

MANAGERIAL REVIEW OF THE

Oregon Department of Transportation (ODOT)

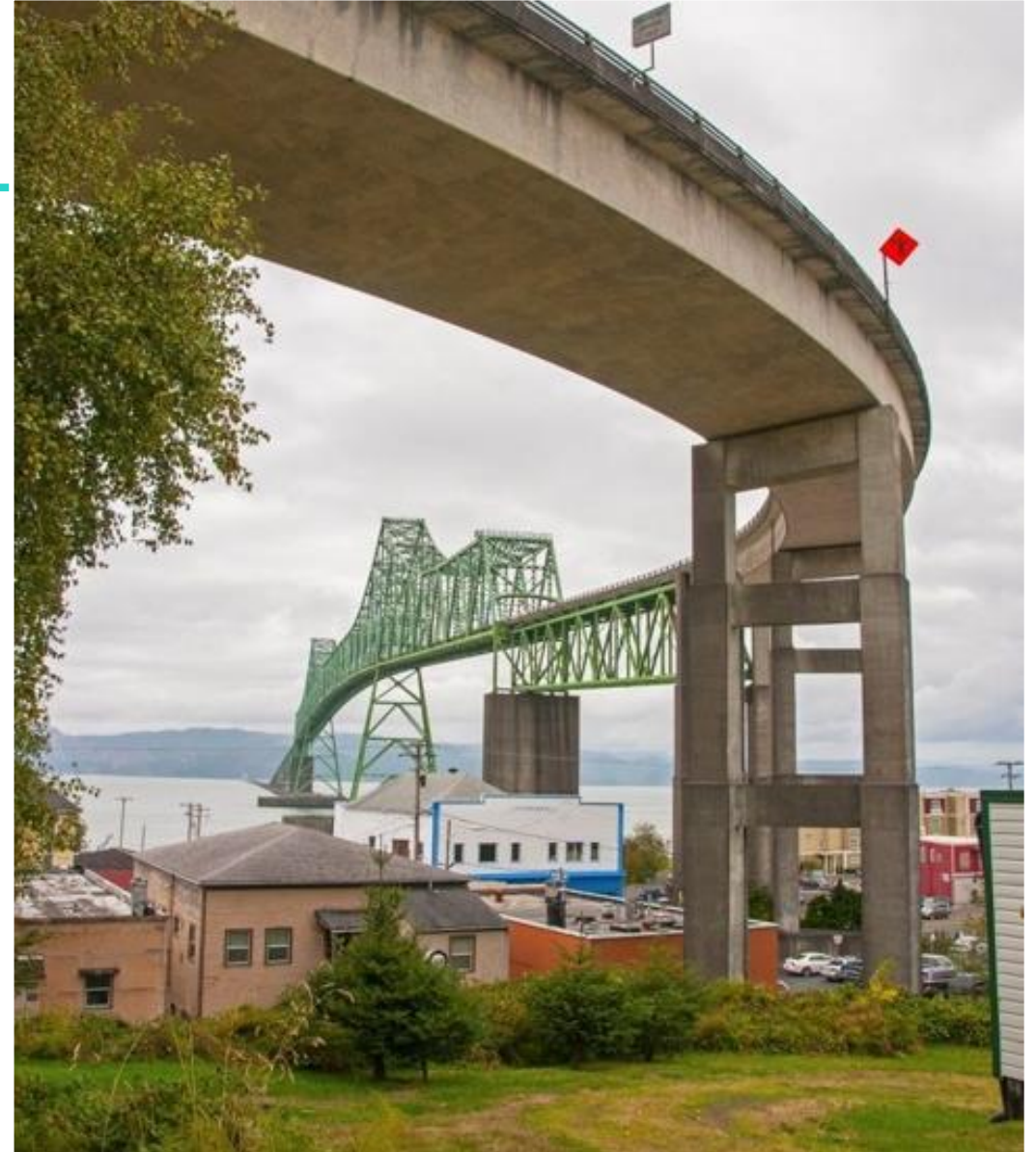
Prepared for
THE OREGON LEGISLATIVE ASSEMBLY

May 27th, 2025
Executive Summary Presentation



Agenda

- ❑ Our Approach
- ❑ Key Findings
- ❑ Recommendations
- ❑ Recommendation Highlights



Our Approach

Our review focus was ODOT's current **organizational structure** and **major projects delivery practices**.

Approach



Key Findings

The findings reflect a comprehensive analysis of documentation, legislative proceedings, and direct input from stakeholders.

Key Findings

The key findings represent the most recurring and high-impact issues identified through the review process and form the foundation for the recommendations.



**Organizational
Structure
Challenges**



**Cost Estimation
and Financial
Management**



**Contract
Administration
Issues**



**Risk Management
Limitations**

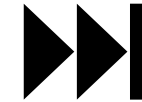


**Major Projects
Decision-Making**

Recommendations

The recommendations are designed to address the most pressing structural and operational challenges identified through this review.

Recommendation Categories



Next Section

The recommendations were divided **categories**, and **short-term** and **long-term** priorities recognizing the need to balance immediate improvements with broader, systemic reform.

Organizational
structure and
Governance

Project Planning and
Pre-Development

Delegated Authority
and Decision-making

Contract
Management and
Administration

Workforce
Development and
Capacity Building

Data, Systems,
and
Financial Tools

Legislative
Engagement and
Transparency

Recommendations (1/7)

Each recommendation is intended to be actionable, scalable, and aligned with ODOT’s mission

Category	Short-term	Long-term	
Organizational Structure and Governance	<div> <div>I.</div> <div>Reform the UMO into a Major Projects Group</div> </div> <div> <div>II.</div> <div>Redefine Reporting Structures for the Group</div> </div> <div> <div>III.</div> <div>Transfer the Alternate Delivery Team under the Major Projects Group</div> </div> <div> <div>IV.</div> <div>Expand the Role of the Chief Engineer to Include Project Delivery Influence</div> </div>	<div> <div>I.</div> <div>Staff the Major Projects Group with Key Technical Expertise</div> </div> <div> <div>II.</div> <div>Assign CAU Contracting Support to the Major Projects Group</div> </div> <div> <div>III.</div> <div>Clarify Roles Between Regional Teams and Major Projects Group</div> </div> <div> <div>IV.</div> <div>Formalize a Project Transition Protocol between the Major Projects Group and Regional Teams</div> </div> <div> <div>V.</div> <div>Designate Regional Liaisons to the Major Projects Group</div> </div> <div> <div>VI.</div> <div>Create a Collaborative Policy Review Structure with Regions</div> </div>	<div> </div> <div> </div> <div> </div> <div> </div>

Recommendations (2/7)







Each recommendation is intended to be actionable, scalable, and aligned with ODOT's mission

Category	 Short-term	 Long-term
Project Planning and Pre-Development	<ol style="list-style-type: none"> I. Codify Project Readiness Thresholds Prior to Funding Commitments II. Establish a Risk-Based Prioritization Framework for Scoping Investments III. Shorten the Timeline Between Project Programming and Construction 	<ol style="list-style-type: none"> I. Integrate Cost Estimating and Scheduling into Early Planning Activities II. Invest in Site Investigations and Early Scoping Activities



Recommendations (3/7)

Each recommendation is intended to be actionable, scalable, and aligned with ODOT’s mission

Category	 Short-term	 Long-term	
Delegated Authority and Decision - making	I. Clarify and Document Decision-Making Authority at All Levels		
	II. Shift to a Risk-based Approval Model for Project Decisions		
	III. Institutionalize a Project-Specific RACI Model for Major Projects	I. Delegate Routine Approvals (such as low-risk design changes) to Project Teams	
	IV. Establish Change Order Escalation Triggers	II. Establish Clearer Project-Level Accountability for Delivery Outcomes	
	V. Use Experienced Consultants to Supplement Internal Staff Where Needed	III. Train Staff on Delegated Decision Protocols	

Recommendations (4/7)


Each recommendation is intended to be actionable, scalable, and aligned with ODOT's mission

Category	 Short-term	 Long-term
Contract Management and Administration	<ul style="list-style-type: none">I. Standardize Contract Templates and Terms and ConditionsII. Establish Consistent Payment Processing Timelines	<ul style="list-style-type: none">I. Streamline Contracting and Amendment Processes through Dedicated CAU ResourcesII. Develop Dispute Resolution Procedures that are Proactive and Tiered



Recommendations (5/7)



Each recommendation is intended to be actionable, scalable, and aligned with ODOT's mission

Category	 Short-term	 Long-term
Workforce Development and Capacity Building	<ul style="list-style-type: none"> I. Strengthen Blended Teams (Consultants + DOT) with Knowledge-Sharing Expectations II. Implement Urban Pay Differential Policies 	<ul style="list-style-type: none"> I. Establish Project Management Training and Credentialing (PMI-PMP) II. Institutionalize a Career Pathway for Project Managers and Technical Staff



Recommendations (6/7)

Each recommendation is intended to be actionable, scalable, and aligned with ODOT's mission

Category	 Short-term	 Long-term
Data, Systems, and Financial Tools	<ol style="list-style-type: none"> I. Replace the Legacy Accounting COBOL-based Forecasting Model with a Modern, II. Integrated Financial System III. Standardize Parametric Cost Estimating for Major Projects at Conceptual Phase IV. Establish a Centralized Major Projects Dashboard for Transparency and Consistency 	<ol style="list-style-type: none"> I. Implement and Standardize a Document Control System for Major Projects



Recommendations (7/7)

Each recommendation is intended to be actionable, scalable, and aligned with ODOT's mission

Category	 Short-term	 Long-term
Legislative Engagement and Transparency	<ol style="list-style-type: none"> I. Standardize Contract Templates and Terms and Conditions II. Establish Consistent Payment Processing Timelines 	<ol style="list-style-type: none"> I. Streamline Contracting and Amendment Processes through Dedicated CAU Resources II. Develop Dispute Resolution Procedures that are Proactive and Tiered



Recommendation Highlights

A deeper dive into some of the recommendations to better understand their value and implementation Considerations.

Recommendation Highlights



Reform the UMO into a Major Projects Group

Scope	Purpose	Considerations	Pre-requisites
UMO should be restructured into a Major Projects Group (MPG) responsible for the oversight and management of major infrastructure projects.	Bring consistency in project clearances, scope discussions / IGAs with cities and counties, and mitigate risks.	<p>The Group should manage no more than five projects at a time.</p> <p>Major Projects include any project over \$99 million, and any project with significant political visibility or community sensitivity</p>	Leadership Support, HR and Budget Support, Clarified Roles and Responsibilities

Recommendation Highlights



Shift to a Risk-based Approval Model for Project Decisions

Scope	Purpose	Considerations	Pre-requisites
Move toward a risk-based approach that delegates low-risk decisions to the project team while reserving high-risk changes for central HQ review.	Streamline current decision-making structures which rely heavily on centralized review even for low-risk project adjustments.	Empower staff closest to the work to act within their scope reducing unnecessary escalation and sign offs.	Leadership and HQ Support, Updated Roles and Responsibilities

Recommendation Highlights



Establish a Major Projects Committee with Quarterly Major Project Updates

Scope	Purpose	Considerations	Pre-requisites
Establish a Major Projects Committee made up of key stakeholders and provide quarterly updates on the status, risks, and milestones of major projects.	Ensure transparency, accountability, and strategic coordination for ODOT's major projects delivery.	The committee should consist of the following members: <ul style="list-style-type: none">• 2 – JTC• 1 – Oregon AGC• 1 – Oregon ACEC• 1 – Transportation Commission• 1 – AOC• ODOT ED• MPG Manager	Major Projects Group Formation, Major Projects KPIs Formalized



Thank You!



Questions?