



**Continuous Improvement
Advisory Committee
Activities and
Recommendations
2020-2021**

***Oregon Transportation Commission Report to the
Joint Committee on Transportation***

DECEMBER 2021

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Continuous Improvement Advisory Committee Activities and Recommendations 2020-2021

Membership

The current members of the Continuous Improvement Advisory Committee (CIAC) are:

Sharon Smith, CIAC Chair, Oregon Transportation Commission member

Ted Aadland, former President, Associated General Contractors

Paula Hammond, former Secretary, Washington State Department of Transportation

Michael Jordan, Director, Portland Bureau of Environmental Services

Amber Ontiveros, Owner, Ontiveros & Associates, LLC (DBE)

Shanna Brownstein, Board Chairwoman, NW Energy Coalition

Cooper Brown, Assistant Director of Operations, ODOT

Bob Gebhardt, Chief Administrative Officer, ODOT

Amanda Pietz, Administrator, Policy, Data and Analysis Division, ODOT

Background

Sections 10 and 45 of House Bill 2017 as amended (2017) directed the Oregon Transportation Commission (OTC) to appoint a Continuous Improvement Advisory Committee to advise the OTC on:

- maximizing the efficiency of ODOT to allow for increased investment in the state's transportation system;
- developing key performance measures to assess the impacts of ODOT investments towards achieving desired outcomes;
- increasing efficiency within both ODOT and the OTC; and
- reviewing and reporting to the OTC on all completed projects costing \$50 million or more.

HB 2017 further directed the OTC to submit a report to the Joint Committee on Transportation each odd-numbered year, beginning in 2019, describing the activities and recommendations of the CIAC and the actions taken by the OTC and ODOT to implement these recommendations. This report is submitted in response to this requirement.

In March 2018, the OTC formally established the CIAC, composed of members of the OTC and employees of the Department of Transportation (ODOT), and the committee held its first meeting on March 20, 2018. It currently meets monthly. Per the CIAC charter, the committee consists of eight to ten voting members appointed by and serving at the pleasure of the OTC. The committee

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composition includes two OTC members, three or four ODOT executive-leader representatives, and three or four external transportation stakeholders. To fill these seats, the Commission recruits members with skills and attributes necessary to help the agency improve and specifically looks for experience in collaboration, expertise in continuous improvement, understanding of the multimodal transportation system, familiarity with ODOT's work, and knowledge of ODOT's mission.

The COVID-19 pandemic resulted in scaling back meetings in 2020. In 2021, the committee resumed a regular schedule of remote, virtual discussions devoted to addressing the priorities in the ODOT Strategic Action Plan, including requirements defined by HB 2017, and recruited external members with skills in these specific areas.

Charter Updates

The CIAC Charter identifies an Audit Subcommittee. In 2021, the Commission determined to disband the Audit Subcommittee in favor of taking what were previously subcommittee discussions and recommendations to ODOT's Agency Leadership Team and other senior agency leaders. The CIAC will continue to identify potential risks for consideration in the Audit Plan.

ODOT Strategic Action Plan

In June 2021, the committee reviewed the 2021-2023 OTC/ODOT Strategic Action Plan (SAP). The Oregon Transportation Commission (OTC) and the Oregon Department of Transportation (ODOT) are committed to accelerating the development of a transportation system that is modern, reliable, and serves all Oregonians in an efficient, environmentally responsible, and safe manner. ODOT has a responsibility to build a system that seamlessly supports daily life and a strong, diverse statewide economy. Oregon's transportation system of the future will need to leverage innovation and technological advancement. It must also offer a wide range of mobility choices to promote a healthy environment and respond to the diverse mobility needs of those who use the system, including those who the system has not served well in the past.

Areas of Focus

The CIAC Charter defines the role of the committee. House Bill 2017 mandates the committee provide feedback on major projects over \$50 million and key performance metrics. The committee also provides feedback on the department's priorities. The ODOT Strategic Action

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Plan revolves around three priorities — equity, a modern transportation system, and sufficient and reliable funding. Beneath each priority are underlying goals that focus the department’s work. In 2021, the committee chose to focus on the connections between major projects, climate, and social equity goals. Underpinning these efforts is how performance metrics drive decision-making.

To address these focus areas more effectively, the committee made key changes in 2021. In May, three external members with expertise in contracting with disadvantaged businesses, electrification, and climate joined the committee. Quarterly meetings covering several presentations became monthly discussions on a key focus area. The scope of discussions expanded beyond the legislative mandates of HB 2017 to look at ODOT as a strategic blend of interconnected divisions, programs, and processes. This report summarizes the committee’s feedback and ODOT’s action items.

The committee’s recommendation is for the department to use the SAP as a lens with which to view plans, decisions, and metrics.

Project Delivery

Legislatively, the committee is required to review projects and report to the OTC on all transportation projects costing \$50 million or more and completed not less than six months prior to the date of this report. In June and July 2021, the committee reviewed the one project that met this requirement, the Newberg- Dundee Bypass (Phase 1E), completed June 2019, which had a total construction cost of \$50,891,881. Additionally, the committee provided feedback on the department’s project delivery model.

Discussions focused on funding, promoting expanded use of disadvantaged businesses, community input of project decisions, and the long-term climate impact of design, material, and construction decisions. The committee recommended the department evaluate:

- the impact of unbalanced bidding on project cost against the risk of unresponsive bids;
- benchmarking with other jurisdictions on aspirational DBE targets;
- developing a skilled workforce, particularly BIPOC and women-owned businesses;
- incorporating climate justice into design and construction decision-making;

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- leveraging the NEPA process to include city and resident feedback, such as bridge & sound wall art; and
- the varying needs of different parts of the state.

Agency Metrics

ODOT's long-term vision is to bring strategic performance measures into alignment with ODOT's Strategic Action Plan measures. Currently, ODOT has three primary strategic measurement reporting requirements. They include Strategic Action Plan measures, which tell the agency whether it is making progress toward achieving the outcomes set forth in the agency's strategic plan; federal performance measures, which are enshrined in federal law to demonstrate progress toward national level transportation goals; and Key Performance Measures (KPMs), which are legislatively endorsed and demonstrate outcomes for the citizens of Oregon.

Ultimately, the objective is to ensure all agency performance measures drive ODOT's work towards outcomes that showcase ODOT's values and goals, and performance that serves Oregonians. In July and August 2021, the committee reviewed the metrics required by HB 2017 and discussed opportunities for improving the department's overall measurement strategy to make it more reflective of the agency's strategic direction. The committee discussed how metrics should be a part of business process and used to inform decisions. Outcomes of this discussion include:

- endorsement to present the Key Performance Measures Executive Summary, the KPM annual performance progress report, and the department's recommended changes to legislative KPMs to update DMV Service Index and Pedestrian/Bike metrics to the Oregon Transportation Commission;
- a recommendation to reduce the overall number of items measured to focus on items of most risk and importance in implementing the Strategic Action Plan;
- the importance of using reliable data to manage performance; and
- using metrics to improve how ODOT "tells its story".

Audits

ODOT's internal audit function furthers ODOT accountability by conducting independent audits and reviews that provide information and make recommendations to improve department

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operations. ORS 184.639 establishes the Internal Auditor as independent through a direct reporting relationship with the agency's external governing body, the Oregon Transportation Commission, and provides the Internal Auditor with final authority on which audits to perform. The committee served as an input to the Internal Auditor in identifying risks for consideration in the 2022-23 Internal Audit Plan. In August and September 2021, the committee discussed:

- potential areas of the department with significant exposure and concerns with strategic priorities and goals being achieved;
- program or discipline-specific areas where ODOT could be more efficient and effective; and
- possible issues with ODOT's adherence to requirements (state/federal regulations, program policies, contract terms, etc.).

The committee's feedback on audits included:

- assess the department's response to the COVID-19 pandemic and opportunities for improvement;
- align the Audit Plan to ODOT's Strategic Action Plan and goals to organize by topics or themes, such as Project Delivery, climate, and social equity;
- systematically follow up on themes, such as congestion pricing project pilot, progress on road use charges versus gas tax, and progress on policy innovation;
- assess the department's exposure to cyber security risks;
- assess the extent ODOT provides training & assistance to DBE/Minority contractors so they can be successful; and
- consider construction costs and challenges in project estimation in a climate of supply-chain issues.

Climate

The overall goal of the Climate Office is to integrate a climate lens into everything ODOT does, in balance with other Agency priorities and goals. Some of these actions are called out in the Strategic Action Plan; other actions are identified as part of [Every Mile Counts](#), a multi-agency effort in response to Executive Order 20-04. The Climate Office continues to pursue ways to reduce greenhouse gas (GHG) emissions from transportation sources and adapt to the impacts of climate change and extreme weather. Additionally, the Climate Office is in the process of implementing the [Governor's Executive Order 20-04](#) on Climate. The Statewide Transportation Strategy serves as the roadmap for mitigation activities, and other key efforts.

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In September and October, the ODOT Climate Office and committee discussed ODOT's goals to reduce GHG emissions in agency projects and investment decisions, and to lead the state's transition to electric and zero emission vehicles (ZEV). The committee recommended:

- consider using the GHG Index methodology the agency established to vet transportation projects in terms of their emissions impacts to identify competitive projects for FHWA or USDOT discretionary grants; investigate Federal grants for energy resiliency, fire safety, and related areas;
- harness ODOT's strength in collaboration to develop strategic public/private partnerships;
- ensure the agency's strategic measures help the department focus and drive investment dollars where it has positive climate & economic impact;
- look for broader opportunities to influence decisions and change;
- when making investment decisions, consider population growth, how assets intended to reduce climate impact are actually used, and the differences of needs in rural areas from metro areas, then use data to show how these investments are helping people; and
- devise an analysis and measurement system that addresses the unique needs of the different parts of the State and measures success according to these differences. Measures should incentivize Oregonians to act differently in different parts of the state, not just metro areas.

Looking Ahead

The committee will continue to advise the department and provide recommendations to the Oregon Transportation Commission in accordance with HB 2017 and in support of the ODOT Strategic Action Plan. The department deeply appreciates the commitment and expertise of the CIAC Chair, Commissioner Sharon Smith. Under her leadership, the committee is better able to achieve its full potential, and evolve in response to the ever-changing dynamics of a transportation system that meets the needs of the citizens the department serves.

Continuous Improvement Advisory Committee Activities and Recommendations 2020-2021

Appendix A – CIAC Activities, Recommendations, and ODOT Implementation Plan

Focus Area	Recommendations	ODOT Implementation	Future Plans
Strategic Action Plan (SAP)	Streamline and focus the priorities, goals and associated outcomes that drive the agency’s actions into the future.	The OTC approved the 2021-23 Strategic Action Plan (fall 2020). Identify key milestones for each of the SAP actions.	Work with the CIAC on a deeper dive on what steps the agency is taking to achieve strategic outcomes and better understand what the impacts and implications are of each strategic outcome. Bring back the SAP scorecard to solicit the committee’s recommendations.
Project Delivery	Consider adding a representative to the committee with DBE (disadvantaged business enterprise) experience.	A consultant specializing in DBE contracting joined the committee (spring 2021). Meet with DBE experts on the committee to identify areas to expand DBE participation (summer 2021).	By the end of 2023, one hundred percent of ODOT projects will apply ODOT’s Social Equity Engagement Toolkit.
Performance Management	Expand use of data to develop, refine and support metrics to ensure they inform and drive decisions. Use metrics to “manage up” in programs and processes. Ensure goals and outcomes recognize differences in metro and rural needs and circumstances.	Create and staff a Chief Data Office (fall 2021). Align legislative, federal, and internal department metrics to the ODOT Strategic Action Plan (in progress).	Streamline the number of metrics ODOT manages at the department level to focus on outcomes of most value to the various people and communities ODOT serves.
Audits	Ensure best use of committee member time in engaging with internal audits.	Audit Subcommittee responsibilities reassigned to focus committee attention on identifying risks and speaking into priority areas for building the internal audit plan.	Continue to leverage the expertise of the committee to identify potential topics for inclusion in the Internal Audit Plan.
Climate	Measure improvement in regard to electrification. Use Road Usage Fee revenue as a funding source to maintain	2021-2023 Strategic Action Plan identified electrification goals and measures, including tripling the number of EVs in Oregon by 2023 and	ODOT is working to rapidly provide chargers in priority and equitable locations with a deployment strategy, prepare for hydrogen fuel cells, pursue federal funding, and

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Focus Area	Recommendations	ODOT Implementation	Future Plans
	the state highway transportation system.	increasing electric charging infrastructure by 10 percent.	collaborate with partners to make Oregon EV ready.
Social Equity	CIAC will review ODOT’s Social Equity efforts and provide feedback in the fall and winter of 2021.	Update with plan to address the committee’s feedback.	By the end of 2023, ODOT will materially increase the hiring and retention of minorities, women, and people who live with disabilities at all levels of the organization.

Attachment: ODOT Annual Performance Report

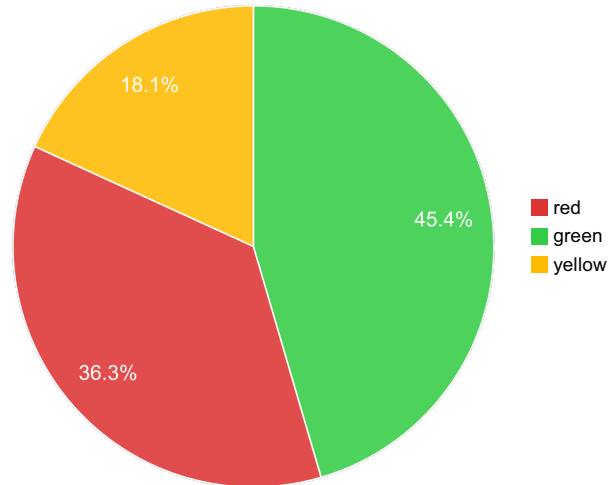
Transportation, Department of

Annual Performance Progress Report

Reporting Year 2021

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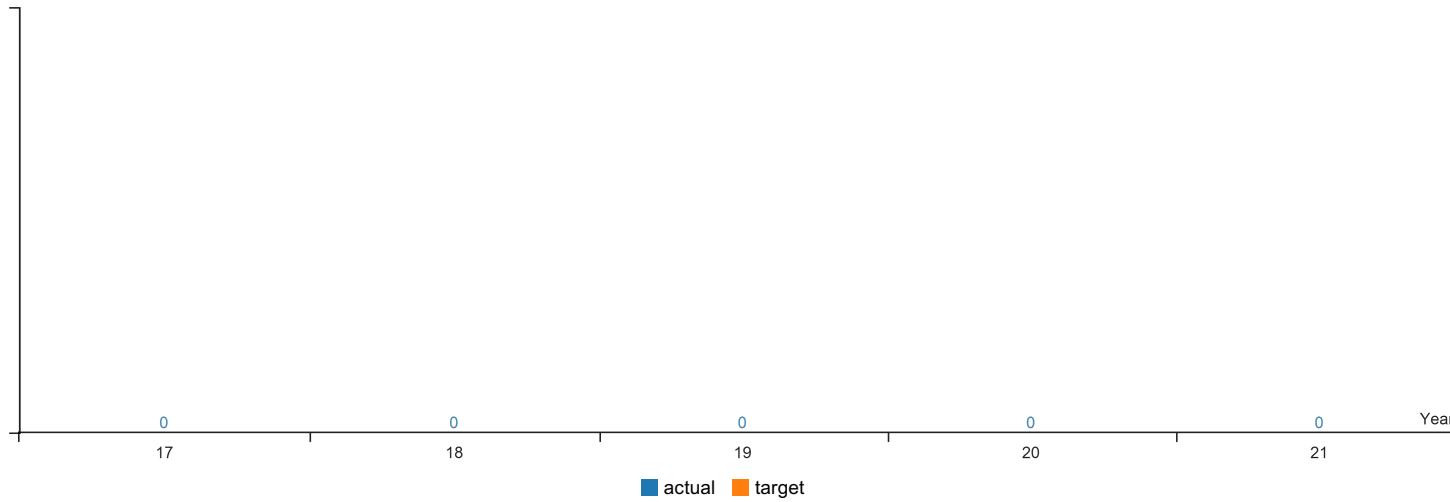
KPM #	Approved Key Performance Measures (KPMs)
1	Traffic Fatalities and Serious Injuries Rate - Traffic Fatalities and Serious Injuries per 100 million vehicles miles traveled (VMT).
2	Pavement Condition - Percent of pavement lane miles rated "fair" or better out of total lane miles in state highway system.
3	Bridge Condition - Percent of state highway bridges that are not "distressed"
4	Public Transit Vehicle Condition - Percent of Public Transit buses that meet replacement standards
5	Traffic Congestion - Number of Congested Lane Miles - Ratio of annual average daily traffic to hourly highway capacity
6	Passenger Rail Ridership - Number of state-supported rail service passengers.
7	Transit Rides - Average number of transit rides each year per Oregonian
8	Bike Lanes and Sidewalks - Percent of urban state highway miles with bike lanes and pedestrian facilities in "fair" or better condition.
9	Construction Projects On-time - The percentage of state administered projects that have satisfactorily completed all on-site work within 90 days of the baselined contract completion date
10	Construction Projects On Budget - The percentage of projects for which total construction expenditures do not exceed the original construction authorization by more than 10%
11	Disadvantaged Business Enterprise Utilization - Percent of ODOT Awarded Contracts to Oregon Disadvantaged Business Enterprises (DBEs)
12	DMV Field Office Wait Time - Percentage of DMV Field Office Customers Served within 20 Minutes
13	Customer Satisfaction - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.



Performance Summary	Green	Yellow	Red
	= Target to -5%	= Target -5% to -15%	= Target > -15%
Summary Stats:	45.45%	18.18%	36.36%

KPM #1	Traffic Fatalities and Serious Injuries Rate - Traffic Fatalities and Serious Injuries per 100 million vehicles miles traveled (VMT).
	Data Collection Period: Jan 01 - Dec 31

* Upward Trend = positive result



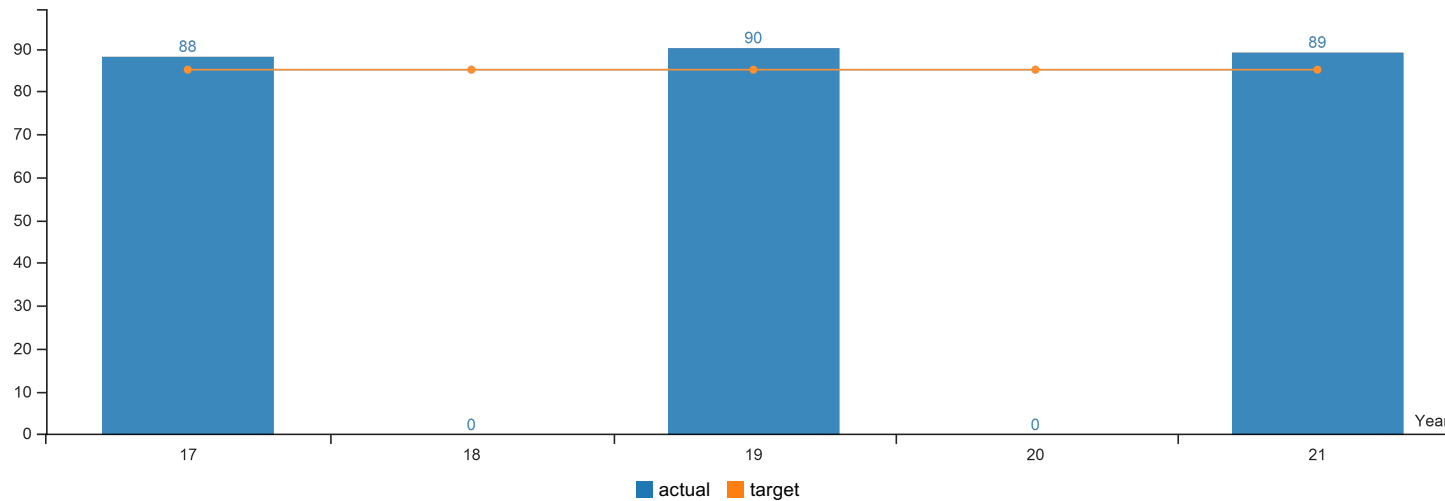
Report Year	2017	2018	2019	2020	2021
a. Traffic Fatalities and Serious Injuries					
Actual					
Target					

How Are We Doing

Factors Affecting Results

KPM #2	Pavement Condition - Percent of pavement lane miles rated “fair” or better out of total lane miles in state highway system.
	Data Collection Period: Jan 01 - Dec 31

* Upward Trend = positive result



Report Year	2017	2018	2019	2020	2021
Pavement Condition					
Actual	88%		90%		89%
Target	85%	85%	85%	85%	85%

How Are We Doing

Thanks to ODOT’s asset management and investment strategies, pavement condition over the last few years has ranged between 85 and 90 percent “fair” or better, which is above target. ODOT’s pavement strategy prioritizes the interstate, with lower condition priorities for other routes. Currently, the national standard for comparing highway pavement conditions nationwide is pavement smoothness. A smoothness comparison between Oregon and our neighboring states of California, Idaho, Washington, and Nevada based on 2019 Highway Statistics data, which is the most recent comparison, shows that Oregon’s pavement is on par with Idaho and Nevada and better than California and Washington and also better than the nationwide average.

<https://www.fhwa.dot.gov/policyinformation/statistics/2019/hm64.cfm>

A new standard for comparing national highway system (NHS) pavement conditions nationwide using pavement cracking, rutting and faulting data, in addition to smoothness, is in a transition phase and is not yet available for comparison purposes.

Management Comments:

The goal of the ODOT pavement preservation program is to keep highways in the best condition possible with available funding, by taking a life-cycle cost approach to preservation and maintenance. Instead of following “worst-first”, the program applies a “mix of fixes” including preventive maintenance seal coats, preservation resurfacing, and rehabilitation projects. The program follows an asset management strategy to reduce the impacts of declining pavement conditions across the system. A higher percentage of miles in good condition translates to smoother roads and lower pavement and vehicle repair costs. Prior to 2014, the long term target was set at 78 percent “fair” or better. The legislature increased the target to 87 percent for 2014 and 2015 and subsequently reduced the target

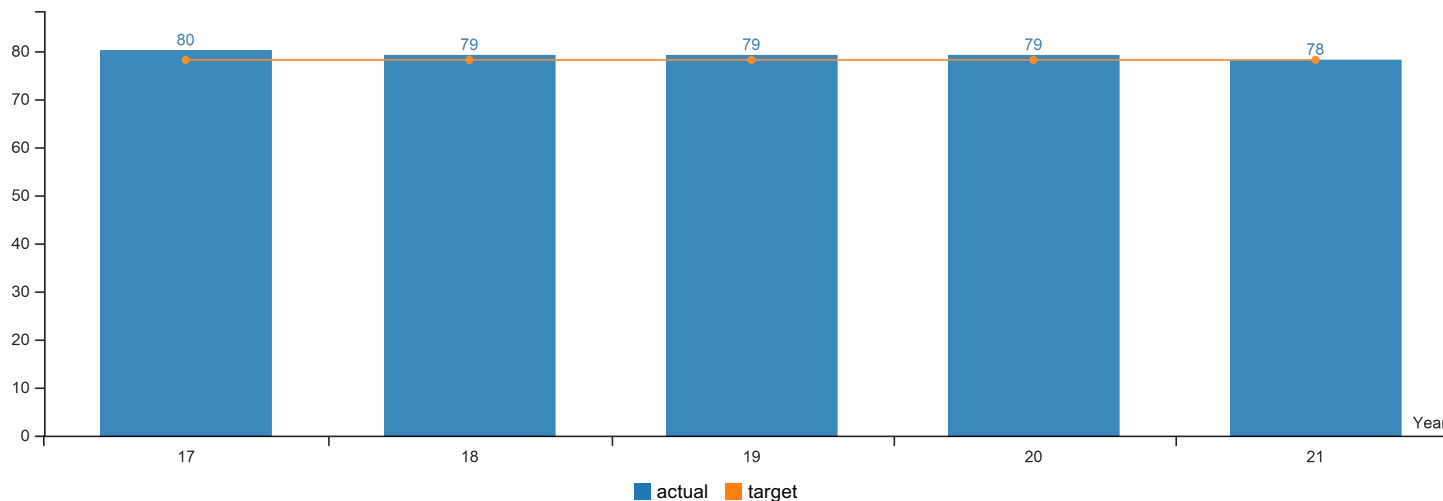
to 85 percent starting in 2016. Pavement conditions are measured every two years and the 2022 data will be available in February 2023.

Factors Affecting Results

Overall pavement conditions have turned the corner and are starting to decline. Keep Oregon Moving (HB 2017) funding has helped offset a funding shift towards more ADA and active transportation projects. Projected funding results in a mild decline in the pavement condition measure over the next two to four years. Over the long term, our pavement programs are underfunded, which will lead to a sharp decline in conditions. An estimated \$220 million per year is needed to repair the backlog of high cost poor and very poor highways, while keeping the remaining state highways in “fair or better” condition. This funding level would support major repairs needed on routes with the worst pavement conditions, while providing for timely preventive preservation and maintenance on roads in fair to good condition. Pavement funding levels over the last few years have averaged over \$140 million per year, but are currently at about \$100 million per year. This pavement funding level provides less than one-half of the actual need for pavement preservation and major repairs. Highways in very poor condition, which need extensive rehabilitation or which require costly upgrades to meet current standards, are typically too expensive to compete for limited program funds. These problems are most acute on district level routes which are critical roads for our local communities. Pavement resurfacing treatments typically last 10 to 20 years, but pavement funding will only be able to pave each section of road on average only once every 50 years—far beyond the optimal timeframe. ODOT estimates that by 2035, the proportion of pavement in poor or worse condition will reach 35%. This will result in diminished safety, as well as higher vehicle repair costs as Oregonians travel on rutted and deteriorated roads. As road conditions deteriorate, thicker paving and/or complete replacement will become necessary at a higher cost than what would be required to simply maintain them in fair or better condition. In the long run, Oregonians will pay more to rehabilitate this failed pavement than it would have cost to keep it in good condition.

KPM #3	Bridge Condition - Percent of state highway bridges that are not "distressed"
	Data Collection Period: Apr 01 - Mar 31

* Upward Trend = positive result



Report Year	2017	2018	2019	2020	2021
Percent of State highway bridges that are not distressed					
Actual	80%	79%	79%	79%	78%
Target	78%	78%	78%	78%	78%

How Are We Doing

The improvement in the percent “not distressed” measure since 2007 is largely due to the investments from the OTIA III State Bridge Delivery Program. Bridge Program funding levels have been able to maintain the bridge performance measure for the last six years, but is showing signs of decline since 2018 (79% to 78.4% in 2020). The predominant distresses are due to the aging bridge inventory and bridge functionality issues such as deck geometry and vertical clearance. Analysis shows that over the next ten years the new HB 2017 funding will not stop the decline, only slow it. This decline is primarily due to the aging bridge inventory and a long history of underfunding of the Bridge Program that precluded systematic replacement of deteriorated bridges.

Management Comments:

ODOT bridge conditions are characterized by the performance measure "not distressed" which means the bridges have not been identified as having freight mobility, deterioration, safety or serviceability needs and are not rated as Structurally Deficient based on Federal Highway Administration criteria. The ODOT bridge strategy which focuses on preservation and maintenance was developed in response to insufficient funding levels needed to sustain conditions of the many of bridges reaching the end of their service life. The target goal for “not distressed” bridges was established by analyzing the impact of program funding targets approved by the Oregon Transportation Commission, deterioration rates of our aging structures and historic performance of the Bridge Program in addressing needs in twelve categories.

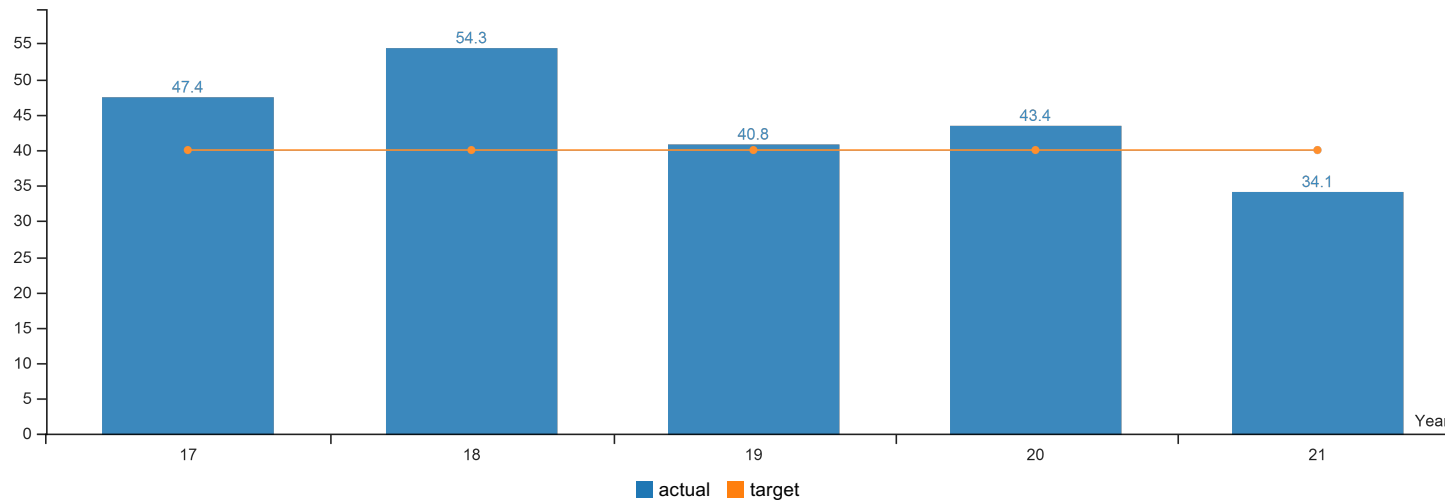
Factors Affecting Results

A sustainable bridge program includes replacing bridges when they reach the end of their service life at 100 years. Due to underfunding, at the current rate a bridge will have to last more than 900 years before replacement. The result is a large population of aging bridges in fair condition. With a disproportionate number of bridges in fair condition, available funding will only be able to address

the most critical needs with few bridge replacements on priority routes. The fair bridges will continue to challenge the Bridge Program's ability to address major rehabilitation and maintenance needs while also funding timely preservation treatments to optimize structure service life. We continue to put effort into extending the service life of many bridges beyond a normal time period because of inadequate funding. The performance of the older bridges is unreliable and requires increased effort by inspectors and maintenance personnel to maintain safe conditions. There is real concern that current resources will not be able to keep up, and the resulting bridge postings are beginning to cause hardships for the communities that depend on these bridges.

KPM #4	Public Transit Vehicle Condition - Percent of Public Transit buses that meet replacement standards
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2017	2018	2019	2020	2021
Public Transit Vehicle Condition					
Actual	47.40%	54.30%	40.80%	43.40%	34.10%
Target	40%	40%	40%	40%	40%

How Are We Doing

Each year, ODOT distributes approximately \$12 million in federal funds to Oregon transit providers to replace vehicles. Recognizing inadequate funding for transit vehicles, the Oregon Transportation Commission targeted \$5 million annually for 2019, 2020, and 2021 to improve vehicle conditions. PTD is distributing these funds over a 6-year period to allow for gradual replacement of vehicles and avoid having a large number of vehicles to replace at one time. The Commission recently allocated additional funding for vehicle replacement in the 2024-27 STIP.

Beginning in 2019, the Statewide Transportation Improvement Fund (STIF), created as part of the 2017 transportation funding package, Keep Oregon Moving, provides new dedicated funding to expand access to public services and jobs, relieve congestion, reduce greenhouse gas emissions, and improve public transportation for students and low-income communities. STIF funds help transit providers provide the local match to leverage additional federal funding for vehicles. Transit providers are responsible for determining their local needs and priorities and have plans to purchase 329 new vehicles using STIF funds by the end of the 2019-2021 biennium. The effects of these funding sources has substantially improved the condition of the statewide fleet. However, even with this combination of federal, STIF, and special Surface Transportation Block Grant funding, PTD estimates that funding will not be adequate to keep fleet at or below the desired goal in future years.

Additional funding will be needed to maintain the goal due to an increasing number of vehicles projected to exceed useful life by 2021 and 2022. In particular, many of the large, expensive buses that were purchased through funds from the 2009 American Recovery and Reinvestment Act will need to be replaced. Planning for replacement of these vehicles is critical since it can take almost three years to design, order, build and deliver the larger buses. Additionally, PTD's investment priorities encourage agencies to convert to low or no emission fuel fleets and reduce GHG emissions. Such vehicles typically have higher initial purchase costs, but lower lifecycle costs, than standard diesel vehicles.

Management Comments:

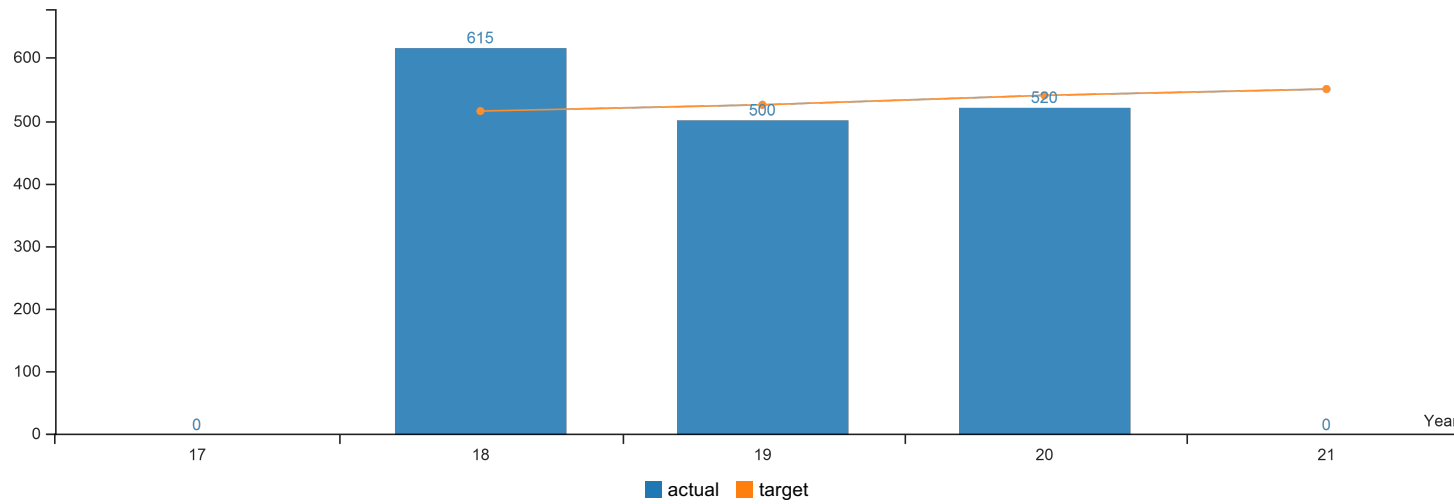
ODOT's Public Transportation Division (PTD) partners with local transit providers to offer safe and cost-effective public transportation. The goal is to keep transit vehicles in a "State of Good Repair" (SGR) based on guidance from the Federal Transit Administration (FTA) to ensure they operate at optimal performance. PTD calculates the expected useful life of various types and sizes of vehicles based on their mileage, age, and condition. This helps determine when a vehicle should be replaced to ensure dependable travel and to prioritize resources for replacement, as well as allow time to purchase replacement vehicles before maintenance or rebuild costs escalate or breakdowns occur. The most effective investment strategy requires advance planning and good fleet management. Both direct FTA funding and ODOT administered funding are available for vehicle investment, depending on the recipient. ODOT holds a security interest in vehicles that purchased with state or federal funds through PTD. Data for 2020 includes all active vehicles, regardless of funding. This is the first time this fleet data includes vehicle information from TriMet and Cherriots. Combined, their fleet represents over half of all 2,115 vehicles in use by Oregon transit providers and inclusion of these results improves overall state performance.

Factors Affecting Results

Local transit providers decide to replace vehicles based on the vehicles' condition and their ability to meet local match funding requirements. Oregon transit providers rely on the state Special Transportation Fund (STF) and STIF to provide local match funding for FTA grants used to maintain an optimum replacement schedule due to the lack of sufficient local match funds. Ongoing STF and STIF funding stability will be essential in meeting the goal for vehicles in a state of good repair.

KPM #5	Traffic Congestion - Number of Congested Lane Miles - Ratio of annual average daily traffic to hourly highway capacity
	Data Collection Period: Jan 01 - Dec 31

* Upward Trend = negative result



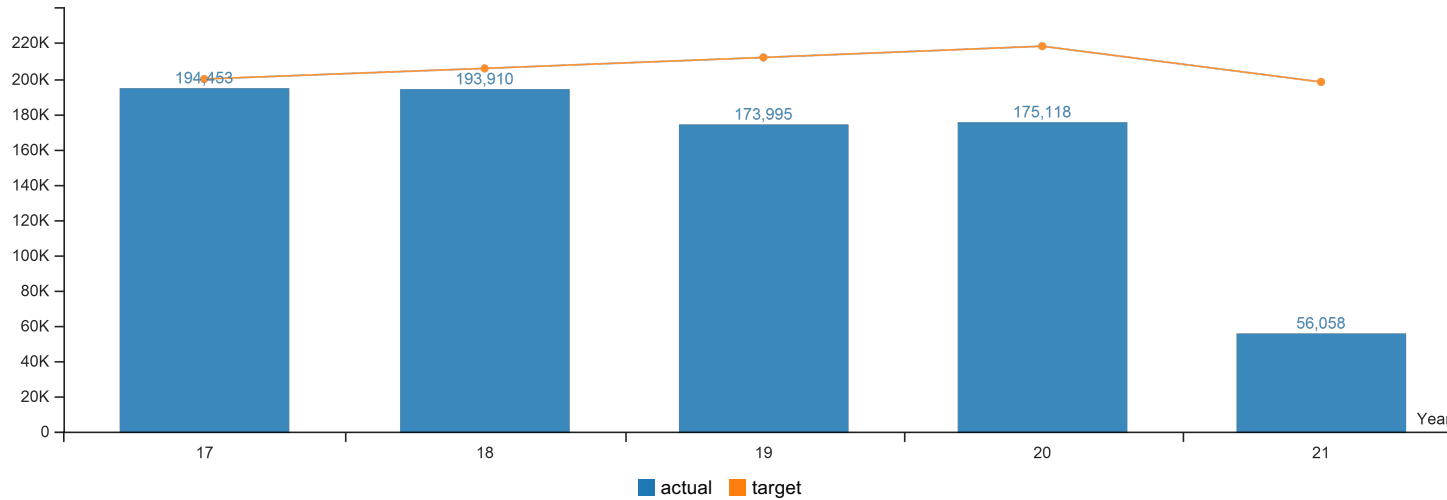
Report Year	2017	2018	2019	2020	2021
Mobility					
Actual		615	500	520	
Target		515	525	540	550

How Are We Doing

Factors Affecting Results

KPM #6	Passenger Rail Ridership - Number of state-supported rail service passengers.
	Data Collection Period: Jan 01 - Dec 31

* Upward Trend = positive result



Report Year	2017	2018	2019	2020	2021
Passenger Rail Ridership					
Actual	194,453	193,910	173,995	175,118	56,058
Target	199,555	205,542	211,708	218,059	197,894

How Are We Doing

The effects of COVID-19 on passenger rail and Cascades POINT ridership have been dramatic, including a reduction to one round trip train within the Oregon for a full year. PTD will request more achievable targets based on expectations for post-pandemic travel. Ridership on the Amtrak Cascades and Cascades POINT services peaked in 2013. In the following years, gas prices were declining and freight rail traffic increasingly interfered with Amtrak Cascades on-time performance, making the service a less desirable options. In 2017, Washington added two new trains to the corridor, providing increased service between Seattle and Portland – providing six roundtrips per day. Oregon and Washington expected this to increase ridership substantially by providing more opportunities to travel and more connections. Ridership targets for 2017 through 2019 were based on these additional services. However, on the first day of the new service, a train derailed on the Point Defiance Bypass segment (DuPont, WA), resulting in a decrease in Amtrak Cascades ridership. Ridership began increasing in late 2018 and 2019 and ODOT adjusted the 2020 ridership goal based on actual 2017 ridership.

Management Comments:

ODOT and the Washington State Department of Transportation (WSDOT) co-fund and contract with Amtrak to provide passenger rail services in the Pacific Northwest. This coordination supports passenger rail as a part of the statewide multimodal transportation network in Oregon and provides connections for regional travel on passenger rail. ODOT also funds the intercity Cascades POINT bus service that provides connections to the Amtrak Cascades. Private transit companies provide these services under contract with ODOT. Both Amtrak Cascades passenger rail service and Cascades POINT bus services supplement the national passenger rail network and connect with local public transit services throughout the I-5 corridor. ODOT's goal is to provide a transportation option in the I-5 corridor that is convenient, reliable, and safe at the times people want to travel. One of the indicators of our success in the number of passenger rail and Cascades POINT bus rides provided. ODOT recently completed a 25-year Passenger Rail Corridor Investment Plan (CIP) to identify needed infrastructure improvements and equipment in order to improve on-time performance,

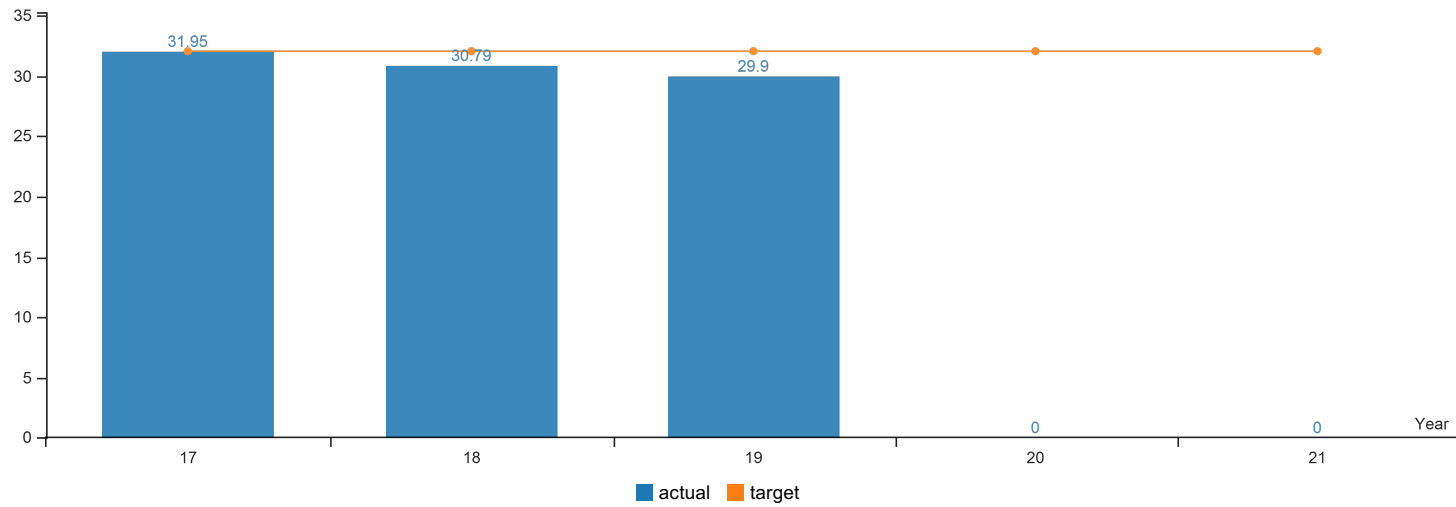
increase service reliability, and provide more frequent passenger rail services. ODOT completed this plan because as population and economy grow, so does the demand for travel and Oregon's transportation infrastructure is facing significant pressures. The combination of increases in congestion on I-5, in population, and in freight, and the general lack of funding to expand the state's highway system, has led to increased demand for other travel modes, including passenger rail. The CIP is the foundation for future project development. The intent of the CIP is to provide sufficient information to support future FRA, State of Oregon, local government, and private sector decisions to fund investment for passenger rail in on the I-5 corridor. The completion of the CIP positions ODOT to be competitive for federal funds for infrastructure improvements. Ridership goals were established pre-COVID, presuming an annual increase in passengers riding both Amtrak Cascades trains and Cascades POINT buses in Oregon.

Factors Affecting Results

In 2014, weekend train schedules were set to attract leisure travelers and weekday service to attract for business travelers. Poor on-time performance, often due to seasonal track maintenance, resulted in schedule unreliability, discouraging timesensitive riders. In December 2017, ODOT aligned all Oregon schedules to connect with trains from Washington and to focus on leisure travelers to increase ridership and better meet passenger demand. After the derailment, the schedule was modified and the throughtrain connection between Seattle-Portland-Eugene was discontinued because of an equipment shortage, resulting in a decrease in riders. COVID-19 pandemic and subsequent decrease in service demand led to the decision to reduce service levels to one round trip per day between Seattle and Eugene. Oregon and Washington are currently working with Amtrak to increase service levels in spring/summer 2021 and service into Canada will resume when the U.S.-Canadian border reopens. Increasing ridership is an ODOT priority; however returning to pre-COVID levels could take several years. ODOT tracks ridership on every Amtrak Cascades train to determine which trains attract the most passengers. ODOT and WSDOT coordinate on the use of this data to adjust train schedules to achieve maximum ridership. ODOT and WSDOT are jointly working on outreach to passengers when service levels begin increasing to ensure they understand the safety measures taken and the schedule improvements made.

KPM #7	Transit Rides - Average number of transit rides each year per Oregonian
	Data Collection Period: Jan 01 - Dec 31

* Upward Trend = positive result



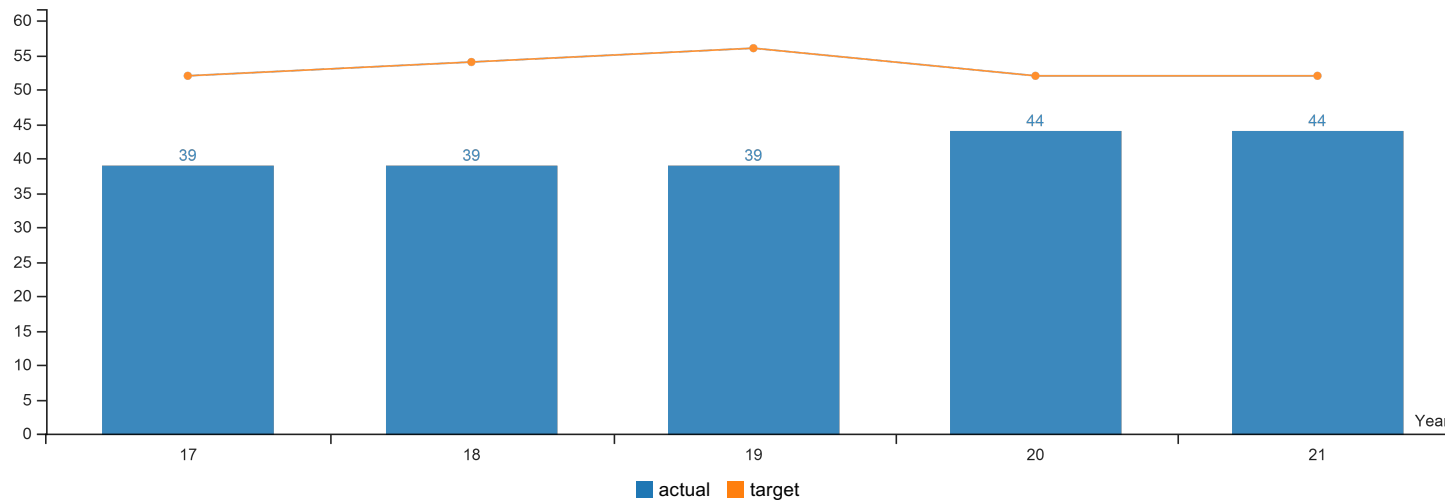
Report Year	2017	2018	2019	2020	2021
Transit Rides					
Actual	31.95	30.79	29.90		
Target	32	32	32	32	32

How Are We Doing

Factors Affecting Results

KPM #8	Bike Lanes and Sidewalks - Percent of urban state highway miles with bike lanes and pedestrian facilities in "fair" or better condition.
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2017	2018	2019	2020	2021
Bike Lanes and Sidewalks					
Actual	39%	39%	39%	44%	44%
Target	52%	54%	56%	52%	52%

How Are We Doing

ODOT makes strategic investments in walking and biking improvements on both the state and local system where ODOT and Oregon communities have identified the greatest need. In recent years, ODOT has increased resources and investment in walking and biking, creating region Active Transportation Liaisons and allocating funding for the state network in the Statewide Transportation Improvement Program (STIP). According to the Oregon Household Survey conducted from 2009-2011, 11 percent of adults travel by walking or biking, but this percentage rises to 52 percent if the household does not have access to a vehicle or has more workers than vehicles. Current analysis of facilities on the state highway system estimates it will take over \$1.17 billion to close gaps in pedestrian and bicycle infrastructure.

Management Comments:

ODOT's Public Transportation Division (PTD) works with local partners to create walkable and bikeable communities. Oregon law requires walkways and bikeways be provided when state roads are constructed or rebuilt, and mandates that at least one percent of the State Highway Fund be used for walking and biking facilities in addition to federal funds. This goal addresses the percentage of total highway roadside miles in urban areas that have complete walkways and bikeways. Urban areas are defined as those areas with populations over 5,000 where the population density in the area bordering the highway meets federal definitions, as well as incorporated cities with populations under 5,000. The Oregon Transportation Plan, published in 2006, included a goal of meeting this target by 2030 in order to provide Oregonians with a complete transportation network that includes biking and walking.

In 2008, ODOT completed a two-year effort to inventory of all walkways and bikeways on highways in urban areas and small cities throughout the state. This inventory is periodically updated, using site visits, construction contract review, and highway video logs. The Oregon Transportation Commission adopted its Strategic Action Plan in December 2020, targeting an outcome of improved access to walking, biking, and transit. This focus will allow ODOT to improve equitable access by increasing dedicated funding for walking, biking, and transit and better leveraging broader agency

investments to include prioritized multimodal investments. Released in 2016, the Oregon Bicycle and Pedestrian Plan defines policies and strategies to make biking and walking safe and comfortable options. The plan and related analyses resulted in revisions to this goal, reduced the target from 56 percent to 52 percent.

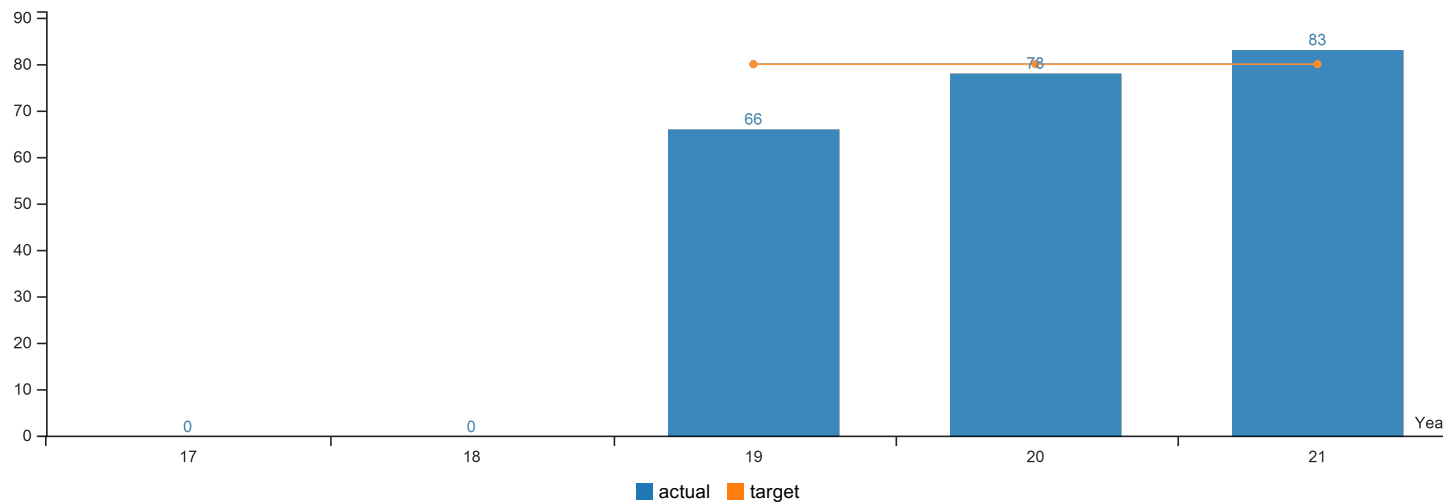
Factors Affecting Results

Despite constructing miles of walkways and bikeways over the last seven years, the percent of urban highways with complete walkways and bikeways has remained relatively flat. While this is in part due to definitional changes in what constitutes an urban area, the larger issue is that competition for scarce funding resources frequently results in prioritizing road repairs and construction over pedestrian and bicycle facilities. Over the last several biennium, ODOT has targeted additional funds to address gaps along the state system. In January 2021, the Oregon Transportation Commission approved an 85% increase in state and federal funds in the 2024-2027 STIP cycle dedicated to improving walking and biking on state facilities. The number of miles built each year is not the only indication of progress in meeting this target. Recent adjustments to the federally defined urban areas have brought many new roadway miles into Oregon's expanding urban areas. As formerly rural roads, these highways are unlikely to include walkways and bikeways. We also see occasional decline in the miles as a result of jurisdictional transfers, where a local government assumes ownership of a state highway. When such transfers take place, they are typically preceded by significant improvements to the highway, including adding walkways and bikeways. ODOT may build walkways and bikeways on a highway one year, increasing our progress toward our goals, only to transfer the road into local ownership the next year, causing our percent completed to drop, necessitating the need for a more appropriate key performance measure.

KPM #9 Construction Projects On-time - The percentage of state administered projects that have satisfactorily completed all on-site work within 90 days of the baselined contract completion date

Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2017	2018	2019	2020	2021
Construction Projects On-time					
Actual			66%	78%	83%
Target			80%	80%	80%

How Are We Doing

For state fiscal year 2020 (July 1, 2019 – June 30, 2020), performance is at 83% of construction projects delivered on-time, exceeding the target for the first time since 2014. One project with an elective change order was re-baselined for time (1 of 64 projects). This re-baselined project raised overall 2020 performance from 81% to 83%. In response to an ODOT management assessment (McKinsey & Co. 2017), ODOT revised its construction on-time measure to be more consistent with peer DOTs and to also account for the appropriate re-baselining of contract completion dates for on-time measurement.

Any project on-time measure must have an end date to compare the actual completion date against; this is referred to here as the baseline contract completion date. ODOT construction projects have two options for a baseline end date: the original contract completion date or a modified contract completion date reflecting changes to the construction contract. For most projects, the original contract completion date is used to determine on-time performance; however, there are circumstances as described below, where ODOT would use a re-baselined end date.

Management Comments:

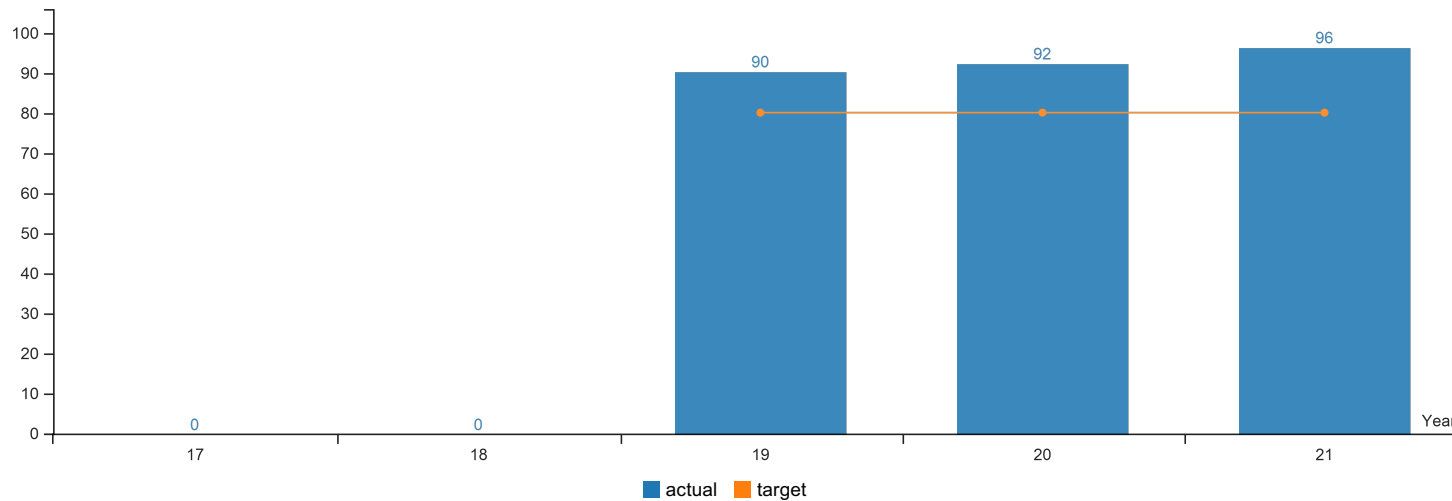
ODOT's goal is that construction projects satisfactorily complete all on-site work within 90 days of the final completion date listed in their contracts. We achieve this through effective schedule development, contract and risk management throughout the life of the project. ODOT categorizes contract change orders (CCO) that affect project schedules into different types, allowing us to tell if a given change is avoidable, unanticipated, or elective. By reporting on the frequency of and reasons for different CCO types, ODOT can provide greater transparency of its change management practices and take actions to reduce the number of avoidable construction change orders—the primary reason for late projects. We set a target of completing 80% of our construction projects on-time. This percentage is consistent with our peer DOTs; however, we will revise it as our capability to reduce avoidable contract changes increases.

Factors Affecting Results

Many factors can affect the on-time performance of construction projects. There are elective actions taken by ODOT that can extend or compress project schedules as well as unanticipated events, beyond the control of project managers, that can occur and to which we must react. There are also avoidable issues such as errors or defects in a project's design that can impact the schedule. For the on-time measure, circumstances allowing the contract completion date to be re-baselined include: elective expansion of project scope by ODOT; new requirements or interpretations from regulatory agencies, including FHWA, affecting project schedules; and unanticipated delays due to natural events such as weather or emergencies. Circumstances that would not allow for rebaselining the schedule include: errors in plans, specifications, and/or design; unacceptable traffic impacts; construction engineering errors; and poor schedule management.

KPM #10	Construction Projects On Budget - The percentage of projects for which total construction expenditures do not exceed the original construction authorization by more than 10%
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2017	2018	2019	2020	2021
Construction Projects On Budget					
Actual			90%	92%	96%
Target			80%	80%	80%

How Are We Doing

For state fiscal year 2020 (July 1, 2019 – June 30, 2020), performance is at 96% of projects on budget. Over this time period, two projects were re-baselined for budget, which increased overall performance from 93% pre re-baseline to 96%. Performance has exceeded the target of 80% since 2011.

In response to an ODOT management assessment (McKinsey & Co. 2017), ODOT revised its construction on-budget measure to be more consistent with peer DOTs and to also account for the appropriate cost accounting of CCOs for on-budget measurement. Any project on-budget measure must have a final expense figure to compare to a baselined budget. For this performance measure, the baselined budget is the net construction authorization set at contract award. For most projects, total construction expenditures are used to determine onbudget performance; however, there are circumstances, described below where ODOT would re-baseline this figure based on the type of expenses incurred.

Management Comments:

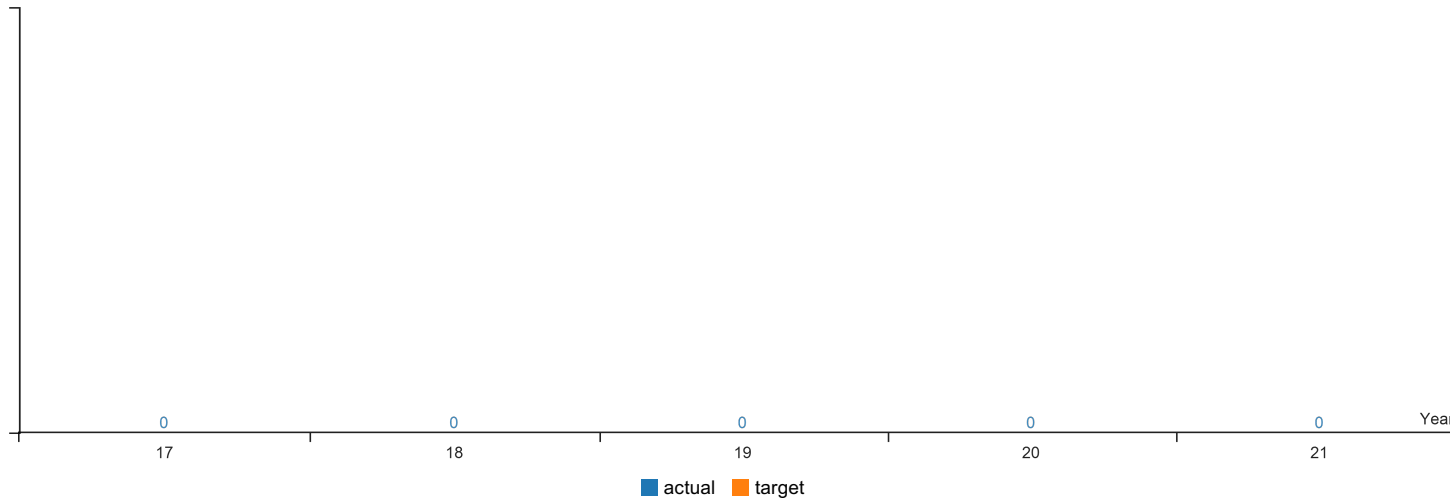
ODOT's goal for any given construction project is to ensure that total construction costs do not exceed the project's original construction budget, also known as the construction authorization, by more than 10%. We achieve this through effective schedule and budget development and contract and risk management throughout the life of the project. ODOT categorizes contract change orders (CCO) that affect project budgets into different types, allowing us to categorize a given change as avoidable, unanticipated, or elective. By reporting on the frequency of and reasons for different CCO types, ODOT can provide greater transparency of its change management practices and take actions to reduce the number of avoidable contract change orders that can negatively impact project budgets and schedules. The target is set at 80% of projects. We established this target to be consistent with peer DOTs, but it will be revised as our capability increases to reduce avoidable contract changes.

Factors Affecting Results

Final construction costs can incorporate a number of components not included in the original authorization amount. These cost components can include variance between actual and planned bid item quantities, contract change orders, extra work orders, force accounts (method used when a negotiated price cannot be reached for extra work), pay factors, escalation/deescalation, anticipated items and construction engineering. These components can result in positive or negative cost adjustments to the budget. While such components are estimated when project budgets are established, uncertainties are inherent in any complex construction project. For example, market trends such as higher than expected inflation and rises in steel, oil, and asphalt prices can contribute to cost increases. Unanticipated geological features, archeological finds, or environmental impacts can also lead to increased costs. Not all unanticipated costs are a bad thing, however. The expansion of a project's scope in construction, for example, can meet agency goals and regional needs despite increasing overall project costs. ODOT's new on-budget measure accounts for this by adjusting the final expense figure in the case of elective actions resulting in contract changes. For this on-budget measure, circumstances allowing for the adjustment of the final expense figure include: elective expansion of project scope by ODOT; new requirements or interpretations from regulatory agencies, including FHWA, affecting the construction contract; and unanticipated budget impacts due to natural events (weather or emergencies). Circumstances that would not result in adjusting the final expense figure include: errors in plans, specifications, and/or design; unacceptable traffic impacts; and construction engineering errors.

KPM #11	Disadvantaged Business Enterprise Utilization - Percent of ODOT Awarded Contracts to Oregon Disadvantaged Business Enterprises (DBEs)
	Data Collection Period: Jan 01 - Dec 31

* Upward Trend = positive result



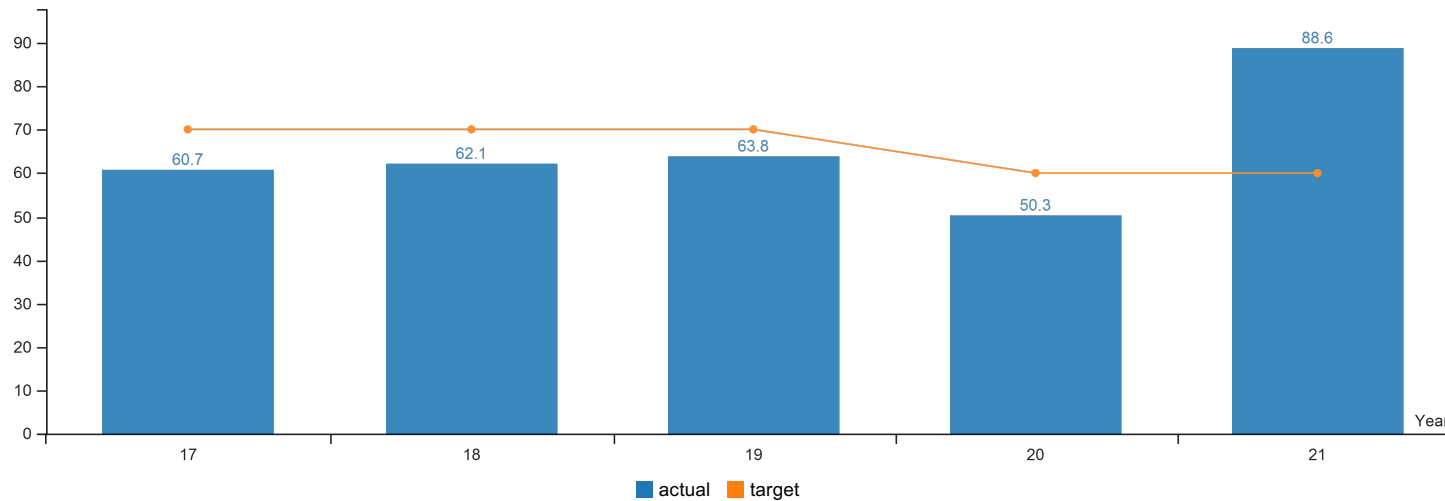
Report Year	2017	2018	2019	2020	2021
a. Disadvantaged Business Enterprise Utilization					
Actual					
Target					

How Are We Doing

Factors Affecting Results

KPM #12	DMV Field Office Wait Time - Percentage of DMV Field Office Customers Served within 20 Minutes
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2017	2018	2019	2020	2021
DMV Field Office Wait Time - Percentage of DMV Field Office Customers Served within 20 Minutes					
Actual	60.70%	62.10%	63.80%	50.30%	88.60%
Target	70%	70%	70%	60%	60%

How Are We Doing

The appointment-only model that DMV has been using for the safety of Oregonians to meet COVID-19 restrictions has resulted in the vast majority of customers being served within 20 minutes. DMV is still evaluating how best to serve Oregonians in the future, but anticipates a hybrid approach offering services to customers with and without appointments, which will likely increase wait times. The official measure started in FY2015 with 65% of customers served within 20 minutes, then dropped to 60% in FY2016 which is about the time Oregon became a top state for in-migration of residents from other states and more new vehicle purchases resulting in an increased demand for services with no change in capacity. Performance in FY2017 of 62.1% and FY2018 to almost 64% showed improvement. The change in business processes in the last half of FY2019 showed fewer customers served within 20 minutes and in FY2020 that trend continued.

Management Comments:

DMV strives for high quality service in each of its 60 field offices, and a primary measure of quality is customer wait time. Customer satisfaction surveys include factors such as employee courtesy, efficiency and professionalism as equally important to how long a customer waits. The primary strategy is to reduce in-person visits by completing transactions in the first visit. The COVID-19 virus changed how DMV serves customers. Office closures were required during the initial phase of the virus, though some offices continued to conduct commercial license transactions by appointment. In July 2020 appointments opened for additional services. In September 2020, non-commercial driver skills testing resumed. Vehicle title transactions and registrations initially were mailed directly to DMV headquarters so driver transactions could be prioritized in the office. DMV also encourages use of alternative channels particularly online services at DMV2U, or the mail. Simple transactions such as vehicle registration renewals, address changes, driver license and ID card replacements, custom plate orders, and notice of vehicle sale can be done online. Passenger vehicle registration is also renewed through our partnerships with DEQ at their emissions testing stations. Customer questions can be answered over the phone or by visiting the DMV website, rather than appearing in

person at an office.

DMV's continued strategies to reduce wait time include lobby greeters, express counters, lobby management stations, relief help between offices, alternative work shifts, and using a mixture of permanent, limited duration, and temporary employees to help provide coverage during busier times. DMV has expanded third-party driver skills test services as an option for CDL and regular Class C licensing. Many teenage drivers complete a Driver Education course that includes a skills test which is certified to replace the required test at DMV. Motorcycle driver skills tests are conducted by Team Oregon, a safety training program funded by ODOT in partnership with Oregon State University. Third party services help enable more DMV staff to assist customers in the office instead of conducting driver skills testing outside the office.

Factors Affecting Results

Prior to COVID-19, the number of customers visiting an office, day of the week, time of day, plus the mixture and complexity of transactions, played major roles in the customer wait time experience.

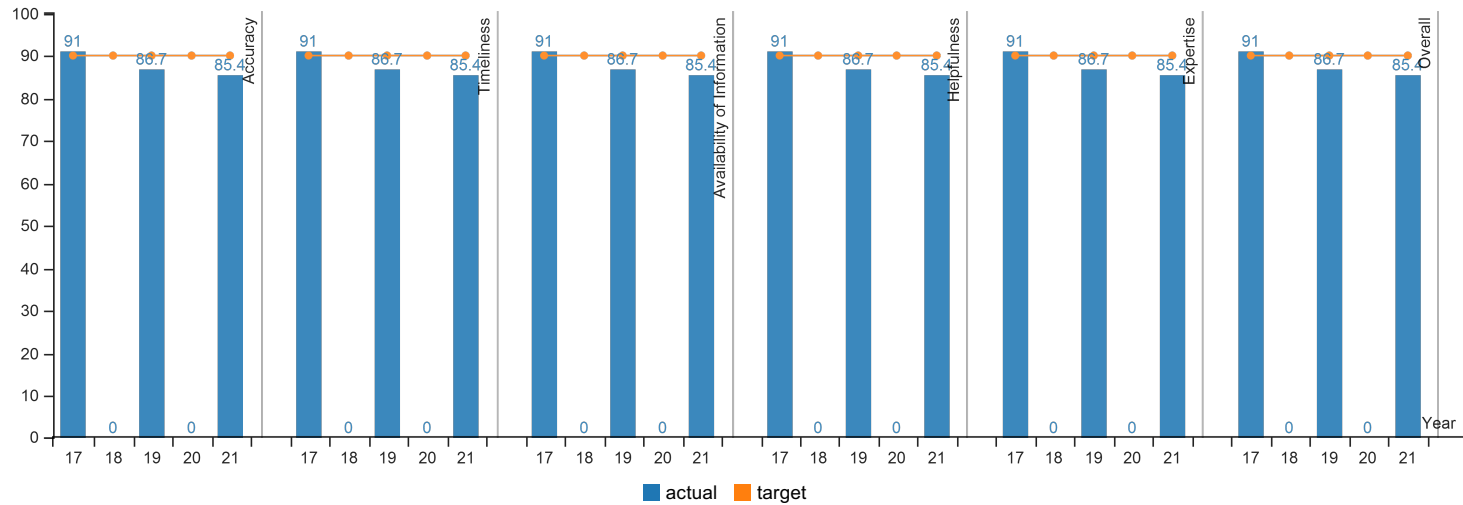
Another factor is the number of approved positions, and the ability to keep positions filled with trained employees.

Legislation (HB2015 [2019]) eliminating the requirement that applicants prove legal presence has increased DMV's customer pool for first-time driver licenses, and the issuance of Real ID credentials beginning July 2020 has increased transaction times for about one-third of license transactions.

In May 2021, DMV will implement online driver license and ID card renewals, allowing many Oregonians to avoid visiting an office in person.

Future initiatives being consider are installing new lobby management systems and self-service kiosks to improve the efficiency of offices, and continued exploration of business process improvements and staffing strategies to increase the throughput of offices.

KPM #13 Customer Satisfaction - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.
 Data Collection Period: Jul 01 - Jun 30



Report Year	2017	2018	2019	2020	2021
Accuracy					
Actual	91%		86.70%		85.40%
Target	90%	90%	90%	90%	90%
Timeliness					
Actual	91%		86.70%		85.40%
Target	90%	90%	90%	90%	90%
Availability of Information					
Actual	91%		86.70%		85.40%
Target	90%	90%	90%	90%	90%
Helpfulness					
Actual	91%		86.70%		85.40%
Target	90%	90%	90%	90%	90%
Expertise					
Actual	91%		86.70%		85.40%
Target	90%	90%	90%	90%	90%
Overall					
Actual	91%		86.70%		85.40%
Target	90%	90%	90%	90%	90%

How Are We Doing

We continue to achieve high overall customer service ratings. On the whole, we continue to provide customers with good to excellent service. Variations in results between 2008 and 2016 are not statistically significant and have been near the target of 90 percent. 2018 is within 3% of our goal and was the first year to combine the results from three service areas. 2020 saw a slight decrease to be within 5% of goal considering the increased demand for services with the rising population we are continuing to work hard for our customers. Data to compare with other state departments of transportation is not available. Specific to motor carrier regulation, Oregon is one of just a handful of states asking the trucking industry about satisfaction with motor carrier enforcement.

Management Comments:

Beginning with 2018, Ask ODOT customer service survey was added to data from Driver & Motor Vehicle Services Division (DMV) and Commerce and Compliance Division (formerly Motor Carrier Transportation Division.) The sampling of customers for the 2020 survey included major customer groups of DMV, Commerce and Compliance Division, and Ask ODOT. We will continue to monitor customer satisfaction levels and take corrective action as needed.

Factors Affecting Results

DMV, Commerce and Compliance, and Ask ODOT conduct surveys of customers based on the recommended Statewide Customer Service Performance Measure guidelines. The survey results are combined to determine a weighted average percentage of customer satisfaction rated "Good" or "Excellent." DMV changed its methodology in 2018 to send surveys quarterly to a sampling of customers who visited DMV field offices. Customers are selected randomly from the DMV computer system database of driver and motor vehicle transactions during the previous quarter. The quarterly survey results are then averaged to determine the DMV customer satisfaction results used for this report. For the 2019 quarterly reports, DMV averaged a response rate of 24.45%. DMV completed a major computer system upgrade in January 2019 that changed business processes for vehicle transactions and began work on the driver system replacement. DMV field office employees used both the legacy driver system and the new vehicle system during 2019, which contributed to longer wait times and lower customer satisfaction scores.