



CITY OF PORTLAND
Fair Contracting Forum
Thursday, January 28, 2016
10:00 a.m. to 11:30 a.m.
City Hall, 3rd Floor, Rose Room
1221 SW 4th Ave., Portland, Oregon

Meeting Summary (DRAFT)

Meeting [handouts and presentations](#) click on link to open webpage to view.

Networking, Welcome, and Announcements

The meeting started with refreshments and a networking period. Christine Moody then welcomed everyone and then there were introductions around the room with some members sharing updates.

Project Spotlight – Fred Miller CAO and Kristen Wells

Portland Building Renovation Project

Fred Miller, CAO, spoke about the early discussions relating to a \$95Mil Portland Building Renovation Project. That dollar amount he learned was to seismic upgrades and repairing the leaks with the third of the money going to moving staff out of the building and back. Fred said he wondered if there were other options, so they appointed an advisory committee. He indicated that after all the discussions and comparing numbers the advisory committee concluded that the best way to do the project would be to reconstruct the building. In the fall of 2015 three resolutions went to Council:

The first, confirming that the project would not cost more than \$195Mil and that it would not to go over that amount and the project would be done by 2020. Council agreed.

The second resolution said we were going to equalized lease rates for City bureaus that are downtown. Council agreed.

The third related to Community Benefit Agreements (CBA) and two model projects with the Water Bureau for which the results are not in yet, maybe will report in February 2016. Fred told Council that we are committed to 1% of the \$195Mil going for a CBA set aside but we aren't sure which model yet. Council agreed.

Fred said they went back to Council in the fall 2015 and asked for the authority to sign a contract with an Owner's Representative (after the RFP and selection process took place). Then they asked for the authority to go out for a Design Build Relocate contract. Fred indicated that the relocate piece is part of that because there is a possibility we won't have to move everyone out of the building during construction and that the decision depends on how the seismic scoping turns out. Plus we would save the City 30 million dollars that was allocated for staff moves.

As a side note, Fred spoke briefly about the Data Center project and importance of moving it to a safer location.

He indicated that "Council has been supportive" and that we have a direction. Fred assured Council that we would not overrun on costs. Plus they will have aggressive MWESB goals and public outreach. Then he turned the discussion over the Project Manager Kristen Wells.

Kristen took members through a presentation on the Portland Building Renovation Project and spoke about Design-Build Relocate. She indicated that there are two agreed upon major parameters for the project; one that it will not go over the \$195 million and that it will not go later than 2020. She also noted that reconstruction means that the building will remain where it is and how it is.

Kristin indicated that they will be doing historic preservation but with an envelope replacement replacing of windows and tiles so that it is properly waterproofed and at least up to current code (maybe better). There will also be major system upgrades and tenant improvements on all floors.

Kristen spoke about the project as a Progressive Design Build Relocate (PDBR) and that it will use Integrative Project Delivery methodology and she went into greater details on PDBR explaining the differences between Traditional Design Bid Build and PDBR. She explained the project will be using the Integrative Team approach and what that means to the project as a whole. The entire team will have a space in the Portland Building. An RFP for the team will go out in March 2016. They will be soliciting for qualifications to get the best team possible. She explained how they will use Target Value Design and how that will work and the possibilities of the relocation of staff.

Kristin talked about the MWESB goals and the public outreach efforts that are being planned for the project. Fred said they will be going back to Council in May with recommendations on how to spend the 1%. Kristin shared information about an important outreach event that will focus on the March RFP being held at OAME on February 12th. She indicated that in March they will be bringing a group together to talk about ideas for the 1% CBA. It was suggested that the 1% will result in great opportunities for small contractors to work on a large project and this could help them grow to bid on projects outside the City.

Nate McCoy asked about the Owner's Rep contract that was mentioned at a recent OAME event. Kristin announced that they have hired Day CPM and Council authorization happened a week ago. Christine added that they put a great team together and that they have had meetings already this week going over Faye Burch's MWESB strategies. Christine noted that Lois Cohen is taking the lead on the public outreach and involvement and that there is a plethora of MWESB business under that which will be coming along a little later in the project.

Nate's second question was regarding the 1% CBA and he was at Council when that was brought forward and was struck by the discussion around community stakeholders and people who support minority contractors being in on CBA conversations and to his knowledge this hasn't happened yet. Fred said he has a memo that he is ready to finalize today to the Council saying we want to start those meetings in March with a broad group of people. There are about 6-7 groups and you can ask Council to add anyone you'd like.

Christine said that as the project progresses Kristin and Fred will be back to give updates.

Subcontractor Equity Program - Christine Moody

Christine reported on the design of a new subcontractor program for construction projects. She started off by handing out a document that highlights components of the Subcontractor Equity Program (SEP). She explained that the program currently in place is the Good Faith Efforts Program (GFE) and that the GFE has been running for about the last 20 years and is due for an update. Christine noted that they have heard feedback from contractors which indicates that the GFE is complicated, time intensive, and a lot of difficult paperwork. She indicated that the intention is not to eliminate people because of paperwork errors but to get good opportunities to women and minority contractors and emerging small businesses.

Christine continued, that given the feedback they began to look at best practices in Federal programs, such as Oregon Department of Transportation (ODOT). The forms are modeled after the DBE program even though the City doesn't run a strict DBE program. As Christine went through the slideshow she pointed out changes and improvements to the SEP. She explained how the program is actually an incentive program. Example, if the contractor comes in with a bid and met all the requirements and aspirational goals, there is

no more paperwork to complete. There is just the one form that will tell the City what subcontractors they will be using on the project and if it's above the aspirational goal, then the contractor can move forward. If a contractor does not meet the aspirational goal, additional backup documentation will be required. She said that the City no longer identifies divisions of work on its projects.

The General will now determine what they will sub out and what they will self-perform. By letting the General Contractor make some decision of how they will meet the DMWESB goal of at least 20% (of the hard construction dollars) it works pretty well according to the results from the pilot projects.

Christine spoke about the changes in the due dates for the Good Faith Effort forms and how the time has been expanded to 24 hours later instead of the day of the bid opening. This also, allows the winning contractors more time to complete and return them. This extra time will help them meet the goals.

Christine presented information on the first pilot project explaining how the Form One Pilot Project worked for Landis/Landis on a Bureau of Environmental Services (BES) project for 9.5mil. Landis/Landis met the goal with 734K to DMWESBs and of that 604K went to DMWs. Landis called Compliance Specialist Angela Pack to get ideas how to meet the goal. She noted that the project worked out very well. She believes that those DMWESB dollar amounts will increase over time. The second BES project needed more help meeting the 20% goal. They called Angela, she worked with them and they met the goal. Angela did talk with them some ideas. We need to make sure it is working before we roll it out citywide.

There was a discussion why the City doesn't just use DBE (Disadvantaged Business Enterprise) instead of ESB (Emerging Small Enterprise). Nate McCoy questioned if D could replace E and why the city couldn't just use the D/W/M contractors? Nate suggested that we take a closer look at the use of DBEs. Christine commented that we prioritize the D and minority firms in City reporting.

Christine mentioned that we are still in the pilot project phase with two Parks projects coming up in a few months. She indicated that general feedback from contractors on the new Form One, is that they are wanting to move forward with it. She said that we need to make sure it is working before we roll it out citywide.

There were questions and comments on more use of DBE on the pilot projects. It was suggested that Christine check with legal how we can make this work.

Prime Contractor Development Program (PCDP) Update – Stacey Edwards

Stacey began saying that today she will be talking about the program measurements. She indicated that they look at these measurements annually. She said that Christine and the team look at things like: Why do we have the program? What questions should they be asking when looking at possible changes to the program? What is the focus as the program continues.

Stacey explained what they look at: Does the program expand opportunities for minority and women contractors? Are they looking at an effective systematic change? Are there unintended consequences for other populations in the construction communities? She indicated that these are valuable questions because the idea is that the PCDP program is a conduit or tunnel if you will for other contractors to get in other projects like the ones Christine spoke about earlier. The program sustains and supports the contractor's ability to stand those opportunities but opportunities that provide the types of training and technical assistance that is necessary for contractors to grow and build capacity.

Stacey noted that to make sure contractors are solvent they have a Commercially Useful Function (CUF) Review. The CUF review is done every year. The reviews tell them where the contractors needs growth and if they are competent to work on the projects.

Stacey walked the group through the rest of her slideshow presentation. Explaining the PCDP goals and objectives. She spoke more detail about the PCDP Performance Measures and contractor Training/Education and Business Development. She provided a list of the PCDP Partnerships and the participating contractors.

Nate McCoy complimented Stacey on her good work. He had a question about the naming of the program and wondered if it is possible that all of the members will be prime contractors? He indicated some will end up being subs so does the program name really fit? Stacey said that they really looked at that and discussed it with the contractors. She indicated that she is careful with her language not to say General Contractors she says Prime. Prime is about your area of work and General Contractors do it all, she is trying to educate people about that.

Christine said that the Third Tier is up to 500 thousand. Stacey added they are hoping to add a Fourth Tier in the next year or so that will take

Nate suggested they add Oregon Trades Women and Constructing Hope in some capacity he feels there is a real need for the workforce side to be in conjunction with these contractors, so that Connie and Pat are getting more support with their programs but will produce more workforce and minorities that can tap into these projects. Stacey agreed and part of the process is working with Cathleen Massier in identifying where those appropriate places are to make that happen.

There were no more questions and the meeting ended.

Next Meeting

April 28, 2016

10:00 to 11:30 a.m., Portland City Hall

3rd Floor - Rose Room