

February 13, 2017

To: Legislative Work Group on ODOT Management Assessment

From: Katy Coba, COO and DAS Director *kc*

Re: Management Assessment Next Steps

As members of the Work Group on the ODOT Management Assessment, please find two requested documents. The first, Attachment 1, is the original scope of work used in the Request for Proposal (RFP) issued for the Transportation Management Assessment. The second, Attachment 2, is the revised scope of work used for the emergency procurement to successfully identify a contractor for the Transportation Management Assessment.

Input for the development of the original scope of work began in December of 2015 and included a request from the Oregon Transportation Commission to complete the assessment by December 1 of 2016. Stakeholders and legislators also provided input for the effort. The Governor and the OTC chair appointed an oversight committee which worked closely with DAS to develop the scope of work. The membership of the Oversight Committee included Susan Morgan, chair, Sean O'Hollaran, Bruce Starr, Vicki Berger, Terry Beyer and Mike Hollern. As you can see, the scope of work identified a two phase effort. The deadline for delivering Phase 1 was January 4, 2017. The deadline for delivering Phase 2 was March 29, 2017. This RFP was issued on May 17, 2016 but did not result in a successful contract award.

After the RFP failed to produce an acceptable entity to conduct the management review, a second effort was started in August of 2016 to identify an entity to conduct the review. There was a lot of concern about moving quickly to issue a contract because of the deadline to meet the needs of a transportation package conversation during the legislative session. The revised scope contains elements of the original scope but not the complete original scope. The final decision to proceed with McKinsey and Company was made in mid-September with work initiated in early October.

Next Steps: The chairs and vice-chairs of the Joint Committee on Transportation Preservation and Modernization have appointed this work group to provide input to DAS as we move forward on developing the recommendations resulting from the management assessment. DAS will also consult with McKinsey, the OTC, ODOT and the Governor's Office. DAS's initial timeframe was to complete the recommendations by the end of February. However, given the additional interest in providing input from the legislature, we will slow down our recommendations process.

In addition, DAS will work with this work group to determine if there should be additional work undertaken to meet the intent of the original management assessment scope of work. As directed by the chairs and vice-chairs, my office will work with Representative Olson, as the chair of the work group, to schedule time to meet and discuss next steps.

Cc: Joint Committee on Transportation Preservation and Modernization chairs and vice chairs
Patrick Brennan, Committee Staff