Attachment 1

ODOT Quarterly Program Report

October 1, 2017 – December 31, 2017

Oregon Transportation Commission

January 2018
Audits

Summary
ODOT’s internal audit function is established in state law (ORS 184.639). It furthers ODOT accountability by conducting independent audits and reviews that provide information and make recommendations to improve department operations. The OTC accepts audit reports and also approves the audit plan.

Status
The work of Internal Audits is overseen by an Audit Committee, which is chaired by the Director and includes a member of the OTC (currently Paula Brown). In the fourth quarter, the Audit Committee met and discussed recently completed audits, audits currently underway, and management’s progress in implementing audit recommendations.

Products issued this quarter include:

- Management Letter #17-04 – Transit Grant Monitoring Follow-up
  This follow-up audit of Transit’s grant monitoring program found that corrective action had been taken on most matters from the initial audit. This item was on the December 2017 OTC agenda.

- Management Letter #17-05 – SPOTS Program FY16
  The audit reviewed SPOTS transactions from fiscal year 2016 and found that travel-related purchases generally complied with policy. The use of mandatory price agreements is an area for improvement. This item was on the December 2017 OTC agenda.

- Management Letter #17-06 – Railroad Gross Revenue Fee Follow-up
  The follow-up found that Rail took steps to correct the recurring but immaterial misallocations to the Gross Revenue Fee that were identified in the initial work. This item will be on the January 2018 OTC agenda.

The Committee received an update from the Secretary of State Audit’s Division Deputy Director about the planned performance audit related to HB 2017 implementation. Management shared progress made addressing recommendations from the audit ‘IT Projects – Better Demonstrating Value’, and auditors presented the draft 2018-19 internal audit plan for review and input. The Committee also reviewed status reports on management actions that address audit recommendations for the DBE Program and Motor Carrier Contract Administration.

Audits currently in process involve:

- Personal Services Procurements
- Follow-up on A/E Contract Administration
- DMV STP Invoice Review
- Follow-up on Information Asset Physical Security
- Follow-up on Transit Single Audit Process
Audit reports are currently issued to the Audit Committee when the work is complete and submitted to the Commission for formal acceptance. In 2018, it is anticipated that the Audit Committee will transition into a subcommittee of the Continuous Improvement Advisory Committee set forth in House Bill 2017.

Oregon Freight Plan Update

Summary
The Oregon Freight Plan (OFP) had to be amended by November 2017 to maintain compliance with FAST Act freight transportation planning requirements and eligibility for federal formula and discretionary grant funding. The amendment process included a tiered statewide inventory of freight transportation facilities with mobility needs, such as highway bottlenecks and intermodal connectors; additional urban and rural facilities designated as critical freight corridors; a five-year investment plan listing priority projects; and performance measures.

Status
A consultant assisted ODOT staff in leading and preparing the Oregon Freight Plan (OFP) amendment to ensure compliance with FAST Act requirements. The OFP was adopted by the OTC at their November 17th meeting. The adopted OFP has been reviewed and approved by the Oregon Division Administrator for the Federal Highway Administration (FHWA). The FHWA approval letter was received on November 30, 2017. With that action, Oregon is now compliant with federal freight planning regulations and can continue to obligate federal freight funds towards improving the freight system in Oregon. The ODOT Freight Unit staff are now working with the Oregon Freight Advisory Committee (OFAC) to develop an implementation plan for the new amended OFP.

Oregon Public Transportation Plan

Summary
The Oregon Public Transportation Plan (OPTP) is a statewide policy plan that will help guide state and local decision making for public transportation in Oregon.

Status
In fourth quarter, staff completed several interim products and began drafting and revising plan chapters. Revisions to the OPTP policies and strategies were completed following outreach and discussion with the Policy Advisory Committee, and these were incorporated with introductory text in a draft plan chapter. The OPTP performance measures and investment scenarios memos were completed and the project team began using these and recent committee meetings and outreach results to draft further parts of the plan.
This winter, staff will finish developing the draft OPTP for PAC review in early 2018. The last phase of public outreach will be the formal public comment period on the full draft plan, anticipated for spring or summer 2018. OTC adoption of the OPTP is anticipated in fall 2018.

Plan Implementation

Summary
Work is underway to implement recently adopted state transportation plans, including the Bicycle and Pedestrian Plan, Transportation Options Plan, and Transportation Safety Action Plan.

Status
Oregon Bicycle and Pedestrian Plan (OBPP): Implementation efforts focused on Active Transportation Needs Inventories (ATNIs) and design guidelines. Phase I of ATNIs were completed in ODOT Region 4 and Region 5, including an updated and accurate inventory of the system. Staff is using this work to start to prioritize needs and projects. Work on design guidelines continues, stakeholder outreach and a review of existing guidance is complete. Consultants are now conducting research focusing in on bicycling and walking design needs, issues, and opportunities, among other topics. Work on performance measures and data has been delayed in order to implement Safe Routes to School Funding resulting from HB 2017 (2017). This funding helps align with the OBPP, which identified gaps and safety issues around schools as critical and top priority investments.

Transportation Options Plan: Innovation Grants that fund on-the-ground, local activities that implement one or more plan policies were executed during fourth quarter. An example is connecting children to buses in central Oregon, and a night-worker and language program in the Portland area. Efforts were launched to evaluate ride-matching programs and a workgroup of stakeholders is formed to guide that process. Work on performance measures was also done, extending a pilot project to all Transportation Option providers in order to be able to report on the outcomes of investments.

Road Usage Charging/OReGO

Summary
In response to concerns that increasing vehicle fuel efficiency will reduce gas tax revenue, the Legislature has directed ODOT to explore per-mile road usage charging as a means to preserve the highway fund. The 2013 Legislature created the OReGO program via SB 810, allowing up to 5,000 vehicles to voluntarily test a per-mile road usage charge.
**Status**

**OReGO**

As of December 31, 2017, 699 vehicles were actively enrolled in OReGO, and 1,442 vehicles have participated in the program to date. Currently, Azuga has 497 active vehicles enrolled, while emovis commercial account manager (CAM) has 29, and emovis ODOT account manager has 173.

Although we have seen a decline in volunteers, OReGO hopes that with the grants received from the Federal Highway Administration’s Surface Transportation System Funding Alternatives (STSFA) program, we will begin to experience increased numbers of volunteers. Development and testing of new technologies is set to begin during the first and second quarters of 2018. Some of these technologies will include image capture, smartphone apps, and onboard telematics, which will provide more options to volunteers and potential volunteers. OReGO will also begin a public awareness campaign to educate Oregonians on transportation funding and road usage charging focusing on the public’s perception. This will address concerns and quash possible misconceptions about road usage charging (RUC) that will have been identified during focus groups and other research.

HB 2017 will raise the road usage charge from 1.5 cents per mile to 1.7 cents per mile beginning January 1, 2018 to keep the road usage charge to fuels tax credit ratio intact when the fuels tax rate increased from 30 to 34 cents per gallon. OReGO provided volunteers with an informational email regarding the RUC rate change.

**Agency Partnering**

HB 2017 allows electric vehicles subject to a tiered registration fee to opt out of the higher registration fee by joining the OReGO program. In October, OReGO and DMV successfully implemented an interface from OReGO’s Road Usage Charge Administrative System (RUCAS) to DMV’s system to provide electric vehicle (EV) enrollment information in preparation for HB 2017 Tiered Registration EV opt-out for OReGO enrollees.

OReGO and ODOT’s Transportation Development Division are in the developmental stages of a pilot program to study travel pattern data in a manner that will ensure confidentiality to volunteer participants. OReGO is also partnering with DEQ and Azuga to provide remote emission services to volunteers within the emission testing boundaries. OReGO has also signed a Memorandum of Understanding with Washington State Transportation Commission to conduct an interoperability pilot in 2018.

**Connect Oregon**

**Summary**

Connect Oregon (CO) funds marine, aviation, rail, and bicycle/pedestrian projects. The Oregon State Legislature has provided $457 million in lottery backed bonds for six rounds of the program, including $30 million of lottery funds for CO VII. The CO program underwent some changes with the passage of HB 2017.
This included removing transit as one of the eligible modes. The Legislature also identified four projects as receiving CO prior to beginning another competitive process.

**Status**
As of December 14, 2017 the status of the Connect Oregon I-VI projects is as follows:

<table>
<thead>
<tr>
<th>Connect Oregon I-VI Project Status Report as of 12/14/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO Program</td>
</tr>
<tr>
<td>CO I</td>
</tr>
<tr>
<td>CO II</td>
</tr>
<tr>
<td>CO III</td>
</tr>
<tr>
<td>CORA*</td>
</tr>
<tr>
<td>CO IV</td>
</tr>
<tr>
<td>CO V</td>
</tr>
<tr>
<td>CO VI</td>
</tr>
<tr>
<td>Emergency Projects</td>
</tr>
<tr>
<td>TOTALS</td>
</tr>
</tbody>
</table>

*Connect Oregon Rural Airports received dedicated funding out of CO III in 2009.

HB 2017 directs the Oregon Transportation Commission to distribute Connect Oregon funds to four specific projects with funding timeline expectations listed for each project:

- Mid-Willamette Valley Intermodal Facility, 2020 ($25 million).
- Treasure Valley Intermodal Facility, 2019 ($26 million).
- Rail expansion in East Beach Industrial Park at the Port of Morrow, 2019 ($6.55 million).
- Brooks rail siding extension, 2019 ($2.6 million).

Because all non-bicycle/pedestrian funds must go to the projects listed above, there will not be funding available in the 2017-2019 biennium for a competitive CO program.

At the September OTC meeting, the Commission approved the temporary rules which outlined the planning requirements and timeline needed for the four identified projects. ODOT Freight Unit Staff are currently proceeding with the process to formally move the temporary CO rules into permanent rules. ODOT staff will bring the proposed permanent rules to the OTC for adoption at their March 2018 meeting.

In addition, based upon the temporary rules, six potential project sponsors for the two intermodal facilities named in HB 2017 have submitted pre-proposals to ODOT by the December 15th, 2017 deadline. ODOT and Oregon Business Development Division staff will review these pre-proposals to determine which proposals
have adequate structure and ability to deliver on these projects and update the OTC at their January 2018 meeting. ODOT will enter into agreements with project sponsors deemed to be “adequate” for development of a “project plan.” These project plans will outline the business case for the particular proposal in an effort to help the OTC decide which proposal, if any, should receive funding to build the intermodal facility.

DMV Service Transformation Program

Summary
The Service Transformation Program (STP) is a multi-year program to improve DMV business processes, enhance service capabilities, replace computer systems, and enable DMV to become more flexible and timely in meeting customer expectations and legislative mandates. The program of manageable projects will take approximately 10 years and $90 million to implement.

Status
Information Systems Solutions Vendor
DMV subject matter experts and employees of FAST, the information systems solutions vendor, were teamed up to form functional teams. Functional teams will work to configure and test the new system, as well as train employees on how to use the product prior to rollout. During this quarter, functional teams continued their work to review the requirements that were created by the Business Processes, Needs and Rules Project to ensure that DMV and FAST have a common understanding. DMV and FAST agreed to the server configuration necessary to support the new production environment and servers have been ordered by Enterprise Technology Services (ETS). The configuration ensures the most secure data environment possible. In October, four DMV IS developers traveled to the FAST headquarters in Denver, Colorado to attend a week-long technical training class.

Taking advantage of a three-day weekend, the Vehicles component of the Oregon License Issuance and Vehicle Registration (OLIVR) system is slated to go live on January 22, 2019.

Additional STP Elements
The STP team addressed and closed all 25 of the initial program level risks identified by the program’s quality assurance (QA) vendor, CSG Government Solutions (CSG). The QA review of STP will be ongoing, and three new risks were identified during the last quarter of the year. CSG will continue to provide monthly review and quarterly risk review reports to the program. DMV will address each new risk accordingly.

The organizational change leadership (OCL) team conducted culture change interviews with DMV front-line managers, focusing on the upcoming vehicles rollout. These interviews provide a feel for what employees are thinking and seeing as we start the vehicles rollout at the unit level. The findings from these interviews will be used by the OCL and COTS Project teams to identify areas that might require additional resources, training and support before and after go live. The team also held two meetings of the DMV Change Agent group to help the group of more than 90 employees learn skills on how to help their coworkers navigate change and hear updates they can share with others about the program.
STP presented updates to key external/internal stakeholders and governance groups including (but not limited to) STP Legislative Oversight Task Force, Criminal Justice Information Systems Conference attendees, ODOT Highway Regional Managers, STP Executive Steering Committee, DMV Change Agent group and the DMV Management Team.

Work in the Next Quarter
Configuration of the system will continue as the primary focus of program efforts through 2018. In the first quarter of 2018, the COTS Project will focus their efforts on configuration and system testing. The OCL team will conduct another round of culture change interviews and continue to engage the change agent group and provide skill building and training.

Passenger Rail Service

Summary
ODOT co-funds the Amtrak Cascades intercity passenger rail service with the Washington State Department of Transportation (WSDOT). This service provides two roundtrips between Portland and Eugene daily with stops in Albany, Salem and Oregon City.

Status
Ridership and On-Time Performance Metrics
Ridership for the calendar year through November 2017 is up 0.4% over the same timeframe from last year. Ridership in 2017 has been higher than in 2015. However ridership has not shown a consistent increase as compared to 2016. Union Pacific Railroad requested extended maintenance windows in October and November which resulted in the cancelation of 16 trains (annulments) in October and 23 trains in November. Ridership over the Thanksgiving holiday helped minimize the ridership loss in November as a result of the annulments. ODOT trains operated on the holiday schedule from the Wednesday before Thanksgiving through Sunday. Oregon trains carried 399 more passengers for the week of Thanksgiving in 2017 than in 2016 (Monday – Sunday).

On-time performance (OTP) for September through November 2017 averaged 72%. Only the afternoon southbound train out of Washington saw on-time performance below 80%. Host Railroad delays associated with maintenance and freight train interference negatively affected trains in November. The afternoon southbound train from Washington has had better on-time performance but an unusual amount of equipment and no fault delays still caused a negative impact to the on-time performance of that train. These delays caused late arrivals and delayed departures to and from Portland.

Schedule Change
A new schedule went into effect on December 18th. ODOT and WSDOT worked together to publicize the schedule change. ODOT held passenger outreach meetings at all the stations in Oregon and worked with the POINT bus provider and local transit providers to ensure connections and passenger needs were met.
Derailment
The derailment in Washington did not disrupt service in Oregon. Due to the loss of the Mt. Adams trainset, Amtrak equipment operated in Oregon through January 2, 2018, to allow the states to meet passengers’ holiday travel needs. During this time the states will be working with Amtrak to work on long term solutions.

ODOT is in the process of having positive train control (PTC) installed on its two trainsets to meet the December 2018 deadline to ensure this safety technology is operable on the Cascades service.

STIP Development

Summary
The Statewide Transportation Improvement Program (STIP) is a four year capital program that is updated on a two to three year cycle. In July the Commission approved the 2018-2021 STIP which now requires FHWA and FTA approval before going into effect. The Commission also began the development of the 2021-2024 STIP.

Status
Work on the 2021-2024 STIP began in July, and concluded with the OTC approving the program levels for the various STIP programs in December. Staff will work on guidance for the Active Transportation, State Highway, and Safety leverage programs and will share that with the OTC in the spring. ODOT staff have begun project selection processes for Fix-It programs. ODOT continues to communicate with ACTs about the OTC’s approval of program funding levels and is beginning communication on project selection processes. ODOT anticipates requesting the OTC to release the ’21-‘24 Draft STIP for public review in February 2019, followed by OTC approval in June 2019.

ADA Implementation

Summary
The ADA Program continues to develop a complete, consistent, compliant, and rigorous approach to ADA for the department through updating policies and procedures, training, work with the accessibility consultant, completion of key inventory collection, planning for Settlement Agreement compliance, and regular communication.

Status
ODOT has completed the updated curb ramp inventory and the initial pedestrian signal inventory. The inventory found a total of 26,225 required curb ramps, only 883 of which are fully compliant with updated ADA standards, with 4,934 curb ramps missing. The Settlement Agreement requires all curb ramps that are not fully compliant to be remediated over 15 years. These reports were delivered to the plaintiffs’ attorney, meeting the first milestone of the Settlement Agreement. With the new inventory in hand, planning for ADA specific projects to meet the requirements of the Settlement Agreement will begin in January.
Curb Ramp Conditions by Region

<table>
<thead>
<tr>
<th>Functional Condition</th>
<th>Region 1</th>
<th>Region 2</th>
<th>Region 3</th>
<th>Region 4</th>
<th>Region 5</th>
<th>Transferred</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good</td>
<td>232</td>
<td>454</td>
<td>37</td>
<td>53</td>
<td>107</td>
<td>0</td>
<td>383</td>
</tr>
<tr>
<td>Fair</td>
<td>14</td>
<td>22</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>0</td>
<td>54</td>
</tr>
<tr>
<td>Poor</td>
<td>7,554</td>
<td>9,056</td>
<td>3,378</td>
<td>1,987</td>
<td>3,812</td>
<td>1</td>
<td>25,288</td>
</tr>
<tr>
<td>• Missing</td>
<td>1,402</td>
<td>1,535</td>
<td>781</td>
<td>995</td>
<td>721</td>
<td>0</td>
<td>4,931</td>
</tr>
<tr>
<td>Total ADA Settlement Curb Ramps</td>
<td>7,800</td>
<td>9,532</td>
<td>3,421</td>
<td>2,046</td>
<td>3,425</td>
<td>1</td>
<td>26,225</td>
</tr>
</tbody>
</table>

**Good** - Curb ramps are fully compliant.

**Fair** - Missing truncated domes, the contrasting color and texture panel.

**Poor** - Every other possible curb ramp condition, including missing, from those with one element (e.g. running slope or landing area) barely out of compliance to those that are functionally barriers to use.

**Missing** - A curb ramp is needed in a location where there currently isn’t one. Missing curb ramps are a subset of poor, and their count is included in the totals for poor.

Design for some of the Plaintiffs Priority Projects provided for under the Settlement Agreement will begin in January. Other design work will begin when related project selection processes in the STIP are complete. Curb ramp inspection training will continue in January for ODOT staff, consultants, and contractors, and training for designers will begin in February first for ODOT staff, then for consultants who design for ODOT on contracts. Three to six pilot projects that will provide insight into ways to more efficiently design and construct curb ramps will go to contract in early 2018.