

Portland Building Community Oversight Committee Quarterly Report (April – June 2019)

Executive Summary

In summer of 2016, City Council selected five community representatives to serve as members of the Portland Building Community Oversight Committee (PBCOC). The Committee was tasked with providing community oversight on the Portland Building Reconstruction project and assess project progress towards completion by the end of 2020 at a cost not to exceed \$195 million.

This report covers committee activities from April to June 2019. Within this time frame, the PBCOC held three meetings to review project reports and evaluate project progress. This quarter, most categories were given green scores as the project has already reached its sustainability goal of LEED Gold, has had no scope creep, established a soft opening date, and is mostly bought out. Social equity continued to be an area of focus as the Committee awaited information on outreach and final buy outs. However, this category recently received a yellow score as it is on track to reach most MWESB goals.

PART 1 – PORTLAND BUILDING COMMUNITY OVERSIGHT, CITY OF PORTLAND

Background

In October 2015, City Council approved Resolution #37158 directing the Office of Management and Finance (OMF) to complete the Portland Building Reconstruction project by the end of 2020 for a cost not to exceed \$195 million. Council also directed OMF to convene a community oversight committee, similar to the City's Technology Oversight Committee, with members selected by each Council member.

Committee Charge: The PBCOC's purpose is to provide community oversight on the Portland Building Reconstruction project and report their findings to the Chief Administrative Officer (CAO). The Committee's role includes:

1. Reviewing project reports from staff and external experts.
2. Determine if project components such as scope, schedule, budget, equity performance, and sustainability are meeting desired results and assess progress towards the overall goal.
3. Provide project assessment.
4. Report findings and submit quarterly reports to the CAO.

Committee Members

In July 2016, Council members selected the following community members to serve on the PBCOC:

Member	Selected by:
Charles Farrington	Commissioner Nick Fish
Don Shanklin	Commissioner Amanda Fritz
Robert Ball	Commissioner Steve Novick
Tom Walsh	Commissioner Dan Saltzman
*Jessie Steiger	Mayor Ted Wheeler

* This appointment was made in late 2018 as former PBCOC member, Cindy Nichol, moved.

Please note: Information in this report captures Committee activity and review of the project's work from April – June 2019.

April 2019:

Construction

The terra cotta tile (turquoise tiles along the 1st, 2nd and 3rd floor exteriors) technical mockup had to be rerun as it was not at the quality the project team wanted; the finish was different than what the project team had seen previously. The last exterior panel was put on during this month and installation of the unitized curtain wall progressed to the 11th floor. Interior structural upgrade work was completed with the installation of sheer walls on the 14th and 15th floors. Carpeting on the fourth floor was finished.

Budget

The project team continued to release some add back items. The project remained on budget as contingency was in good standing and all major risk items had been mitigated.

Social Equity

Journey worker and apprentice goals continued to improve even though goals had already been met. The project team shifted focus toward helping individual firms increase their percentage of MWESB participation. The Committee learned that the emerging small businesses goal was technically reached as many firms contracted are certified as ESBs and have an MBE or WBE certification too. However, there is a hierarchy in counting certifications that is as follows: MBE, WBE, and finally ESB. Firms that have an MBE and ESB certification can only be counted toward the MBE goal. The Committee was also reminded that City policy makes it unlikely that firms part of the City's Prime Contractor Developer Program (PCDP) can be counted in the MWESB goals section.

May 2019:

Construction

The project team encountered a set back with the teal terracotta tiles (to be installed on the exterior of the 1st, 2nd and 3rd floors). The firm selected to create the tiles had difficulty replicating the same characteristics/level of quality of the sample they

submitted. While the team worked with the firm to amend their production process, they put out a solicitation for a new firm. Though there was concern this would impact the schedule, the project team had already built in a month-long buffer between the move in date and opening period to accommodate any unexpected delays.

Employees had an opportunity tour floors 1, 4, and 15 of the Portland Building. The fourth floor was as an example of a typical office floor (floors 4-14) and allowed employees to better envision their new work space. Feedback from employees regarding these spaces was good.

Installation of the unitized curtain wall progressed to the 11th floor. Window installation work began. Tenant improvement work continued, and the building core work progressed. Restroom tiles were installed through the eighth floor and fixture mounting began. The roofing contract went to post bid review and final janitorial and appliance contracts were developed. The project team continued to release some add back items.

Social Equity Report

Journey worker and apprentice goals continued to improve even though goals had already been met. Percentages and dollars in the Subcontract Utilization – Construction Services category went up, bringing the category closer to its MBE participation goal. This increase placed the project closer to meeting their 12% MBE participation goal, as it was at 10.7% MBE participation, and resulted in a forecast that predicted the project would exceed their original goals and end at 12.5% MBE participation. The Committee received a Construction Dashboard that had a more detailed breakdown of total construction dollars awarded by MWESB categories and apprenticeship by ethnicity and gender. This dashboard was uploaded onto the project's website.

June 2019:

Construction Updates

The project team encountered a slight set back with the teal tiles. The firm selected to create the tiles had difficulty replicating the same characteristics/level of quality of the sample they submitted. As a result, the team enlisted another firm to create the tiles. Though there was concern this would impact the schedule, the project team had already built in a month-long buffer between the move in date and opening period to accommodate any unexpected delays. Mounting of insulation and exterior board for the terra cotta tiles is in process. The curtain wall was finished, garland and capitals were mounted, and the crane came down mid-June.

Building core work wrapped up. Carpet installation continued up to the 7th floor. Furniture installation begun; the 4th floor is fully furnished. The last sets of buyouts were finalized. This included the move services RFP, which will be issued soon, and the roofing contract. The D3 for pursuing a Well Building certification has been signed. The project team is addressing workforce and equity requirements associated with WELL certification and incorporating design changes. The team continues to release some add back items. The contingency remains in good standing and all major risk items have been mitigated.

Portland Building Audit

The City's Auditor's Office released an audit of the Portland Building Reconstruction Project's progress. In this report they stated that the project was over budget (due to the inclusion of additional projects), there was a scope change, and that the project would not meet some social equity goals. The Committee did not agree that the project was over budget because of the space optimization project and technology package. These two initiatives were directed by Council and while they complement the improvements brought by the Portland Building Reconstruction project, they are separate projects. Moreover, there has been no change in the project's scope. Committee members helped write a response to the audit that addressed these points.

Social Equity

Tier I construction subcontracts are 98% bought out. The Subcontract Utilization – Design Services category surpassed its original goal of 22% MWESB participation and the Subcontract Utilization – Construction Services percentages and dollars went up, bringing the MBE category closer to its goal. Currently, this category is at 11.1% MBE participation. The Committee asked about funds that were contractually set aside to address historical inequities in construction and mentioned in the audit. As the Community Opportunities and Enhancements Program's administration was moved from the Office of Management and Finance to Prosper Portland, the funds had not yet been dispensed. This will change once the project's administration is fully transitioned.

PART II: SUMMARY OF PROJECT UNDER PBCOC OVERSIGHT

Project Description: This project is for the reconstruction of the existing Portland Building. At the minimum, the project will include the following: eliminate water intrusion issues; repair structural degradation and upgrade seismic level to meet current code for the existing buildings; upgrade/replace HVAC and other building systems that are at/near the end of their useful life; and upgrade accessibility of the building.

Project Vision: Provide a resilient building that serves community and workplace needs for current and future City operations for years to come.

Project Mission: Reconstruct the Portland Building in a fiscally responsible way, creating a functional, accessible, sustainable, seismically upgraded workplace.

Budget: \$195 million.

Completion Deadline: By the third quarter of 2020.

Major Accomplishments This Quarter:

- In May, employees were able to tour floors 1, 4, and 15 of the Portland Building. They were able to view a typical office space and learn more about the future amenities on the 15th floor.

- Social Equity's Subcontract Utilization – Construction Services category has steadily made gains toward reaching its minority small business goal even though the overall category goal was already reached.
- The crane atop the Portland Building came down in early June.
- Furniture assembly began.
- There was a change in the roofing contract scope as there are funds from the contingency. Roof work began during this quarter and the project team aims to complete this work before the end of the rainy season.

Upcoming Milestones for Next Quarter:

- The first bureaus will begin to move into the Portland Building in November.
- Employees will have another opportunity to tour the Portland Building before move in.

Risks, Concerns and Comments from the PBCOC For This Quarter:

- Though the Committee was initially concerned about the change in firms for terra cotta tile production and subsequent delay in installation, the project team pointed out that the installation of the tiles would not impact the move in schedule. Moreover, the project built in an extra month as a buffer against unexpected delays.

Project Name: **Portland Building Reconstruction Building**

Reporting Date: **April – June 2019**

	Oversight Assessment			PBCOC Assessment		
Project Components	April	May	June	April	May	June
Budget	Green	Green	Green	Green	Green	Green
Schedule Expected Completion date: 2020	Green	Green	Green	Green	Green	Green
Scope Stability	Green	Green	Green	Green	Green	Green
Sustainability	Green	Green	Green	Green	Green	Green
Social Equity	Yellow	Yellow	Yellow	Red	Yellow	Yellow

Notes from Portland Building Community Oversight Committee (PBCOC) discussion:

Budget: The Committee scored the project’s budget green all quarter as the project is almost entirely bought out and the project team has held onto as much contingency as possible.

Schedule: Schedule received a green score from the Committee as the project is on track for employees to move in by the end of 2019 and a soft opening date has been decided.

Scope: The Committee gave scope a green score all quarter as there has been no scope creep.

Sustainability: The Committee gave sustainability a score of green as the project has achieved LEED Gold and is set to obtain WELL Building certification.

Social Equity: Social equity was given a yellow score most of the quarter as the project team has nearly reached all its social equity goals and is expected to exceed the subcontract utilization goal. The Committee now awaits updates on progress for the contractor engagement survey.