



Strategic Review Close-out Report



STRATEGIC REVIEW OBJECTIVE

Last spring, Director Strickler tasked WSP with a rapid assessment of ODOT's effectiveness of certain processes and agency functions.

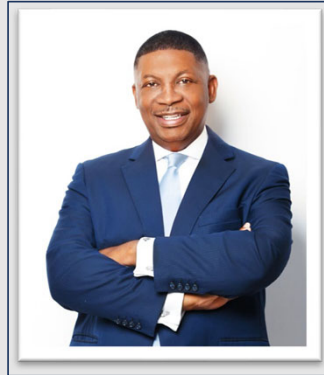
Goal: Recommend actions to assist ODOT in solidifying its position as a high-performing transportation agency with recognized credibility as a steward of the state transportation system and transportation funds.

THE STRATEGIC REVIEW TEAM



Paula Hammond

PE – Former Washington Secretary of Transportation, with 34 years of WSDOT service.



Dr. Shawn Wilson

Former Louisiana Secretary of the Louisiana Department of Transportation & Development with 28 years of experience in government.



Susan Martinovich

PE – HNTB, Former Director of Nevada DOT, with 29 years of NDOT service.



Kirk Steudle

PE – Steudle Executive Group, Former Michigan DOT Director, with 32 years of MDOT service.



Linea Laird

PE – Former Washington Assistant Secretary for Engineering and Regional Operations and Chief Engineer with 38 years of WSDOT service.



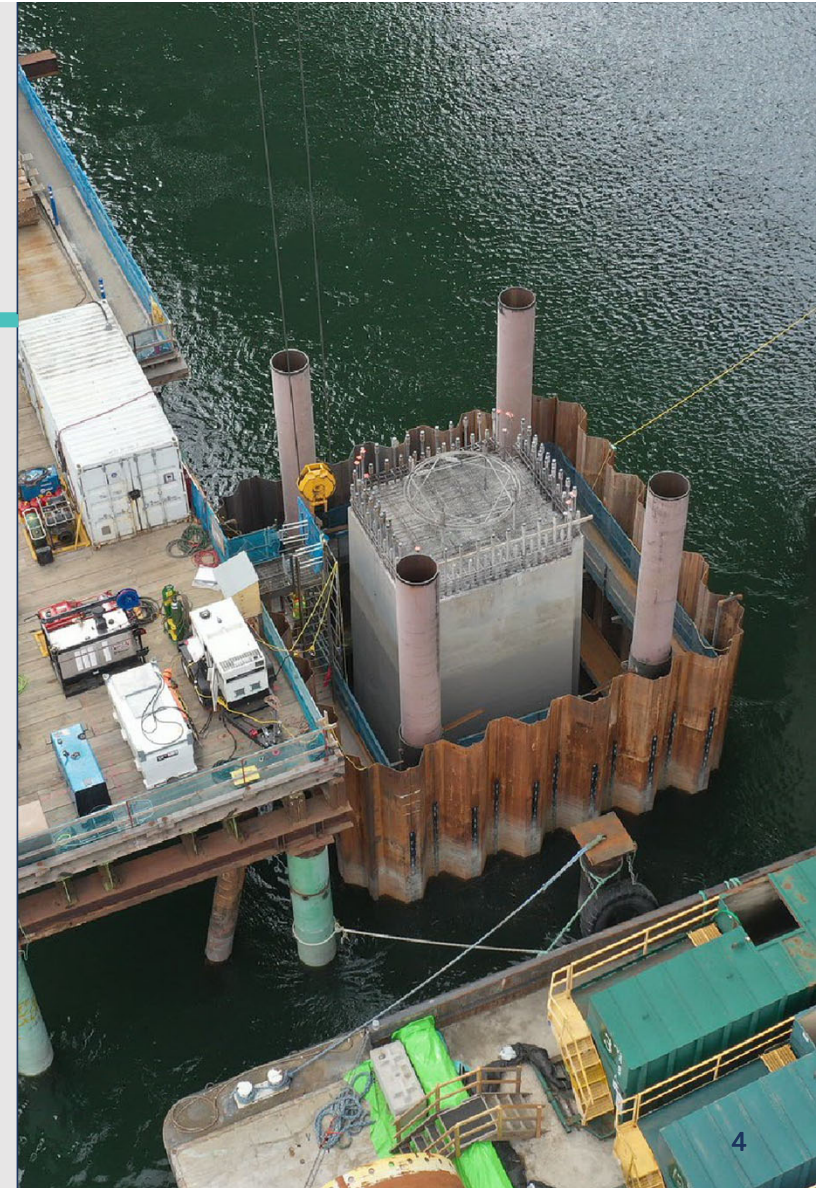
Valentina d'Empaire Medici

A senior consultant at WSP for the Organizational Transformation practice with a background in civil engineering and engineering management, supported the transportation expert panel.

STRATEGIC REVIEW OBJECTIVE

The team focused on the following processes and functions:

- Budget and revenue practices
- Division-specific review – Public Transportation Division
- Project element development, management, and accountability
- How ODOT compares to other state DOTs and identification of DOTs with best practices that align with the project team's recommended actions.



STRENGTHS – WHAT’S WORKING WELL

- The state highway system is generally in good condition.
- ODOT has **dedicated** agency staff – staff is talented, capable, dedicated, and proud of both the public services they provide to Oregon motorists and how transportation activities and events are communicated to the public.
- **Strong** relationships with executive branch partners.
- Impressive Portland Metro area stakeholder engagement.
- The department values continuous improvement.



Workstream	
1.A	Improve Budgetary and Capital Programming Processes
1.B	Develop and implement 5-10 year rolling program rather than programming in STIP
1.C	Move toward centralized program management and project controls and reporting systems
1.D	Develop and utilize tools and systems to effectively manage projects and programs from development through construction delivery
1.E	Review Structural reporting or functional placement to improve outcomes
2.A	Establish clear agendas for leadership meetings, including standing check-ins on key initiatives, tracking decisions, action item and key messaging follow-up
2.B	Implement cross functional teams for key initiatives
2.C	Consider leadership workshop to align agency directions, strategic action plan and consequent actions to measure progress
2.D	Develop roadmap for agency in conjunction with other leading state DOTs on how to transition from current state to the aspirations developed in strategic plan
2.E	Increase staff engagement in strategic decisions and plans
2.F	Develop communications plan for both internal and external messages of agency reforms underway
3.A	Reinforce responsibility and accountability at all levels
3.B	Train and develop a sustainable workforce to deliver ODOT programs.
3.C	Permanently fill key management positions.
3.D	Review Advisory Committees protocol

1.A Improve Budgetary and Capital Programming Processes

Develop and maintain a budget and capital programming practice that consistently and accurately identifies available funds to enable clear and effective programming of capital projects within available resources.

Leads: Marlene Hartinger and Travis Brouwer

- Preliminary non-audit review completed 5/31/2024.
- Full comprehensive audit to identify programmatic errors and define corrections completed 12/20/2024.
- Corrective plan, including implementation timeline for each item, completed 1/1/2025.
- Presentation to the OTC January 2025
- Audit response plan underway.



1.B Capital Investment Plan

3.3 SUMMARY AND SUGGESTED TIMELINES FOR IMPLEMENTATION

In order to provide achievable recommendations anticipating the agency's interest in addressing improvement areas as early as possible, the team proposed the following recommendations spread among immediate, short-term, and medium to long-term actions.. We encouraged Director Strickler to use an implementation champion to organize and further develop approaches and internal teams to be responsible for implementation. The team recommends addressing the agency alignment and culture as a necessary first step, with continuing the improvement of program development through delivery with modern performance oriented reporting processes and tools. Essential to long-term success is the agency's development of a sustainable and well trained workforce.

	Immediate Actions	Short-term Actions	Medium- to Long-term Actions
Agency alignment and performance management culture	- Appoint implementation champion accountable for recommended actions and progress reporting - Establish clear agendas including standing check-ins on key initiatives (NEVI, STIF) and decision-making tracking as well as providing key messages after leadership meetings - Permanently fill key management positions - o Refine approach for rotational program - Reinforce responsibilities and accountability all levels - o Create periodic program and project progress check points	- Implement cross-functional teams for key initiatives - o NEVI example - Consider key staff leadership retreat to align on agency direction, Strategic Action Plan, and consequent actions to measure progress	- Hire, train and develop a sustainable workforce to deliver ODOT programs - <u>Review structural reporting or functional placement</u> to improve outcomes - o Decentralized vs Centralized decision making - o Planning & Program Management - o Communications - Encourage Division leaders to take full advantage of comparable state DOT peer exchange opportunities, and participate in AASHTO committees to build relationships with peers, contribute nationally and stay abreast of emerging practices.
Program Planning and Delivery and Transportation Revenue projections	- Audit Federal - State funds' imbalance instance and verify the proposed solutions effectiveness.	- Develop and implement 5 - 10 year rolling programming rather than programming in STIP. Rolling programming is commonly used in comparable state agencies.	- Update tools and systems to efficiently manage projects and programs from development through construction delivery
Integration of Strategic Action Plan	- Appoint implementation champion accountable for recommended actions and progress reporting - Develop communication plan for both internal and external messages of agency reforms underway	- Implement cross-functional teams for key initiatives - o NEVI example - Move towards centralized program management and project controls and reporting systems - o Regions, UMO, IBR, STIF, and Operations - Develop roadmap for agency in conjunction with other leading state DOTs on how to transition from current state to the aspirations developed in Strategic Action Plan	- Review Advisory Committees' protocols (65 committees) - o Develop a consistent process of creating, expectation-setting, and supporting - Increase staff engagement in strategic decisions and plans

Learning From Other States

CO, MN, NV, AZ Highlights

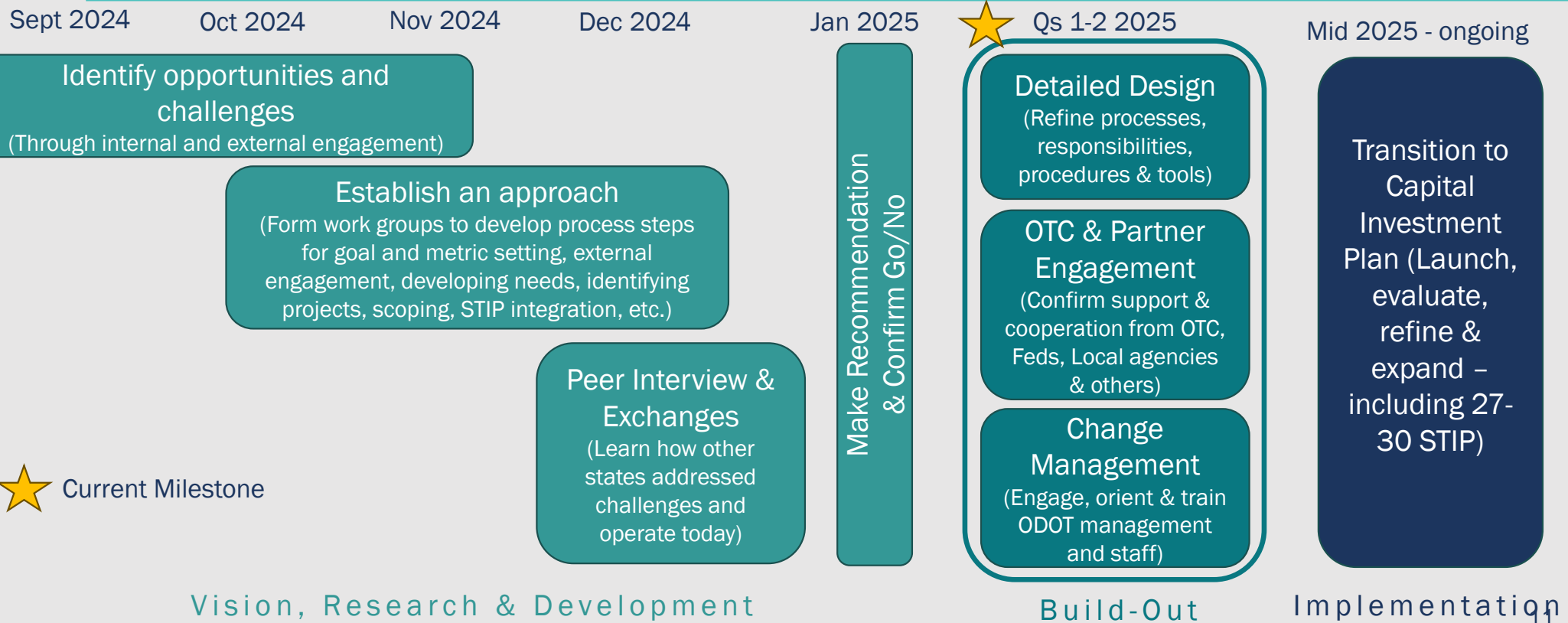
- Establish goals and metrics for all investments...use *both* quantitative and qualitative criteria to balance portfolio.
- Begin with rough cost estimates that are refined through investments in planning and design.
- Phase into annual STIP adoption and review projects in Capital Investment Plan annually, recognizing that project development time will vary.
- First iteration of Capital Investment Plan is a heavy lift and will evolve and improve over time (e.g. better data and lessons learned).
- There is a clear role for planning, regions and centralized decision making.
- Process development and change management was extensive and took time.

Figuring Out How to Make it Work for Oregon

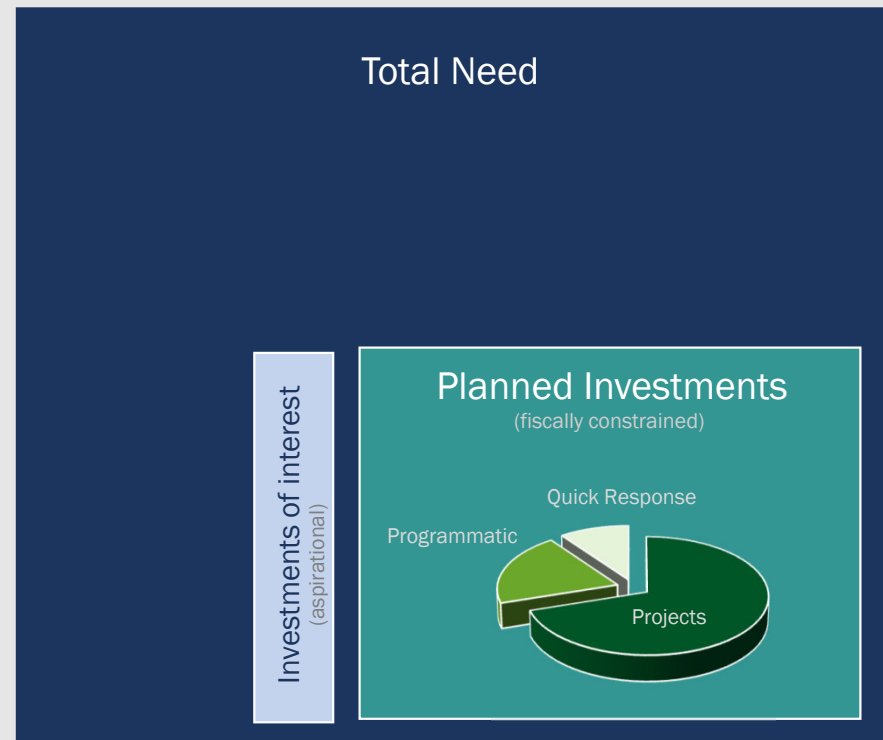
Formed Six Working Groups (WGs), 52 total participants, multiple divisions

 Goals and Metrics - Identify strategic-level goals to be addressed in the CIP - Outline how goals and metrics should be used in selecting and evaluating potential investments - Clarify gaps in current goal and metric capability and steps to address them	 STIP Integration and Financial Constraints - Define process for integrating financial criteria and allocations into the investment plan - Determine most effective cycle/cadence for the plan to meet agency, OTC and federal requirements - Assess appropriate scope of programs and projects to be included in the CIP
 Project Identification, Needs, & Scoping - Compare current STIP scope, schedule and budget process with the CIP vision - Outline steps in the new process to select and evaluate proposed investments - Identify how scoping should be adapted to improve accuracy in plans and cost estimates	 Plans and Processes - Identify which long- and medium-range plans should be in scope under the CIP - Determine how to better link plans to project concepts, selection and design - Recommend timing and approach to engage different plans in the CIP
 External Engagement - Determine high priority interested parties and partners whose support will be key to success of the CIP - Identify likely benefits and concerns of external groups, and responses to concerns - Develop an initial change management plan for external audiences - Ensure traditionally unrepresented groups are considered in transition to CIP	 Change Management - Assess objectives and challenges in building support for and adoption of the CIP by internal ODOT groups and individuals - Outline approaches and keys to success in managing the change process - Develop a preliminary change management plan involving each level of the organization and building Headquarters and Region collaboration

Our Development Process and Timeline

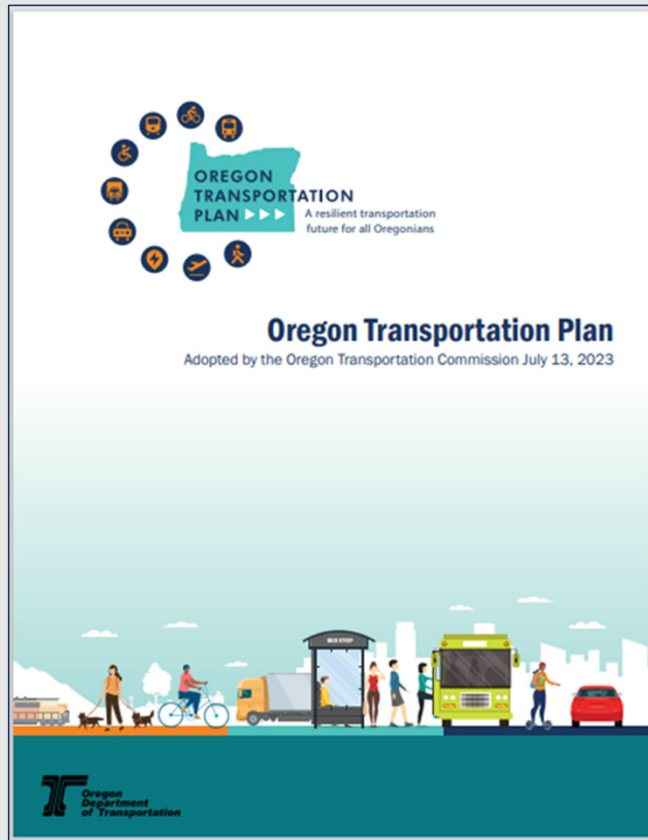


What is the Capital Investment Plan?

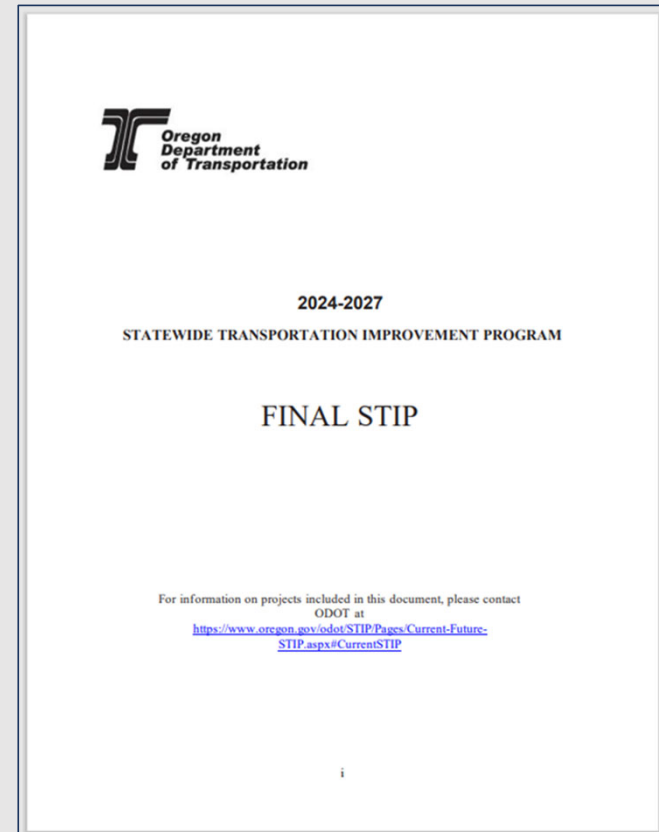


- **Projects:** Preservation, enhance, bike-ped, etc.
- **Programmatic / Lump Sum:** O&M, transit, safety, etc.
- **Quick Response:** Safety, emergency management, etc.

Benefit: Creates accountability between long range plans and short-term investments



2023-2050



2024-2027

Benefit: Helps us understand the long-term impacts of short-term decisions

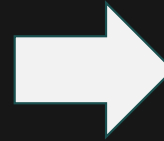


Borrow to build today

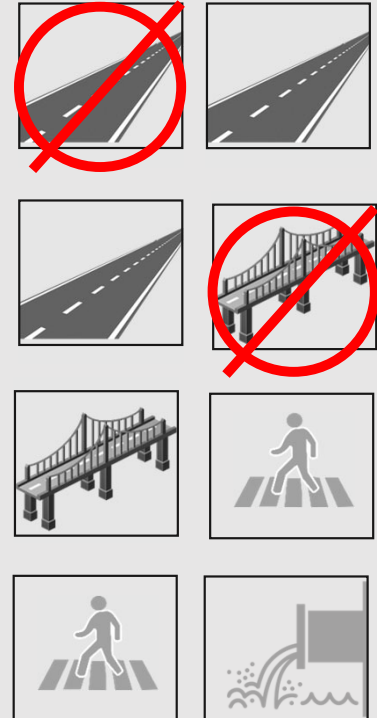


Payback over time

Capital Investment
Plan



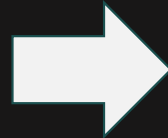
Understand
the impacts to
real
investments
over time and
make more
informed
choices



Benefit: Transitions to a more disciplined project selection process



Goals and Metrics



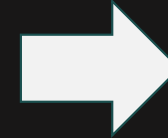
Use a data-driven process to screen investment ideas through goals and metrics.

Capital Investment Plan

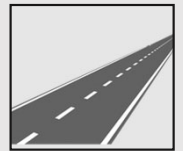
Harmonization

- Balance investments
 - Type
 - Urban and Rural
- Consider cost responsibility
- Meet obligation targets
- Combine projects
- Evaluate risk and ROI

Projects



Iterate to a final project list and investment portfolio.



Example: Arizona Planning to Programming (P2P) Project Selection Process



Project ID

Project ideas proposed from planning studies and districts (regions).

New projects or ones previously not selected.

Prioritized lists submitted.

Scores

Technical score calculated, followed by policy score, and safety score.

District (region) score rounds out scoring process.

Dev of Final P2P

Each district list compiled into one statewide list and then separated into investment categories.

List submitted for programming and planning level scoping.

Scoping

Highest scoring projects submitted to respective groups for planning level scoping.

Planning level scoping submitted to P2P Manager and STIP Manager update project scope of work and cost estimates in the Draft Five-Year Program.

Benefit: Improved Project Estimates

Capital Investment Plan

Confidence in programming based on understood risks, project readiness, and confirmation of available funding.

Move from a three-year STIP update to an annual update, incorporating more current information.

Do more project phasing, with PE then construction.

Identified projects are bucketed to timeframes based on urgency, readiness, level of understanding of risk, and available funding



Reassessed annually and more investments added to the CIP and projects to the STIP



Investment identified for meeting longer term need. Commitment for project to be further developed.

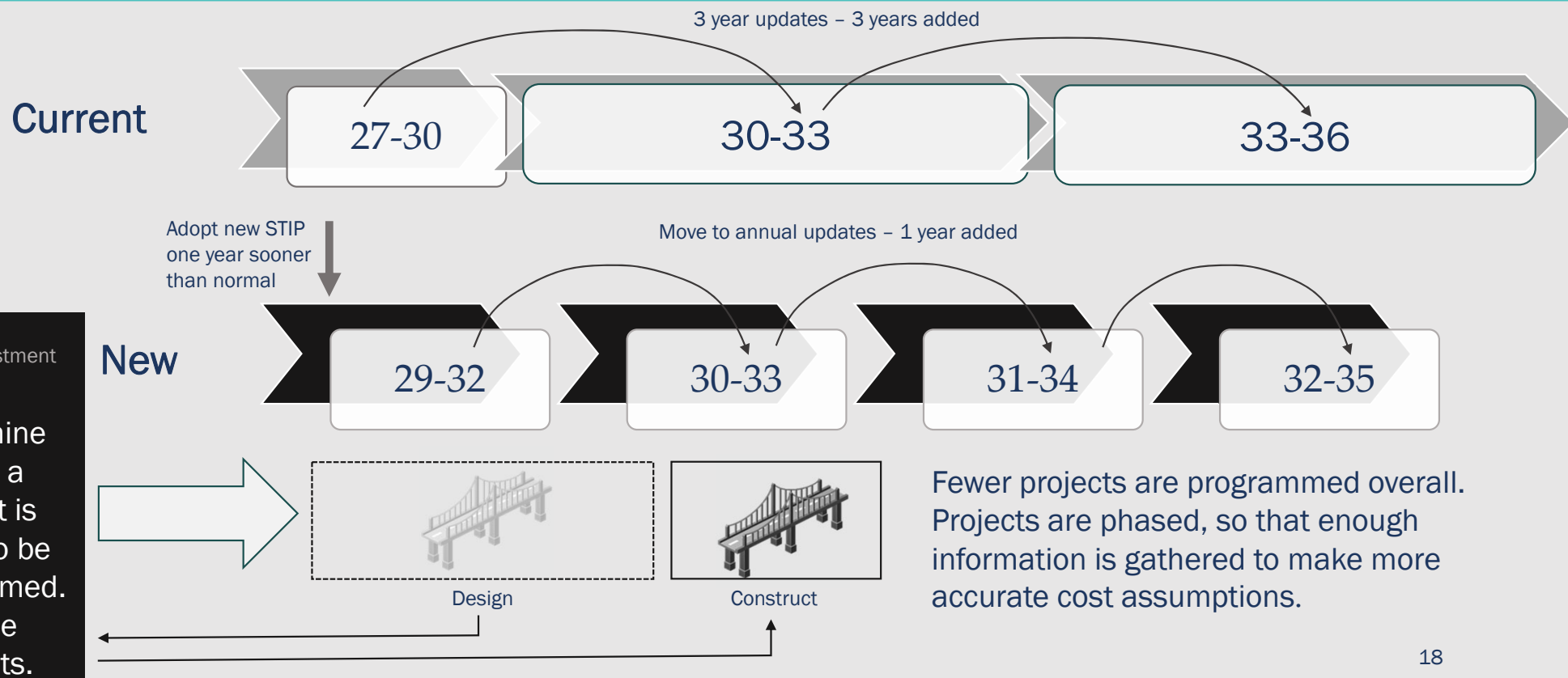


More eminent need, with clear project concept and high-level scoping work complete. Further development for programming.

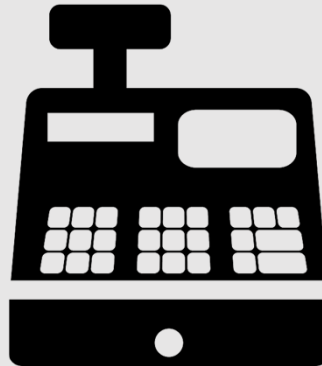


Immediate need, project is ready and anticipated risks are known, funding is available. Project programmed in the STIP.

Transitioning to an Annual STIP and Different Programming Approach



Benefit: Increased Transparency and Accountability



Capital Investment Plan

- Stakeholder informed
- OTC approved
- Public list
- Public accounting
- Longer-term assurances
- Metrics and measures
- Transparent process

Recommended Structure to Develop and Implement the CIP



Early Work and OTC Decisions

- Prioritize Goals (every 3-5 years)
 - Seek input from ACTs and public
 - OTC set priorities among the OTP goals
- Establish Metrics and Scoring
 - Look to work of other states
 - Consider: available funding, performance targets, asset data and more
- Link to 2027-2030 STIP
- Use goals and priorities to identify investment ideas
- Screen investment ideas through metrics and score
- Harmonize
 - Seek input from ACTs to understand potential issues and opportunities
- Finalize investment list and identify general timing over 10-year period
 - OTC approves Capital Investment Plan

Example: OneNevada Goals and Criteria

Goal Area	Criteria
 Enhance Safety	Crash Reduction Potential
 Preserve Infrastructure	Pavement Condition Improvement Bridge Risk Reduction Score Other Asset Improvement
 Optimize Mobility	Population Accessibility Travel Time Reliability
 Transform Economies	Business Accessibility Economic Development Potential
 Foster Sustainability	Reduce Environmental Risk GHG Emission Reductions Environmental Enhancements Resilience Reduce Future Maintenance
 Connect Communities	Project Connectivity Multimodal Access Access to Community Destinations Equity

1.C Move Towards Centralized Program Management, Project Controls and Reporting Systems

Implement key project controls and reporting for critical management objectives that are consistent across and supported by the organization. **Lead: Leah Horner**

Quarterly Project Reviews (QPRs) process completed

- Programs include ADA, Preservation, UMS and NEVI. The QPR development on these is ongoing.
- Reviews are helpful in identifying trends/themes in project delivery that can be reviewed and prioritized as part of our annual work plan.

1.C Move Towards Centralized Program Management, Project Controls and Reporting Systems

Implement key project controls and reporting for critical management objectives that are consistent across and supported by the organization. **Lead: Leah Horner**

Public Transportation Division third-party reviews of federal transit funding and Statewide Transportation Improvement Fund (STIF) processes

Federal Fund Management:

- Topics: Call for Projects, FTA Award Management, Subrecipient Oversight, Financial Management and Reporting, and Organization pain points and recommendations
- 29 prioritized recommendations to address pain points, modify calls for projects, increase efficiency, and update guidance and training

STIF Program

- Topics: STIF Plans, Reporting, Goals, Dispute Resolution, Data and Tools, and Training program improvements and recommendations
- Recommendations to plan service long term, allow Plan flexibility, strengthen accountability authority, revise reporting deadlines and establish dispute resolution

1.D Develop and utilize tools and systems to effectively manage projects/programs from development through construction delivery.

Utilization of standard tools and systems will enable programmatic oversight of project and program delivery to ensure completion; projects, programs, staff, and leadership across the agency will utilize consistent system(s) that include Scope/Schedule/Budget.

Lead: Leah Horner

- Summary of existing tools and reports. Assessment of tools/reports in the context of customer-needs is underway – to be completed before end of Dec 2024.
- Work Group is developing a Red-Yellow-Green (RYG) Dashboard Report to assess project and portfolio health as it relates to scope, schedule, budget & community support. The team is identifying a standard definition for the red, yellow and green status.

1.E Review Structural reporting or functional placement to improve outcomes

While organizational structure changes may be needed, the first step is to be clear on Roles and Responsibilities within Project Delivery. This should include defining the Authority, expectations, and accountabilities of each of the following areas: 1) Chief Engineer 2) Region Managers 3) Statewide Project Delivery Branch.

In conjunction with this, more work should be done to analyze and adjust organizational structure, particular in the disciplines of Right of Way, Geo/Hazmat and Hydro.

Lead: Leah Horner

- Centralizing key disciplines will result in better risk management. The risks associated with the disciplines noted above can have a significant impact on cost overruns and delays. The outcome of this change will be better risk management during the design and construction of identified projects.
- We see the coordination of bridge, hydrology and geo disciplines impacting the development and delivery of bridge projects – and contributing to both schedule and cost risks. Centralizing these disciplines is intended to improve coordination and collaboration between these disciplines to improve project delivery quality.

2.A Improve leadership meetings

2.B Implement cross-functional teams for key initiatives

2.C Leadership workshop to align agency directions

Leads: Paul Mather, Carolyn Sullivan

- New agenda process is working, and ALT is adjusting to improve meeting effectiveness, communications across divisions and follow up on decisions made.
- Agency Leadership Team is using the new Initiative Tracker to ensure cross-functional teams are in place and functioning.
- Workshop occurred September. Results were positive in building alignment among senior leaders.



2.D Develop roadmap for agency in conjunction with other leading state DOTs on how to transition from current state to the aspirations developed in strategic plan

Align the agency behind the outcomes of the Strategic Action Plan through ongoing communications, and staff visibility into progress, and ensure accountability for achieving progress.

Lead: Travis Brouwer

Regular check-ins on SAP priorities at OTC and within ODOT leadership groups.

Communication plan and check-in process between presentations to the OTC, elements.

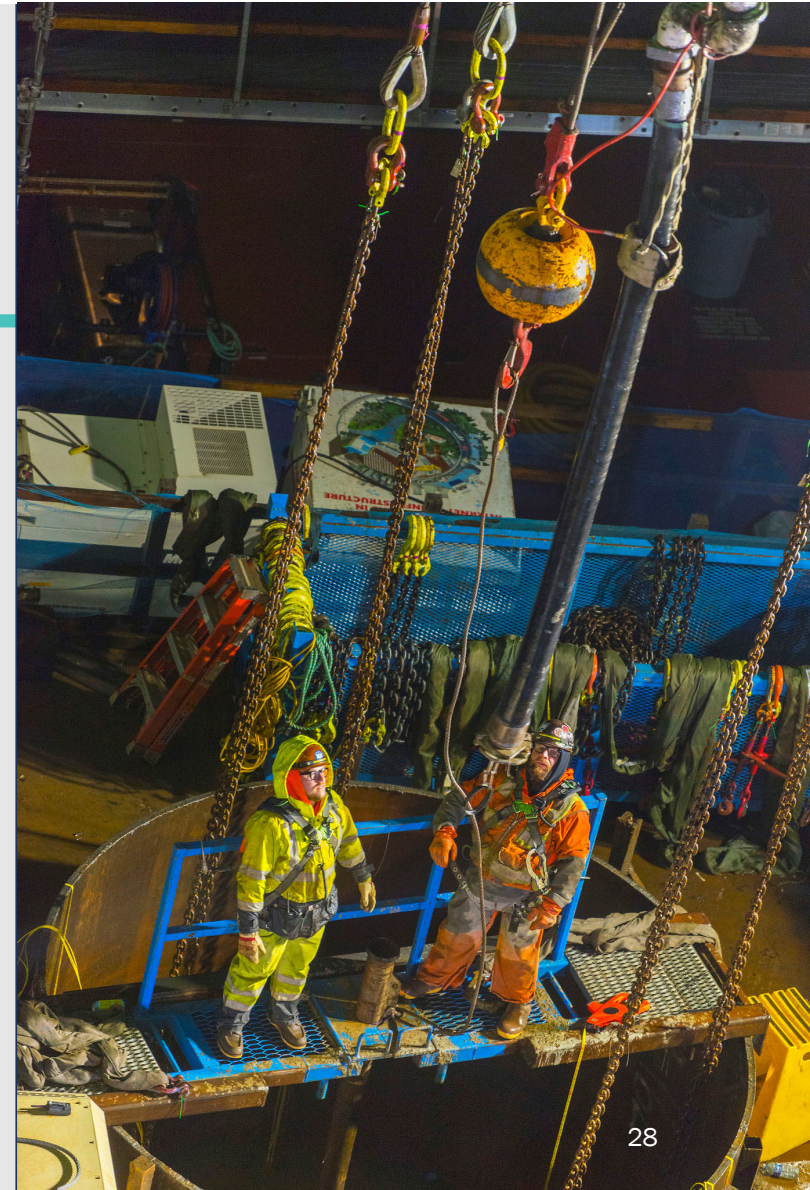
- Ensure that ODOT's leaders are aligned in making progress on the SAP.
- ODOT is delivering webinars and other focused education on the SAP and its strategic outcomes.
- ODOT is developing fact sheets on each of the outcomes to share with employees.

2.E Increase staff engagement in strategic decisions and plans

ODOT staff understand agency's strategic direction, understand how they fit into broader agency direction, feel engaged and ownership of agency outcomes.

Lead: Kris Strickler and Leah Horner

- Executive Strategy Team has defined outcomes, EST and Agency Leadership Team have discussed and understand gaps in engagement with the Strategic Action Plan and developed workplan to address gaps.
- Director Strickler and Senior Leaders have engaged in a series of town hall meetings with staff to share agency messages and hear feedback directly from staff



2.F Develop communications plan for both internal and external messages of agency reforms underway

Ensure Strategic Review findings and recommendations, and agency implementation of recommendations, are understood by internal and external audiences. Report quarterly on progress reflected as actionable outcomes.

Lead: Lindsay Baker

- Initial communications developed and executed (Summer 2024)
- Established quarterly progress reports and accompanying internal communications (Fall-Winter 2024)
- Created internal webpage and initiative-specific communications for more substantive initiatives
- Shared initial work with external partners, legislators. Ongoing external communications as outcomes are defined.

Snapshot

Workstream	Q4 2024 Status
1.A Improve Budgetary and Capital Programming Processes	●
1.B Develop and implement 5-10 year rolling program rather than programming in STIP	●
1.C Move toward centralized program management and project controls and reporting systems	●
1.D Develop and utilize tools and systems to effectively manage projects and programs from development through construction delivery	●
1.E Review Structural reporting or functional placement to improve outcomes	●
2.A Establish clear agendas for leadership meetings, including standing check-ins on key initiatives, tracking decisions, action item and key messaging follow-up	✓
2.B Implement cross functional teams for key initiatives	✓
2.C Consider leadership workshop to align agency directions, strategic action plan and consequent actions to measure progress	✓
2.D Develop roadmap for agency in conjunction with other leading state DOTs on how to transition from current state to the aspirations developed in strategic plan	●
2.E Increase staff engagement in strategic decisions and plans	✓
2.F Develop communications plan for both internal and external messages of agency reforms underway	✓
3.A Reinforce responsibility and accountability at all levels	✓
3.B Train and develop a sustainable workforce to deliver ODOT programs.	●
3.C Permanently fill key management positions.	●
3.D Review Advisory Committees protocol	●

Current Status Key

Green: ● Work is on track as planned, no known concerns. ✓ Work is complete.

Yellow: ● We anticipate or have experienced issues that may impact our ability to deliver the milestone in the timeframe planned.

Red: ● We won't meet a milestone and need to renegotiate the deadline.



3.A Reinforce responsibility and accountability at all levels

ODOT staff at all levels are accountable to outcomes through consistent performance management and have clear performance expectations. Leadership provides quarterly review of major programs and projects that includes KPM's, scope/schedule/budget, and current and upcoming issues that need to be elevated.

Lead: Paul Mather and Leah Horner

- Manager and leadership expectations have been developed and communicated from the director to his reports and from them to their reports.
- The Construction Oversight Review Committee (CORA) was rolled out and initiated in July 2024 to review CCOs for projects >\$50M. CORA meets 2x per month pending agenda items and is reviewing CCOs that meet schedule and cost impact thresholds. The CORA has a charter and guidance document.

3.B Train and develop a sustainable workforce to deliver ODOT programs

3.C Permanently fill key management positions

Lead: Carolyn Sullivan

- Agency is developing staff and leadership succession plan, focusing on positions that are “one deep” and high-risk areas for the organization.
- Developed position- and team-specific succession plans.
- Developed leadership position-specific core competencies, onboarding plans, and individual development plans as necessary.
- Key positions have been filled.
- Modified process for rotations approval for management service and executive service to require Division Administrator approval



3.D Review Advisory Committee Protocol

Advisory Committees are managed in a consistent and coordinated approach, with clear processes to establish, review, and abolish committees as well as clear expectations and consistent staff support.

Lead: Lindsay Baker

- Evaluated all existing advisory committees and corresponding materials and practices; developed initial recommendations (Late Summer 2024)
- Final recommendations developed; began execution (Fall 2024)
 - Template materials development (charter, code of conduct, fact sheet) (Winter 2024)
 - Advisory Committee Alignment Collaborative established, held first meeting (Winter 2024)
- Full implementation of plan by July 2025

Summary

- Areas of improvement will have long term benefits:
 - Providing and using tools, structures, and systems to improve outcomes.
 - Building greater strategic alignment, collaboration, and shared ownership.
 - Strengthening the agency's culture of performance management and accountability.



Providing and using tools, structures, and systems to improve outcomes

- Fundamental changes to how we approach programming projects by first understanding the scope and budget of the project. This will be a game changer in our performance in managing projects and the STIP
- Structural changes in how we track various funding types and build/program the STIP.
- Implementation of project and program tracking tools that managers can use for better decision making and accountability that will result in improved performance measures.

Building greater strategic alignment, collaboration and shared ownership

- Improved organization engagement in strategic initiatives that will result in better alignment and execution.
- Improved alignment of senior leadership and their engagement with the organization. This will produce more efficient decision making and follow through on key initiatives.

Strengthening the agency's culture of performance management and accountability

- Improved decision-making process, tracking and follow through.
- Clear leadership and management expectations and accountabilities.
- More robust and wholistic process to review and evaluate contract changes that will result in savings and better utilization of funds
- Improved tools and systems to hold managers accountable to scope, schedule and budget.
- Outside audits to improve program management.

Questions?

