



CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

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November 7, 2016

To: Portland Building Bureau Directors

From: Fred Miller, Chief Administrative Officer

RE: Portland Building Workplace Programming Alignment Meeting Recap

I appreciated your time and ideas at the meeting on October 25. The purpose of the meeting was to discuss issues and opportunities that impact the design decisions of the Portland Building and improve the way we do business. Since we are reconstructing this building to last for the next 50-75 years, we need to be strategic and remember the decision we make today will shape the City's future.

During the meeting, I asked you to consider several items that may impact your budgets and business practices. This was a very productive discussion, and while there are still decisions to be made, your feedback and the conversation provided us direction on how to move forward.

The following highlights the items discussed and how we will proceed. If you feel we are not going in the right direction, let me know right away, as this project is moving ahead and is on track to meet our deadline of completion by the end of 2020.

Space and Furniture standardization: There was agreement that moving towards space and furniture standardization is the right way to go. Uniformity will provide costs savings in the long run.

- There was general consensus about reducing the cube sizes from the current standards. This yields space savings allowing the building to accommodate more employees. With this space savings there should be room for BES's Pioneer Tower employees to relocate back into the reconstructed building, allow for bureaus growth, and potentially include additional bureaus not currently located in the building.
- Standardization of furniture has several benefits. These include: reduction in future tenant improvement costs, greater flexibility for rearranging layouts, greater ability to move employees and grow and shrink individual groups/bureaus, and the ability to realize economies of scale in buying furniture as a "kit of parts."
- The project team will develop a business case to look at purchasing new furniture. This will include a comparison of future lease costs to determine the payback period of furniture.
- There was also discussion on whether bureaus should continue to own their furniture, if this should be a centralized service, or some alternative in between.

Teleworking: There was agreement that we should use technology to a greater extent than we are now and continue exploring teleworking options. Although we don't know where technology will be when we move back in four years from now, our challenge is reconstructing the building in a way that allows us to adapt to future technology advances. This will also allow us to be more mobile as a City.

- The City currently has the BHR and BTS policies that allow for teleworking. The biggest concern raised about expanding the use of teleworking is about staff management.
- There is also acknowledgment that the City would have to expand its capacity to handle a large number of remote access or teleworkers.
- This kind of cultural shift will require leadership support. OMF will work with BTS and BHR on a pilot project with a few select work groups before we move out of the building.

Stacking the building: I asked all of you to think about any work functions/groups that are currently location in the Portland Building that may not be returning, or may not need to return. For example, we know that most likely, PBOT's Parking Enforcement Division will not be returning to the Portland Building upon completion.

- We discussed moving some work functions to new out-leased spaces and how that balances with the City's Administrative Rule to locate bureaus in City-owned space. There was no resolution to this issue, but if bureau workgroups move somewhere in the downtown core, they will be incorporated into the blended rate pool, so cost savings to bureaus should not be a justification for entering into long-term, out-leased spaces.
- With the direction to move towards more efficient layouts of work spaces and the additional space that creates, bureaus with locations currently in out-leased spaces will be considered for moves into the Portland Building.
- Moving additional people into the reconstructed building is outside the scope of the \$195 million project. However, the space will be allocated and if funding can be obtained, it could be completed within the same timing and by the same project team. Available space will be considered for correct fit with other bureaus currently in out-leased spaces.
- There has been some discussion on how we stack the building and if we keep functional groups together. For example, all engineering groups from bureaus could be located on one or adjacent floors. We need to hear more from bureaus on this and if there is interest in further exploring this option.

Security and building access: In our visioning sessions this summer and fall, we came to consensus about prioritizing the first and second floors for the public and providing open access for employees on floors 3-15, with the exception of areas requiring higher security.

- With the expansion of public meeting space on the first floors, most meetings requiring conference rooms with non-City staff can be held on the first and second floors.
- The business practices on how non-City staff are brought up into the employee access portion of the building has yet to be determined.
- There is potential to use technology and create a procedure that minimizes staff time and effort to bring individuals up to the secure floors.

What is in the \$195 million budget: Through the visioning and design processes, it is clear that this project is also a catalyst for improving the way we provide services and collaborate internally. It also provides an opportunity to archive and purge records and materials that should be a part of our regular business practices. Many of these improvements and activities have cost implications to the City. We recognize it is important for bureaus to know what is clearly in the \$195 million budget and what is outside the scope of the budget so they can plan accordingly. We will have more details in December, when the target value is finalized, but the list below is what we currently know.

What's In Scope

- This is a reconstruction project. Included in the \$195 million are:
 - Envelope repair.
 - Structure and seismic.
 - Mechanical, electrical, and plumbing systems.
 - Technology cabling to standard requirements.
 - Standardized tenant improvements for the bureaus' employees and functions currently housed in the Portland Building and not being permanently moved outside the building (approximately 1,300 employees).

What's Out of Scope

- Certain technologies are not in the project baseline and have traditionally been owned and purchased by individual bureaus (ex. AV in conference rooms). More information will be available as the project progresses.
- Technology and equipment costs related to implementing remote work.
- Archiving, electronic records management, and purging of paperwork and goods.
- Parking is currently paid for through leases agreements and will continue to be the responsibility of bureaus. Vehicles will permanently move out of the Portland Building and PBOT has offered its 1st and Jefferson garage for fleet parking at comparable market rates.
- Permanent new homes for groups that will not be coming back to the Portland Building.
- Build-out of additional space for expansion of bureaus or new bureaus relocating to the Portland Building.
- The Data Center move is a separate project.

While there are still many open questions, progress is being made on key decisions. I look forward to continued discussions with you.

Cc: Tom Rinehart
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Council Chiefs of Staff