract with an outside efficiency consultant to review, and make improvement recommendations for the fleet and facilities programs.

- McKinsey noted that ODOT could reduce its facilities footprint and the number of vehicles. A consultant could make specific recommendations regarding the best way to implement this recommendation.
- The recommendations should be delivered to ODOT by July 1, 2018 – in time to be incorporated into the Governor’s 2019-21 budget.

Desired outcome: Increased efficiency within the fleet and facility programs – reducing overhead and allowing a greater share of funding to flow to projects.

5. ODOT in consultation with the OTC should develop a communications plan that articulates how ODOT will close the loop with external stakeholders regarding decision making and project prioritization.

- ODOT should build upon its strong engagement efforts to better communicate decisions.
- The communications plan should outline how input is solicited, how that input is used in the decision-making process, and how resulting decisions are communicated back to stakeholders.
- In the plan, special emphasis should be given to low income communities and communities of color.
- The communications plan should be delivered to the OTC and the Governor by December 1, 2017.

Desired outcome: Increased transparency surrounding the prioritization of projects and stakeholder influence in agency decision making.

6. Following approval of agency success metrics, ODOT should work with the Legislature to align key performance measures (KPMs) with agency, division, department and individual goals.

- Current KPMs should be reconciled to align with the agency goals and management plan developed in recommendation 2.
- ODOT should work with the OTC in the development and tracking of KPMs. The order and manner of OTC involvement may vary depending on the outcome of recommendation 1, however their involvement in the development and monitoring of KPMs is recommended.
- ODOT should work with the Legislative Fiscal Office to propose reconciling KPMs with agency success metrics during the summer of 2018.

Desired outcome: A set of key performance measures that help ODOT management better monitor their progress towards agency goals, and work to tie the individual efforts of staff to broader agency goals.

7. ODOT and the OTC should ask the Secretary of State to perform an audit of ODOT state fund management relative to highway projects.

- The Secretary of State completed a financial audit of federal highway funds on March 13 which indicated no material weaknesses in internal controls. Further review should be conducted on ODOT’s state fund management.
- DAS recommends the audit be completed during the 2017-19 biennium.

Desired outcome: A clear understanding of ODOT state fund management within the highway program.

8. In Spring 2020, the Governor’s office, ODOT and the OTC should review progress within the agency and determine whether a follow up formal review needs to be conducted to identify agency progress towards desired outcomes.

Schedule of recommended deliverables (chronological)

Due date	Deliverable
11/1/2017	Recommendations for ODOT/OTC governance structure
12/1/2017	Communications plan for decision making
1/1/2018	Agency strategic business plan
3/31/2018	Procurement and vendor management review and recommendations
4/1/2018	Agency success metrics
7/1/2018	Efficiency review of Fleet and Facilities programs
9/1/2018	Five year strategic plan tying success metrics to individual work
Summer 2018	Work with LFO to develop proposed KPMs
2017-19 Biennium	Audit of state highway funds
Spring 2020	Assessment of progress