

ANALYSIS

Department of Transportation Over-Dimension Permitting

Analyst: Michelle Deister

Request: Approve the submission of a federal grant application to the Federal Motor Carrier Safety Administration for a High Priority Innovative Technology Deployment grant in the amount of \$2,000,000 for the second phase of the Department of Transportation's Over Dimension Permitting System Replacement Project.

Analysis: In June 2022, the Emergency Board approved the submission of a federal grant application -- funds for which were subsequently awarded -- for phase I of the Department of Transportation's (ODOT) over-dimension permitting project which primarily covered project planning. The application for which ODOT is now applying would partially fund procurement of an IT solution for the Over-Dimension permitting system. The application deadline is April 3, 2023, and while no matching funds are required, the total estimated project cost is \$7,437,961. The remainder of funds would come from a combination of State Highway Funds (\$3.4 million, which is part of ODOT's base budget), and existing federal funds (\$2,000,000). Existing staff will be directed to this project in the procurement, testing and go-live phases; ODOT will seek an increase in Federal Funds limitation if the grant is awarded.

The project will allow more efficient compliance with size and weight laws, allowing trucking companies to purchase permits based on their route, size, and weight. Increased compliance will reduce the likelihood of bridge hits or other accidents.

Legislative Fiscal Office Recommendation: The Legislative Fiscal Office recommends approval.

Oregon Department of Transportation Lisper

Request: Authorization to apply for a \$2.0 million Federal Motor Carrier Safety Administration Program grant from the Federal Motor Carrier Safety Administration.

Recommendation: Approve the request.

Discussion: The Infrastructure Investment Job Act (IIJA) is providing long-term granting opportunities through the Federal Motor Carrier Safety Administration. The Oregon Department of Transportation (ODOT), Commerce and Compliance Division identified the “*Commercial Vehicle Over-Dimension Permit System*” to meet the federal competitive grant requirements. This request, if awarded, would provide an additional \$2.0 million to the existing project, supporting over 50 percent of the overall project cost. ODOT applied for this same grant in March 2022 and was awarded \$2.0 million Federal Funds in September 2022. Both grants do not require a state match. This funding opportunity for the second grant was announced on January 31, 2023 and grant applications are due April 3, 2023. Award notifications are expected by August 2023.

In June of 2020, ODOT submitted the following scope of work:

“Implement a new size and weight permitting system that also includes an automated permitting function which will modernize the size and weight permitting process, improve the availability of size and weight data, reduce routine permit processing times and increase customer self-service options.”

ODOT has been working with the Department of Administrative Services, Enterprise Information Services (EIS) since 2020 and has a Stage Gate 2 endorsement. The request for proposal on this project was released in September 2022 and they expect to award the solution vendor in April 2023. EIS and ODOT anticipate a Stage Gate 3 endorsement in December 2023. This endorsement would allow ODOT to begin procuring a commercial off-the-shelf vendor solution for their system replacement. The project is expected to be completed in 2025.

ODOT intended to implement this project prior to the commencement of the IIJA competitive grant programs. The existing \$2.0 million Federal Funds, along with this additional \$2.0 million Federal Funds would allow ODOT to offset State Highway Funds (SHF) costs by \$4.0 million dollars. The \$3,47,961 Other Funds (SHF) are being utilized to cover operating costs for this project that would not be covered by the federal grants. The December 2022 project status report from EIS indicated project costs expended to date is approximately \$451,000. These expenditures include consulting and contractor charges. The table below shows the total project costs of \$7.4 million. If awarded, ODOT will return to request additional Federal Funds expenditure limitation.

Funding Type	Amount
Phase-Federal Funds-existing	\$2,000,000
Operating costs (SHF)-existing	\$3,437,961
Phase 2-Federal Funds-proposed	\$2,000,000
Total project costs	\$7,437,961



Oregon

Tina Kotek, Governor

Department of Transportation

Director's Office

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February 23, 2023

Senator Elizabeth Steiner, Co-Chair
Representative Tawna Sanchez, Co-Chair
Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairpersons:

NATURE OF THE REQUEST

The Oregon Department of Transportation (ODOT) Commerce and Compliance Division (CCD) requests permission to apply for the Motor Carrier Safety Assistance Program (MCSAP) High Priority Innovative Technology Deployment (HP-ITD) Grant for \$2 million from the Federal Motor Carrier Safety Administration (FMCSA).

AGENCY ACTION

The Infrastructure Investment and Jobs Act (IIJA) provides long-term funding opportunities through FMCSA's MCSAP and HP-ITD Grant Programs. As stated in MCSAP's Motor Carrier Grant Comprehensive Policy document, the HP-ITD Program purpose is to "advance the technological capability and promote the deployment of intelligent transportation system applications for commercial vehicle operations." ODOT became eligible for grant funds after certifying Performance and Registration Information System Management (PRISM) compliance in 2020 and was successful in obtaining its first grant in 2022. The HP-ITD 2023 Notice of Funding Opportunity was published on January 31, 2023, and grant applications are due April 3, 2023. Award recipients will likely be notified by August 2023. Grant funds will be obligated when the grant agreement with FMCSA is signed, and funds must be expended by September 30, 2027. ODOT has identified the Over-Dimension Permit System Replacement Project's second phase as an excellent candidate that aligns with program criteria.

Over-Dimension (OD) Permit System Replacement Project

CCD is working to implement an Oversize/Overweight Permitting System to assist the Agency in meeting customer demand and increase the system's flexibility for future industry growth. The system will streamline the information exchange network between various work units and divisions within the agency, to allow for real time data updates and quicker permit issuance for routine loads. The functionality of the system will be achieved through multiple phases with the goal of providing access to requested permits at all hours, and some routine requests being fulfilled through automation. This automation will free up analysts' time during regular business hours to focus on the detailed coordination needed to move extremely large loads through the state.

Deploying a new size and weight permitting system in Oregon provides the agency with an ideal opportunity to invest in intelligent technology that integrates multiple divisions of the agency and supports county services. It also opens the door to providing supports to city size and weight permitting services. This initiative aligns with the agency's strategic goals and priorities, increases customer satisfaction, and protects Oregon's infrastructure and the traveling public.

Federal Grant Request:	\$ 2,000,000
Existing Federal Funds:	\$ 2,000,000
<u>State Highway Funds:</u>	<u>\$ 3,437,961</u>
Total Project Cost:	\$ 7,437,961

No matching funds are required for this grant. ODOT applied for this grant last year and was successful in obtaining \$2 million toward the first phase of the project which included procurement of the software. ODOT is now applying for phase two which will help cover the cost of execution, testing, closeout and monitoring. In the event project costs continue to incur after the grant funds have run out, CCD plans to use its biennial budget to cover remaining project costs. The HP-ITD grant opportunity will assist CCD with meeting the aggressive timeline and allow CCD to modernize data sharing and integration processes with affiliated work groups, integrate key stakeholder routing data, improve stakeholder involvement in permit review and approval practices, and provide carriers more robust permitting, routing, and reporting functionalities. If CCD is not awarded federal funding the project will continue but will be funded solely by CCD's biennial budget, which may result in slower progress as resources will be spread over a longer of period.

ACTION REQUESTED

ODOT requests approval to submit a grant application to FMCSA for \$2 million in MCSAP HP-ITD incentive funds.

LEGISLATION AFFECTED

If awarded, CCD will need to request an increase in federal budget limitation.

Sincerely,



Kristopher W. Strickler
Director