

OTIA I, II & III (Modernization) Steering Group Operational Notice

<small>NUMBER</small> OTIA ON-3	<small>SUPERSEDES</small> December 2003 ON Update	<small>EFFECTIVE DATE</small> July 2005	<small>CANCELLATION DATE</small> Upon Completion of the OTIA I/II and OTIA III Modernization Programs
<small>SUBJECT</small> OTIA I, II & III (Modernization) Project Change Process and Performance Management		<small>ISSUING BODY</small> OTIA Steering Group	
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From this point forward, "OTIA" will refer to the OTIA I and II programs and the OTIA III Modernization program. OTIA is defined as the Oregon Transportation Investment Act.

1.1 PURPOSE:

The purpose of this Operational Notice is to describe how the OTIA Steering (OSG) will work with the Regions to successfully deliver OTIA projects. In addition, it describes the process Regions must follow to obtain OSG and or OTIA administrative approval of a project change. The OTIA III State Bridge Delivery Program is not addressed by this Operational Notice.

Historically, Regions were delegated the authority to manage project changes within their programs. Because of strict requirements associated with the OTIA legislation, and bonding revenue in general, the OSG has realized the need for a different process on OTIA projects. Successful delivery of the \$500 million OTIA I/II Program and \$500 million OTIA III Modernization Program require a shared partnership between the OSG, the Regions, and OTIA Staff to ensure that all of the requirements of the OTIA Programs are met. This will involve proactive monitoring of project schedules, budgets, scopes, and conditions against those originally approved by the Oregon Transportation Commission (OTC). Early communication regarding any obstacles will be critical.

1.2 SINGLE OTIA POINT OF CONTACT FOR OSG and REGIONS

The Region Manager will be the OSG's central point of contact regarding OTIA Project issues that require OSG attention. A Region Manager may designate a Region Area Manager to assume this responsibility for his or her region if desired. Often a judgment will need to be made concerning overall Region priorities for requests submitted to the OSG. In addition, project issues that warrant OSG attention should have already been addressed by the Region Manager or his or her designee to ensure that every effort has been made to avoid bringing a project change request to the OSG, to ensure that project funds will be spent in the year

planned, that project scope and conditions will be met, and that the project will be delivered within budget.

The single point of contact for Region Managers on the OSG is the Statewide Project Delivery manager. The OTIA Administrative Manager is responsible for working with regions on all program and project related issues.

The OTIA Administrative Manager, Area Managers, Project Leaders, Project Managers, Consultant Project Managers and Local Agency Liaisons will also be in regular contact with each other regarding individual project status as needed.

1.3 EARLY IDENTIFICATION OF PROJECT ISSUES

Any Region Manager who foresees an issue that could create an obstacle to successful delivery of an OTIA project, or that will necessitate OSG approval of a project change should discuss the situation as early as possible with the OTIA Administrative Manager or the Statewide Project Delivery Manager. Together the Region Manager and the OTIA Administrative Manager will assess whether further proactive steps can be taken or whether to bring a project change request before the OSG. If a project change requires the attention of the OSG the Region Manager and others they choose will be asked to meet with the OSG at a regularly scheduled monthly meeting to present the item.

1.3.1. Green/Yellow/Red Project Status.

A monthly OTIA Green/Yellow/Red Report” (GYR Report) is issued by the Office of Project Delivery to help all OTIA delivery stakeholders monitor OTIA project status. The GYR Report highlights whether OTIA projects are being delivered consistent with approved schedules, scopes and budgets. A “green” OTIA project is considered on track. A “yellow” project is at risk of slipping. A “red” project is not on track with its approved plan. Specific definitions for green, yellow, and red are provided in the table below.

Schedule	Budget	Scope
Locked MILESTONE on Schedule	PE, ROW, or CONSTRUCTION Within Budget	No changes in MILESTONE limits or work type.
PROJECT on Schedule	PROJECT Within Budget	No changes in PROJECT limits or work type.
MILESTONE slips 1-90 days from locked planned start or end date.	PE, ROW, or CONSTRUCTION up to 10% over budget.	Scope change causes slip from locked MILESTONE schedule 1-90 days AND/OR puts PE, ROW, or CONSTRUCTION up to 10% over budget.
PROJECT slips 1-90 days from locked planned start or end	PROJECT up to 10% over budget.	Scope change causes slip from locked PROJECT schedule 1-90 days AND/OR puts PROJECT up to 10% over budget.

date.		
MILESTONE slips 91 or MORE days from locked planned start or end date.	PE, ROW, or CONSTRUCTION more than 10% over budget.	Scope change slips from locked MILESTONE schedule 91 or more days AND/OR puts PE, ROW, or CONSTRUCTION more than 10% over budget.

Any OSG or OTC approved change to a project will correspondingly adjust the baseline scope, schedule, or budget of a project accordingly; however adherence to the original scope, schedule and budget will be monitored for overall program. Final results will be published in a performance close out report.

The “let date” milestone defined in AMS for an OTIA project must be within 90 days of that specified in the master March, 2002 OTC OTIA Project List, or as amended by change request or subsequent OTC approval of additional OTIA projects. The scope and budget plan for all projects must also match this (or the amended) list. For OTIA I and II, all specific AMS project milestones were “baselined” February, 2003. (Note: the standard business line practice of locking only twelve months out will not be followed for OTIA I/II).

For the OTIA III Modernization projects of Statewide Significance, the schedules will be “baselined” at the time of OSG approval of this Operational Notice. For all remaining OTIA III Modernization projects, schedules will be baselined once OTC approval of the 2006-2009 Statewide Transportation Improvement Program (STIP) has been approved, and AMS schedules have been established.

While all project milestones are of importance, there are several primary milestones that will be monitored to ensure projects are ‘on track’ and being delivered according to plan.

The “project start” milestone is the start of development as indicated in the AMS schedule.

For OTIA I and II projects, the “project completion” milestone is to be calculated as follows:

- 1) identify the baselined let date of the project
- 2) add 90 days (to allow for the gap between let date and construction start). Add the number of the years specified for project completion in the March, 2002 OTC OTIA I/II Project List.

For OTIA III projects, the “project completion” milestone will be based on that identified in the executed Intergovernmental Agreement (IGA) (if applicable.) For all remaining projects, the OTIA Administrative Manager will monitor total OTIA expenditures against the OTIA allocation to ensure projects are fully completed in a timely manner.

The “construction completion” milestone is the date in which the majority of construction activities are complete, as indicated by Second Notice for state contracted projects or by notification of completion by local entity for locally delivered projects.

The Office of Project Delivery is responsible for issuing the GYR Report. Area Managers are responsible for the accuracy of the data in the report. Specific responsibilities to ensure accuracy of the data will be assigned by the Area Manager. Generally assignments will follow this pattern:

<i>Department Data System</i>	<i>In-Sourced Projects</i>	<i>Local Agency Delivered Projects</i>	<i>Outsourced Projects</i>
<i>PCS</i>	<i>STIP Coordinator, HFO and OPD</i>	<i>STIP Coordinator, HFO and OPD</i>	<i>STIP Coordinator, HFO and OPD</i>
<i>PDWP & AMS</i>	<i>Project Leader</i>	<i>Region Federal Aid Specialist</i>	<i>Consultant Project Manager</i>
<i>CPS</i>	<i>Project Manager</i>	<i>Region Federal Aid Specialist</i>	<i>Consultant Project Manager</i>

The accuracy of TEAMS data is critical to the usefulness of the overall data. Responsibility for the accuracy of this data is covered in various unit organizational structures. All data in the GYR Report will reflect actual data in the systems and/or that available for download up to the date of GYR development.

Regions Managers should use the GYR Report to continuously identify projects that require attention or to monitor those that have had previous issues identified. The report should be used to accurately portray the status of OTIA projects so that proper attention can be given to addressing delivery issues.

The monthly GYR Report can be found at the Office of Project Delivery intranet Website. http://intranet.odot.state.or.us/opd/OTIA I/IIGYR_Report.htm

1.3.2. “Project Alert List”:

The OTIA Administrative Manager will develop and update an “OTIA Project Alert List” for review by the OSG and Region and Executive Management on a monthly basis. The OTIA Administrative Manager will work with Area Managers and other Region disciplines to monitor project delivery against scope, schedule, budget, OTC stipulated conditions, local government commitments, delivery method, and other delivery requirements. The purpose of the “Project Alert” list is to identify the OTIA projects that are experiencing a significant or potentially significant obstacle to completion. The Project Alert List will include all yellow and red projects as well as other projects that may be of concern.

1.3.3. OTIA Project Monitoring Process:

The monthly process for tracking, monitoring, and updating the status of OTIA projects is described below:

When?	Who?	What?
Throughout the month and by the last day of each month.	Area Manager, Project Delivery Staff	<u>Update or facilitate updating of department data systems:</u> PDWP (Project Delivery Work Planning) Automated Prospectus Database AMS (Advanced Management Systems) Real-time Project Scheduling TEAMS (Financial Information System) CPS (Contractor Payment System) PCS (Project Control System)
By the first Friday of each month	OTIA Administrative Manager	Send Monthly GYR Report to all project delivery staff (OSG, Region Managers, Area Managers, Technical Services Managers, Technical Center Managers, Consultant Project Managers, Local Agency Liaisons, Project Leaders, Project Managers, Federal Aid Specialists, STIP Coordinators, Alternative Delivery Unit, Highway Finance Office, Office of Civil Rights, and Office of Project Delivery.)
By the second Friday of each Month	Area Manager or Designee	Problem solve, strategize and take action to regain green status (if yellow or red) and resolve other project issues. Region Project Delivery staff are encouraged to escalate yellow and red issues to achieve a return to green status. If required, submit a change order via the internet site as outlined in Section 1.4 of this Operational Notice.
By the third Friday of each Month	OTIA Administrative Manager	Distribute Project Alert List in conjunction with OTIA Monthly Management Report to OSG and Region and Executive Management. If applicable, develop change request memo and submit to OSG for consideration.
By the fourth Friday of each month	OSG or OTIA Core Team	Review OTIA Project Alert List to respond to change requests and to review project issues. Problem-solve project issues as needed. Address Program topics as needed.

1.3.4 Project Intervention by the OSG:

A number of circumstances might suggest that an OTIA project be cancelled: cost escalations, withdrawal of community support, etc. If it appears that a project should be considered for cancellation, the project will be reviewed by the OSG in conjunction with the Region Manager. This process can be initiated by submitting a change request as outlined in Section 1.4 of this notice. Area Managers will ensure that Local Government Agency Project Managers are involved in this process as appropriate. In addition, any project that is "red" for more than one quarter will be evaluated by the OTIA Administrative Manager and the Statewide Project Delivery Manager regarding its viability as an OTIA I/II project. If an OTIA project is in jeopardy, the OSG will meet with all parties as appropriate to determine formal action that may be needed. If payment has been made with OTIA I/II funds but the project cannot be completed,

the OSG will address financial responsibilities with all parties for costs incurred to date with the possibility of requesting reimbursement for actual expenditures.

1.4 PROJECT CHANGE REQUESTS:

1.4.1 Submitting a Change Request:

If a change to the project name, scope, schedule, budget, delivery method, or other aspect of an OTIA project is needed, a project change request form should be submitted by the Region. This form is accessible at the ODOT intranet at <http://intranet/cf/pdwp>. All change requests require the approval of the appropriate Region Manager prior to submission. Once submitted, an e-mail is automatically generated sending the change request form to the OTIA Administrative Manager. Due to the size limitations of the web-form, all requests should be summarized to include the requested actions and a brief description as to why the change is needed. Additional information explaining the request can be sent to the OTIA Administrative Manager. If the change is significant and requires OSG action, the OTIA Administrative Manager will coordinate development of a formal change request memo with the requesting region as outlined in 1.4.3.2 below. A sample OSG Change Request memo can be found at the OPD intranet at: <http://intranet.odot.state.or.us/opd/OTIA.htm>

1.4.2 Approval Process for all other Project Change Requests:

The OTIA Administrative Manager, in coordination with the Statewide Project Delivery Manager, will determine whether a project change request is administrative in nature or if it requires OSG and/or OTC approval. Name changes that do not adjust the approved scope, schedule changes that do not significantly change the construction season or the year the project will be completed, or transfer of funds within the overall project budget can be approved by the Statewide Project Delivery Manager. Approval by the OSG is required for all other project changes including any scope change, significant schedule delays, or requests for additional funds beyond that identified in Operational Notice #2 on Fund Management or in this Operational Notice #3. Any such change request will be scheduled for review at a meeting of the OSG or the OTIA Core Team.

1.4.2.1 Research.

The OTIA Administrative Manager will research the change request based on information submitted by the Region Manager or his or her designee. The following background information on the project will be reviewed and if necessary, supplied to the OSG as part of the formal change request:

- Original OTIA Project Identification and Summary Sheet
- Original OTIA Data Collection Sheet, if available and/or applicable
- Original OTIA Project Proposal

- The Project IGA, if applicable
- Any prior information considered by the OSG concerning the project
- Any prior information considered by the OTC concerning the project.

Copies of original project documentation can be obtained from the OTIA Administrative Manager in the Office of Project Delivery.

1.4.2.2 Additional Region Information:

The Region Manager or his or her designee will submit all pertinent documentation regarding the change request in email or hard mail format to the OTIA Administrative Manager by the established deadline. This deadline is set by the OTIA Administrative Manager each month with notification to the Regions at the time of GYR distribution. Any formal change request must include the following information:

- Project Key Number and Name
- Project Limits / Scope
- Type of Change Request: Scope, Schedule, Budget, Other
- Summary of Change Request
- Why is the change needed?
- If additional funds are requested, what is the region's priority for additional funds from the OTIA Funds Balance?
- What alternatives exist if the request is not approved?
- What will be the consequence if the request is not approved?
- If the change involves a scope change, a detailed map should be provided that clearly identifies the scope change.

1.4.2.3 OSG Criteria For Approval:

OTIA Operational Notice #2 identifies the criteria the OSG will use to respond to requests for additional funds. The OSG will use the original or amended OTIA documents approved by the OTC to guide requests for a change in project scope. The OSG will consider the impact of a schedule change on ODOT's capacity to deliver the OTIA programs within the limitations of the bonding requirements. While each project does not have a bonding specific delivery date requirement, maintaining adherence to approved schedules on all projects promotes efficient and timely delivery of the OTIA I, II and III programs.

1.4.3 Notice of decision on change request.

The OTIA Administrative Manager will notify Region staff as soon as possible of the decision on a change request. This notice will be in writing in the form of an email, an approval notice from the Change Request Web Form, or as part of formal OSG meeting minutes. Written notice will also be sent to the local agency liaisons when a local agency is responsible for project delivery and they will forward the necessary

documentation to the affected city or county. The Office of Project Delivery will update the corporate databases to reflect any approved change.

In the case of project change requests requiring OTC approval in addition to OSG approval, the requesting Region will be required to develop and submit all OTC agenda item materials according to established OTC protocols. The OTIA Administrative Manager and/or Statewide Project Delivery Manager should be copied on all OTIA I, II or OTIA III Modernization related OTC requests.