

Oregon Department of Transportation

Response to Questions from Joint Committee on Ways and Means,  
Subcommittee on Transportation and Economic Development

DMV Service Transformation Program Presentation

April 15, 2015

**1. Provide a list of fees that are proposed for the \$3 increase.**

The set of fees identified for the proposed \$3 increase are:

- Class C Driver License – original and renewal
- Class C Instructional Permit
- License/Permit Replacement
- Titles – With/Without Registration; Salvage
- Vehicle Registration Renewal

Anticipated annual revenues from the proposed \$3 fee are \$10.3 million.

**2. What did we get for the \$500,000 of planning funds?**

Senate Bill 5701 (2012 Regular Session) - authorizes an increase of \$500,000 Other Funds in the Driver and Motor Vehicles (DMV) program to contract with third-party expertise and resources to assist in evaluating DMV's information systems against current and future business needs. The agency expects to develop a prioritized blueprint for moving forward with critical systems modernization initiatives. Deliverables will include prioritized business and technical requirements, environmental/peer analysis, identification of applicable best practices, a comprehensive technology inventory, assessment of the identified technical components to meet current and future needs, and a strategic vision for moving ahead. Subsequent work will include a tactical plan with an interrelated set of viable, prioritized, and phased initiatives.

Expenditures for the Service Transformation Program (STP) through end of the 2013-2015 biennium are:

	<b>STP Expenditures as of 3/31/15</b>	<b>Forecast thru 7/1/15</b>	<b>Estimated Expenditures thru 7/1/15</b>
Personal Services	\$136,874	\$124,811	\$261,685
Services & Supplies	\$0	\$10,000	\$10,000
Consultants	\$128,000	\$85,000	\$213,000
<b>Total</b>	<b>\$264,874</b>	<b>\$219,811</b>	<b>\$484,685</b>

Key deliverables advanced to date include:

- Received deliverables produced by Mathtech – business needs, gap analysis, peer analysis, strategic plan for modernization (feasibility study).
- Completed Vendor RFI – viewed 17 vendor presentations; will complete a second more focused round with four vendors, experienced with DMV projects, in May, 2015.
- Developed Policy Option Package and high-level initial business case, which was advanced in the Governor's Budget.
- Hired STP Lead beginning October 1, 2014 (12-month rotational assignment).
- Developed STP tactical plan that maps deliverables through the Stage Gate process, which will be updated as new information becomes available.
- Updated STP business case and submitted a request to the State Chief Information Officer for Stage Gate Level 1 Endorsement.
- Continuing peer research and cultivating relationships with other agencies within Oregon (DOR, DOJ) and nationally completing similar transformation programs.
- Hired a contractor to initiate next generation database development, data modeling and data clean-up; this work will continue into next biennium.
- Developing a quality assurance vendor opportunity announcement following Department of Administrative Services' procurement protocols; announcement will be released once funding has been established for the program.
- Hiring a consultant to facilitate further specificity of strategic objectives and outcomes for STP; this work will begin in June, 2015.

### **3. How much of the \$90 million will be spent on something other than ODOT FTE?**

STP expenditures will include ODOT staff, ODOT business expenses, professional services (consultants such as third party quality assurance vendor and project advisors), and capital investments (hardware, software and software installation). The \$90 million estimate is based on work completed by Mathtech, Inc., and information reported in the *DMV Strategic Plan for System Modernization, September 2013*.

The estimate assumes capital expenditures and consultant expenditures of \$65-75 million, depending upon the deployment strategy and products that are ultimately procured. Remaining expenditures of approximately \$15-25 million will be for ODOT staffing and business expenses over the 9-10 year life of the program. A more detailed budget will be developed once an IT solution vendor has been selected and a contract has been signed that outlines planned expenditures.

#### 4. What states have had successful outcomes that we can learn from?

One of the deliverables prepared for DMV by Mathtech, Inc. was a *Strategic Information System Plan Peer Analysis, May 2013*. This report summarized interviews conducted with 7 states: Idaho, Indiana, Kansas, Montana, New Jersey, Utah and Virginia. The report summarized information obtained related to modernization efforts underway, business process implications, technology options and best practices. DMV continues to track activities and solution strategies being deployed by other State DMV Offices; the following entities have active projects either underway or recently completed:

**Summary of State DMV Solution Strategies**

State	Solution Scope	Strategy	Vendor
Arkansas	Driver Licensing and Vehicle	COTS	FAST
Indiana	Driver Licensing and Vehicle	Transfer	--
Kansas	Driver Licensing and Vehicle	Transfer	3M
Minnesota	Driver Licensing and Vehicle	Transfer	HP
Mississippi	Unknown	COTS	MorphoTrust
Montana	Driver Licensing	In House Build	--
New Hampshire	Unknown	COTS	Tech Mahindra
New Jersey	On Hold	Transfer	HP
New Mexico	Driver Licensing and Vehicle	COTS	FAST
North Dakota	Vehicle System	COTS	FAST
Oklahoma	Vehicle System	COTS	FAST
Tennessee	Driver Licensing	COTS	FAST
Utah	Vehicle System	COTS	FAST
Virginia	Driver Licensing and Vehicle	In House Build	--
Washington	Driver Licensing and Vehicle	COTS	FAST

DMV is also intending to establish benchmarking relationships with a couple of states who have recently successfully completed system upgrades. The state of Utah recently completed a Vehicle Title and Registration system replacement on time and under budget, which is similar in scope to DMV's budget request for the 2015-17 biennium. They are the first state that DMV has selected as a benchmark.

DMV is also monitoring an effort underway at the American Association of Motor Vehicle Administrators (AAMVA), a professional organization that supports North American motor vehicle and law enforcement agencies in achieving their missions. AAMVA recently formed a system modernization working group to develop a best-practices document related to the procurement, design, development, database migration and purification, testing, implementation, and maintenance of a system modernization effort. Lessons learned will be solicited from those with system redesign experience. Oregon DMV will be closely tracking this effort.