

<p align="center">PORTLAND CITY COUNCIL AGENDA City Hall - 1221 SW Fourth Avenue WEDNESDAY, 9:30 AM, NOVEMBER 8, 2017</p>	<p align="center">Disposition:</p>
<p align="center">TIMES CERTAIN</p> <p>1203 TIME CERTAIN: 9:45 AM – Accept and appropriate an Oregon Parks & Recreation grant award to Portland Parks & Recreation in the amount of \$1,500,000 for the Forest Park Entrance (Ordinance introduced by Commissioner Fritz) 30 minutes requested</p>	<p>See below.</p>
<p>1204 FOUR-FIFTHS AGENDA</p> <p>TIME CERTAIN: 10:15 AM – Proclaim November 11, 2017 to be Veteran’s Day (Proclamation introduced by Mayor Wheeler and Commissioners Eudaly, Fish, Fritz and Saltzman) 10 minutes requested</p>	<p>No fiscal impact.</p>
<p>*1205 TIME CERTAIN: 10:30 AM – Adopt the FY 2017-18 Fall Supplemental Budget and make other budget-related changes (Ordinance introduced by Mayor Wheeler) 30 minutes requested</p>	<p>See below.</p>
<p>1206 TIME CERTAIN: 11:00 AM – Appeal of Northwest District Association against Design Commission’s decision of approval for Design Review with Modifications and Master Plan Amendment for a new multi-story, residential building with ground floor retail and a public square at 1417 NW 20th Ave in the Con-way Master Plan area of the Northwest Plan District (Previous Agenda 1179; Findings introduced by Commissioner Eudaly; LU 16-100496 DZM MS) 5 minutes requested</p>	<p>The appeal decision will not solely or substantially impact City revenues. Land Use Reviews are usually fee supported. However, no appeal fees are charged to Recognized Organizations per Portland Zoning Code Chapter 33.910. In this case, because the Northwest District Association is such an organization, no appeal fee (usually \$5,000) was charged. Therefore, this appeal is supported by BDS funds.</p>
<p align="center">CONSENT AGENDA – NO DISCUSSION</p> <p align="center">Mayor Ted Wheeler</p> <p align="center">Office of Management and Finance</p> <p>*1207 Pay claim of Marcia Gesner in the sum of \$30,000 involving Portland Fire and Rescue (Ordinance)</p>	<p>\$30,000 from the Insurance and Claims Operating Fund.</p>

<p>*1208 Create a new Nonrepresented classification of Deputy Chief Administrative Officer, which is exempt from the classified service, and establish a compensation rate for this classification (Ordinance)</p>	<p>No fiscal impact to creating the classification. OMF will be reclassifying an existing Senior Business Operations Manager position to a Deputy Chief Administrative Officer position once the classification has been established. The expected cost differential of \$18,824 will be absorbed within existing resources.</p>
<p>Commissioner Amanda Fritz Portland Parks & Recreation</p>	
<p>*1209 Amend contract with PLACE studio, LLC in the amount of \$39,000 to provide additional master planning services for Washington Park (Ordinance; amend Contract No. 30005034)</p>	<p>The additional costs of the amended contract will be funded by parking fees collected within Washington Park.</p>
<p>Commissioner Dan Saltzman Bureau of Transportation</p>	
<p>*1210 Rename a segment of NE Couch St to NE Couch Ct (Ordinance)</p>	<p>This ordinance may require personnel costs which are estimated not to exceed \$1,500.</p>
<p>*1211 Authorize an Intergovernmental Agreement with Washington County for use of the County right-of-way for a Variable Message Sign on SW Barnes Rd (Ordinance)</p>	<p>Funding is pending approval in Fall BMP request. Costs are estimated at \$67,000.</p>
<p>REGULAR AGENDA - morning</p>	
<p>1212 Enhance community service opportunities and strengthen the transparency and accountability of City advisory bodies (Previous Agenda 1185; introduced by Commissioners Fish, Eudaly and Fritz) 30 minutes requested</p>	<p>No fiscal impact for FY 2017-18. ONI anticipates requesting \$116,000-126,000 for 1 FTE in FY 2018-19 to support the program.</p>
<p>Mayor Ted Wheeler</p>	

<p>1213 Adopt the Community Equity and Inclusion Plan for all City of Portland public improvement contracts that utilize alternative contracting methods and have estimated contract values of \$10 million to \$25 million; and require consideration of modified Community Benefits Agreements for public improvement contracts with estimated contract values in excess of \$25 million (Previous Agenda 798) 2 hours requested for items 1213 - 1215 Substitute documents have been submitted.</p>	<p>See below.</p>
<p>1214 Direct the Bureau of Revenue and Financial Services Procurement Services Division to develop and implement a contract delivery method selection process for public improvement projects with construction contracts estimated at \$10 million and over (Previous Agenda 799)</p>	<p>See below.</p>
<p>1215 Direct the Office of Management and Finance and the Office of Equity and Human Rights to develop a Community Opportunities and Enhancements Program and funding plan (Previous Agenda 800)</p>	<p>See below.</p>
<p style="text-align: center;">Portland Housing Bureau</p> <p>1216 Direct the Portland Housing Bureau to formally adopt asset management policies and guidelines that outline the roles and responsibilities of borrowers and sponsors of Portland Housing Bureau funds (Second Reading Agenda 1187)</p>	
<p style="text-align: center;">Commissioner Nick Fish Bureau of Environmental Services</p> <p>1217 Authorize a competitive solicitation and contract with the lowest responsible bidder for construction of St John's Cathedral Park Sewer Rehabilitation Project No. E10330 for an estimated cost of \$7,740,000 (Ordinance) 10 minutes requested</p>	
<p>1218 Authorize a competitive solicitation and contract with the lowest responsible bidder for construction of the Fremont Pump Station Upgrade Project No. E10543 for an estimated construction cost of \$1,440,000 (Second Reading Agenda 1188)</p>	<p>The estimated construction cost of the project is \$7.74 million. The current total project budget is \$9.6 million which is budgeted in the bureau's five-year CIP for this work. The estimated completion date for this work is October 2019.</p> <p>The estimated construction cost of the project is \$1.4 million. \$2.5 million is budgeted in the bureau's five-year CIP for this work. The estimated completion date for this work is June 2019.</p>
<p style="text-align: center;">Commissioner Dan Saltzman Bureau of Transportation</p>	

1219 Amend Public Improvements Code sections on penalty for violation, permits required and permit revocation terms in support of the Bureau of Transportation right-of-way use enforcement program (Ordinance; amend Code Sections 17.100.050, 17.23.050, 17.24.016) 10 minutes requested

No fiscal impact. Any potential increase in revenues will be applied to the enforcement program.

WEDNESDAY, 6:00 PM, NOVEMBER 8, 2017

**Location: David Douglas High School
1500 SE 130th Ave. Portland
in the South Cafeteria, South Building**
Parking is located in front of the building.

REGULAR AGENDA - evening

Mayor Ted Wheeler

Prosper Portland

1220 Prosper Portland Report on Affordable Commercial Framework (Previous Agenda 1193) 30 minutes requested

This report has no direct fiscal impact. However, several programs/actions described in the report require funding or subsidization of private market activities. The goal is to provide commercial rent assistance to those, that for any number of reasons, cannot afford market leases. These potential expenditures can be made as part of Prosper Portland's regular activities and do not require specific additional Council approval, unless Prosper Portland is making a budget request for additional funds for these purposes.

Commissioner Amanda Fritz

Portland Parks & Recreation

NOVEMBER 8, 2017

<p>1221 Accept the 2017 Mill and Midland Parks Combined Master Plan as a guide for future use and development of the parks (Resolution) 20 minutes requested</p>	<p>Costs of implementing these master plans are estimated at \$12.1 million and \$6.5 million (2018 dollars), but have not been budgeted and will be funded through various funding sources. The preliminary operations and maintenance costs, likely to be funded with ongoing General Fund discretionary, are estimated at \$135,000 per year.</p>
<p>1222 Accept the 2017 SE 150th & Division Park Master Plan as a guide for future use and development of the park (Resolution) 25 minutes requested</p>	<p>Costs of implementing this master plan are estimated at \$18.9 million (2018 dollars), but have not been budgeted and will be funded through various funding sources. The preliminary operations and maintenance costs, likely to be funded with ongoing General Fund discretionary, are estimated at \$133,000 per year.</p>

1203 Accept and appropriate an Oregon Parks & Recreation grant award to Portland Parks & Recreation in the amount of \$1,500,000 for the Forest Park Entrance (Ordinance introduced by Commissioner Fritz) 30 minutes requested

This grant will fund a portion of the total project estimated to be \$18.5 million. In addition to this grant funding, the bureau has allocated \$3.0 million of SDC resources towards the project total. To fund the remaining \$14 million in project costs, the bureau will seek external funding but may also consider City resources including additional SDC revenues and one-time General Fund discretionary. This project will likely have operations and maintenance costs due to the inclusion of elements in the project scope: parking, amenities, nature center and office and maintenance functions. Due to this project being in early stages of design, the bureau has not estimated these costs or requested resources for O&M; however, CBO notes that City financial policy requires that bureaus submit operations and maintenance cost estimates at the time a capital project or asset is planned or requested.

1205 Approval of the exhibits to this ordinance reflect appropriation changes in 39 funds by a total of \$169.3 million, including a total of \$28.2 million in increased appropriation to the General Fund; this includes a net \$2.8 million growth in General Fund contingencies. These changes are summarized in Exhibit 2. Additional detail is available on the CBO website: <https://www.portlandoregon.gov/cbo/74902>.

This legislation includes a net increase of 63.3 positions. This includes a net increase of 74.7 new regular positions, a decrease of 10.7 limited term positions, and a decrease of 0.70 part-time positions. Changes in positions by bureau is provided in Exhibit 5.

1213, 1214, and 1215

1213 Adopt the Community Equity and Inclusion Plan for all City of Portland public improvement contracts that utilize alternative contracting methods and have estimated contract values of \$10 million to \$25 million; and require consideration of modified Community Benefits Agreements for public improvement contracts with estimated contract values in excess of \$25 million.

1214 Direct the Bureau of Revenue and Financial Services Procurement Services Division to develop and implement a contract delivery method selection process for public improvement projects with construction contracts estimated at \$10 million and over.

1215 Direct the Office of Management and Finance and the Office of Equity and Human Rights to develop a Community Opportunities and Enhancements Program and funding plan.

CBO Analysis:

Summary

1213, 1214, and 1215 are a set of interrelated resolutions that will significantly alter the City's approach to contracting for public improvements (e.g. construction, rehabilitation, replacement of City infrastructure).

These resolutions are intended to standardize and expand the City's efforts to increase the participation of disadvantaged, minority-owned, women-owned, and emerging small businesses (MWESB).

These resolutions will increase the cost and timeline of the City's large improvement projects. It is anticipated that these changes will require increased staff support from both Procurement and the City Attorney's Office, as well as administrative support of the Community Equity and Inclusion Committee and CBA-related committee(s). Pass-through costs from contractors will also increase, as the City shifts away from low-cost bidding for contracts over \$10 million, and add to the administrative burden on contractors in order to meet equity goals.

Without additional analysis around the increased staff time, internal administrative costs, and pass-through contractor costs for public improvement projects, the premium the City will be paying for meeting its social equity in contracting goals is unclear. The proposed 1% set-aside for Community Opportunities and Enhancements Program – distinct from staff and administrative cost increases – is roughly estimated to cost \$1 million - \$2 million per year.

In the current competitive contracting environment, it is possible that there will be a substitution effect as a result of these resolutions; the City may be paying a premium to redistribute existing MWESB contracting work from other projects (either private or other public projects) to City of Portland projects.

1213

This Resolution adopts the Community Equity and Inclusion Plan (CEIP) for all City contracts that 1) utilize alternative contracting methods and 2) have estimated contract values between \$10 million and \$25 million. It also requires that alternative method projects over \$25 million consider implementing a modified Community Benefit Agreement. The resolution will sunset after 5 years without additional Council action. The CEIP and CBA documents establish a set of responsibilities and requirements that contractors and the owner (the City) agree to meet for such contracts. In summary, they establish that contractors will meet new MWESB reporting and compliance requirements, make specific efforts to make sub-contracting opportunities available to MWESBs, meet minimum requirements around apprenticeship opportunities, and strive to meet aspirational goals around MWESB participation as outlined in the accompanying "Community Equity and Inclusion Partnership Agreement". The CEIP further establishes a new committee, the Community Equity and Inclusion Committee (CEIC), to provide oversight and support of the CEIP, especially as it relates to contractor reporting requirements and assistance in facilitating opportunities for MWESBs. Projects using modified CBAs are also expected to have advisory committees.

- The requirements of the CEIP and CBAs will have significant fiscal impact, though a precise impact cannot be determined until additional programmatic details are established. Staff time and resources will be dedicated to the establishment of the Community Equity and Inclusion Committee and CBA-specific advisory committees; it is likely the CEIC will require full time analytical and administrative staff support.

- Additionally, the cost of time and resources spent by Contractors, Owner's Representatives, and City equity specialists to facilitate, monitor, and track compliance with the CEIP will either be paid by the City or passed on to the City via higher contract costs. Increased staff time in Procurement to monitor compliance is also expected as a result of this resolution.
- The requirement to consider implementation of a modified CBA with union signatories is a de facto decision to make any City public improvement project over \$25 million a union project.

1214

This resolution directs the Procurement Services Division to “identify a contract delivery method selection process” for public improvement projects with construction contracts estimated to exceed \$10 million. Currently, ORS Chapter 279C requires the use of a competitive low-bid procurement process for such contracts unless there is a statutory exemption. This resolution directs Procurement to develop parameters and standards for the use of alternative project delivery methods (e.g. design-build, Construction Manager/General Contractor).

- The expected outcome of this work, if approved by Council, will be a shift away from competitive low-bid contracts toward alternative project delivery methods for City contracts over \$10 million. This will, in turn, increase the number of City contracts that are subject to the requirements of the CEIP or modified CBAs per Resolution 1213.
- There will be costs borne by the City if high dollar contracts are no longer required to undergo a low-bid competitive process, as well as costs for the staff time and resources required to develop a new contract delivery method selection process. It is estimated that the use of an alternative method contract increases the required Procurement staff support by 50-60%, and has a negative impact on the number of contractors bidding on a given contract.

1215

This resolution directs OMF and OEHR to develop a Community Opportunities and Enhancements Program and funding plan. The resolution outlines general assumptions around the scope and size of the funding plan: 1% of the cost of all public improvement construction contracts would be added on to the project cost, pooled, and used to support programs and strategies to increase MWESB participation in construction contracting.

- A 5-year lookback of annual Procurement reports (FY 2011-12 through FY 2015-16) shows construction contract costs totaling \$658.1 million. Under the assumptions above, approximately \$6.6 million would have been added on top of total contract costs to fund programming to support MWESB participation during these years.
- Final construction contract totals for FY 2016-17 are not yet compiled, nor are forward-looking estimates of construction contract totals available from Procurement. However, based on large current public improvement contracts (e.g. the Portland Building Reconstruction) and large increases to the 5-year Capital Improvement Plan (e.g. BES roughly doubling its capital program), it may be reasonable to assume a 1% set aside would exceed \$6.6 million over the 5-year horizon of Resolution 1215.
- The 1% set aside would be in addition to existing percentage set-asides for public improvement construction projects (e.g. 2% for Art, 1.5% for Green Energy Technology, etc.) The methodology for program spending and estimated costs for program administration have not yet been fully determined. OMF-Grants Division has established an IA-funded position to manage several existing CBA-style agreements (including the \$1 million Portland Building Community Opportunity and Enhancements program); it is possible that this position could absorb some administrative workload.

The fiscal impact of these resolutions on Housing Bond-funded projects has not been analyzed. It is unknown at this time if and how many new construction or Turn-Key development projects would be subject

to this policy.

- It is not clear whether the 1% assessment would be an eligible bond expense. If so, this would likely increase the cost per housing unit constructed or rehabilitated. If the assessment is not bond-eligible, the Housing Bureau would need to identify an alternate funding source for this cost.
- There would likely be additional administrative expenses associated with meeting the requirements of the CEIP or modified CBAs.
- Following the CEIP may also impact the bureau's ability to utilize alternative contracting methods, such as a Turn-Key agreement, intended to lower development costs and increase the number of units created.