

Attachment

1

EXHIBIT A - STATEMENT OF WORK

PART I. BACKGROUND

Oregon Governor Kate Brown and the Oregon Transportation Commission (“OTC”) desire DAS to coordinate and facilitate an independent third party’s assessment of the Oregon Department of Transportation’s current management practices, including ODOT’s strengths, and any recommendations for areas that show a need for improvement and alignment to best practices for state departments of transportation. Contractor shall examine the ODOT’s organizational structure and staffing levels; commission support; budget and fund management; contracting practices and project selection; and statutory and policy structure.

The final report from this review and assessment will be delivered and presented to DAS, the Oregon Transportation Commission, Oregon’s Governor, and Oregon’s Legislature.

Acceptance Process for Deliverables (Services and Deliverables):

Contractor shall submit a draft version of all Deliverables to DAS for their review and feedback prior to developing the final version of the Deliverable. Once Contractor has considered or addressed the feedback, or both, and developed a final version of the Deliverable, Contractor shall submit the final Deliverable to DAS, for DAS acceptance and approval (“Final Acceptance”). Deliverables obtain the status of Final Acceptance upon DAS’ written notice of acceptance and approval of the Deliverable to Contractor.

If DAS determines that the Deliverables are not acceptable, DAS shall notify Contractor in writing of rejection of the Deliverable, and shall describe in reasonable detail in such notice the basis for rejection. Within five (5) days following Contractor’s receipt of notice of rejection, Contractor shall modify the rejected Deliverables, at Contractor’s sole expense, to satisfy the acceptance criteria for the Deliverables and re-tender the Deliverables to DAS. DAS shall review the modified Deliverables within ten (10) days of receipt of the modified Deliverables from Contractor. Contractor’s failure to deliver Deliverables that meet the acceptance criteria after the first rejection notice is a default by Contractor. Upon such default, DAS may either (i) notify Contractor of such default and instruct Contractor to again modify the Deliverables to meet the acceptance criteria or (ii) notify Contractor of such default and pursue available remedies for default.

Description:

Contractor shall review and asses the current status and practices of ODOT in the following areas: operations and organizational structure, decision making paths and communication methods, transparency, staffing levels and Commission support, State highway trust funds, budgeting, contracting services, and statutory and policy structure.

Contractor shall deliver to the DASOTC regular, monthly (at a minimum) Service and Deliverable status reports. Contractor shall complete all tasks (“Tasks”) and deliver all Deliverables described in this Exhibit A.



Procurement Services
Achieving Results Together

PART II. TASKS AND DELIVERABLES – BY PHASE

A. Phase I – Contractor shall complete the following Phase 1 Tasks and deliver all Phase 1 Deliverables to DAS no later than January 4, 2017

Contractor Tasks and Deliverables:

Task No. 1: OPERATIONS, ORGANIZATIONAL STRUCTURE AND STAFFING

Contractor shall review and asses ODOT's organizational structure, management practices, staffing and stakeholder involvement for effectiveness and alignment with best practices recommended for state departments of transportation with mission and functions similar to those of ODOT. Contractor shall prepare a written report ("Task 1 Report") that includes detailed explanation of the following:

- Is ODOT structured in a way that allows for efficient and effective operations?
- Are the staffing levels and distribution appropriate to the tasks directed to ODOT in its statutory mandate?
- Are major stakeholders and advisory bodies (including but not limited to the American Transportation Council) engaged with ODOT, and is the advisory bodies' input being considered and valued?
- Is ODOT's process for stakeholder input easy to find and follow?
 - Is the stakeholder input transparent and accessible?
- Does ODOT inappropriately influence or control advisory groups created or overseen by ODOT staff, or are the advisory groups functioning effectively with appropriate independence and autonomy?
 - Are conflicts of interest clearly identified?
 - What are the means by which problems within ODOT can be appropriately conveyed to internal decision makers?
- What are the means by which problems within ODOT can be appropriately conveyed to the Commission, to the Governor and to the Legislature?

Deliverable 1 for Task No.1: Contractor shall develop and deliver an electronic copy of a *draft* Task 1 Report to the DAS Project Manager no later than thirty (30) calendar days following the Effective Date. Contractor shall meet with the DAS Project Manager to review the *draft* Task 1 Report and discuss feedback regarding the *draft* Task 1 Report.

Deliverable 2 for Task No.1: Contractor shall develop and deliver an electronic copy of the *final* Task 1 Report to the DAS Project Manager no later than ten (10) calendar days from the *draft* Task 1 Report meeting.



Task No. 2: DECISION MAKING PATHS AND COMMUNICATION METHODS

Contractor shall review and assess the current ODOT decision making processes, including how decisions made are distributed, how projects are selected, and the effect on ODOT's policy development, planning and contracting. Contractor shall prepare a written report ("Task 2 Report") that includes detailed explanation of the following:

- Is there a clear chain of command?
- Are decisions forwarded with clear authority?
- Are specific individuals identified as being responsible for the decisions and clarification with staff needs clarification?
- Are there procedures in place whereby employees responsible for making decisions and carrying out functions are held accountable for such decisions and actions, and;
 - Are such procedures being effectively implemented?
- Are the right people at ODOT making decisions (deputy level versus Director)?
- Are decisions being made at the right level within the ODOT organization?
- Are decisions and the dissemination of decisions clearly documented?
- Is there too much concentration of authority at ODOT, leaving ACTs and advisory group's too little authority?
- What should the role of the OTC be in oversight and the decision making process?
- How active should the OTC be in the decision making process, for example: should consent items be unbundled?
- What processes are built into the decision making process to ensure there has been an opportunity for external and internal input?
- What processes are built into the decision making process to ensure there has been an opportunity for external and internal input?

Deliverable 1 for Task No.2: Contractor shall develop and deliver an electronic copy of a *draft* Task 2 Report to the DAS Project Manager no later than twenty (20) calendar days following the receipt of the *final* Task 1 Report. Contractor shall meet with the DAS Project Manager to review the *draft* Task 2 Report and discuss feedback regarding the *draft* Task 2 Report.

Deliverable 2 for Task No.2: Contractor shall develop and deliver an electronic copy of the *final* Task 2 Report to the DAS Project Manager no later than ten (10) calendar days from the *draft* Task 2 Report meeting.

Task No. 3: TRANSPARENCY

Contractor shall review and assess ODOT's processes for transparency, including: decision making, project selection, policy development, planning and contracting as



Procurement Services
Achieving Results Together

they pertain to clarity, accessibility, and transparency. Contractor shall prepare a written report (“Task 3 Report”) with detailed explanation of the following:

- Is ODOT’s decision making clearly documented, easily accessible and transparent?
- Are there opportunities to improve clarity, accessibility and transparency?

Deliverable 1 for Task No. 3: Contractor shall develop and deliver an electronic copy of a *draft* Task 3 Report to the DAS Project Manager no later than twenty (20) calendar days following the receipt of the *final* Task 2 Report. Contractor shall meet with the DAS Project Manager to review the *draft* Task 3 Report and discuss feedback regarding the *draft* Task 3 Report.

Deliverable 2 for Task No. 3: Contractor shall develop and deliver an electronic copy of the *final* Task 3 Report to the DAS Project Manager no later than January 4, 2017.

B. Phase II – Contractor shall complete the following Phase 2 Tasks and deliver all Phase 2 Deliverables to DAS no later than March 29, 2017.

Contractor Tasks and Deliverables:

Task No. 4: BUDGETING AND FUND MANAGEMENT

Contractor shall review ODOT’s budget, including associated budget documentation and information, and determine whether ODOT is working within budgetary limitations, whether there is clarity and transparency in administration of the budget, and how and where funds are shifted within the budget, including the appropriate application and interpretation of any restrictions on use of funds due to federal and state requirements, including constitutional and statutory restrictions. Contractor shall prepare a written report (“Task 4 Report”) with detailed explanation of the following:

- Are all areas of ODOT operating within budgetary limitations?
- What happens with unused and unallocated funds with accounts and projects, and:
 - How are these funds accounted for?
 - How are these funds reallocated?
 - What is the approval process for the reallocation?
 - How are budget overruns reported, accounted for and resolved?
- How are budget overruns reported, accounted for and resolved?
- Are budget transactions clearly defined, identifiable and transparent?
- Are funds being transferred between units to cover spending?
- Are all restricted funds including State highway Trust Funds used in the Highway Division, Motor Carrier Division, and Transportation Development Division, being used in accordance with state, federal and constitutional limitations?



- When questions arise regarding restrictions on the use of funds, who decides and how is that decision communicated and documented?

Deliverable 1 for Task No. 4: Contractor shall develop and deliver an electronic copy of a *draft* Task 4 Report to the DAS Program Manager no later than twenty (20) calendar days following the receipt of the final Task 3 Report. Contractor shall meet with the DAS Project Manager to review the *draft* Task 4 Report and discuss feedback regarding the *draft* Task 4 Report.

Deliverable 2 for Task No. 4: Contractor shall develop and deliver an electronic copy of the *final* Task 4 Report to the DAS Project Manager no later than ten (10) calendar days from the draft Task 4 Report meeting.

Task No. 5: CONTRACTING PRACTICES AND PROJECT SELECTION

Contractor shall review and asses ODOT's construction contract practices for effectiveness and alignment to other states' departments of transportation and ODOT's mission.

Contractor shall prepare a written report ("Task 5 Report") with detailed explanation of the following:

- What process is used by the department regarding which projects are funded?
- Are all construction and planning projects part of a clearly defined and transparent process that allows public, stakeholder and customer input?
- Are construction contracts managed effectively in terms of timely completion, prevalence and use of change orders and budget oversight?

Deliverable 1 for Task No. 5: Contractor shall develop and deliver an electronic copy of a *draft* Task 5 Report to the DAS Project Manager no later than twenty (20) calendar days following the receipt of the final Task 4 Report. Contractor shall meet with the DAS Project Manager to review the *draft* Task 5 Report and discuss feedback regarding the *draft* Task 5 Report.

Deliverable 2 for Task No. 5: Contractor shall develop and deliver an electronic copy of the *final* Task 5 Report to the DAS Project Manager no later than ten (10) calendar days from the *draft* Task 5 Report meeting.

Task No. 6: STATUTORY AND POLICY MANDATES

Contractor shall review and determine whether or not ODOT is carrying out its regulatory and statutory mandates and policy direction from the Federal Government, Oregon's Governor and Legislature, and OTC. Contractor shall prepare a written report ("Task 6 Report") with detailed explanation of the following:

- Does ODOT take on responsibilities beyond that provided by their regulatory and statutory mandates?
- Are there statutory directives that ODOT has not carried out or addressed?
 - If so, what are they, and are there reasons for this?

Deliverable 1 for Task No. 6: Contractor shall develop and deliver an electronic copy of a *draft* Task 6 Report to the DAS Project Manager no later than twenty (20) calendar days following the receipt of the *final* Task 5 Report. Contractor shall meet with the DAS Project Manager to review the *draft* Task 6 Report and discuss feedback regarding the *draft* Task 6 Report.

Deliverable 2 for Task No. 6: Contractor shall develop and deliver an electronic copy of the *final* Task 6 Report to the DAS Project Manager no later than ten (10) calendar days from the *draft* Task 6 Report meeting.

Task No. 7: COMMISSION SUPPORT

Contractor shall review and assess the flow of information provided by ODOT to OTC including actions taken, activities engaged in, policies adopted and decisions made by ODOT and its divisions, leaving preparation time for formal actions to be taken by OTC. Contractor shall prepare a written report (“Task 7 Report”) with detailed explanation of the following:

- Is the time provided for OTC commissioners to evaluate actions adequate?
- Is the information provided clear and comprehensible?
- Is OTC provided documentation of arguments in support and in opposition that are received by ODOT regarding the action?
- Is OTC provided information regarding the impact of the decision upon adopted OTC policies?
- Is notice provided to stakeholders, interested parties and advisory groups like ACTs, such that they have the time to prepare and provide input to aid the OTC in determining the impact of its decisions?

Deliverable 1 for Task No. 7: Contractor shall develop and deliver an electronic copy of a draft Task 7 Report to the DAS Project Manager no later than twenty (20) calendar days following the receipt of the *final* Task 6 Report. Contractor shall meet with the DAS Project Manager review the draft Task 7 Report and discuss feedback regarding the draft Task 7 Report.

Deliverable 2 for Task No. 7: Contractor shall develop and deliver an electronic copy of the *final* Task 7 Report to the DAS Project Manager no later than ten (10) calendar days from the *draft* Task 7 Report meeting.



Task No. 8: FINAL REPORT

Contractor shall submit a written final report (“Final Report”) to the DAS Project Manager no later than **March 29, 2017**. The final report will encompass all of the previous individual Task reports that have been finalized. The report will make recommendations and outcomes that are in line with the previous individual finalized reports.

Deliverable 1 for Task No. 8: Contractor shall develop and deliver an electronic copy of a *draft* Final Report to the DAS Project Manager no later than twenty (20) calendar days following the receipt of the *final* Task 7 Report. Contractor shall meet with the DAS Project Manager to review the *draft* Final Report and discuss feedback regarding the *draft* Final Report.

Deliverable 2 for Task No. 8: Contractor shall develop and deliver an electronic copy of the *final* Final Report to the DAS Project Manager no later than March 29, 2017.

B. Roles and Responsibilities:

a. DAS is responsible for the following:

- Attendance at appropriate meetings and work sessions;
- Facilitating Contractor’s access to available, relevant information pertaining to ODOT;
- Reviewing progress to confirm adherence to this Contract and delivery schedule;
- Notifying Contractor of any known delays above and beyond the control of Contractor;
- Providing appropriate and timely review of Contract Deliverables supplied by Contractor to confirm they meet objectives and requirements of the Contract;
- Determining when tasks and Deliverables require DAS approval and when Services may proceed;
- Providing input to Contractor in a timely manner and adjusting Contractor’s Deliverables deadlines when delays outside of Contractor’s reasonable control.

b. Contractor

Contractor’s roles and responsibilities are listed below in general terms and include but are not limited to the following:

- Providing staff, materials, and resources to complete all assigned tasks and prepare quality products, of the highest industry standard, and within

