



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE

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TO: Fred Miller, Chief Administrative Officer

FROM: Kirk Hall
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SUBJECT: GO Bond Independent Citizen Committee Quarterly Report
For the Period ending Mar. 31, 2014

DATE: June 6, 2014

With this memo, the Independent Citizen Committee (ICC) is pleased to convey its quarterly report to Fred Miller, the Chief Administrative Officer for the City of Portland. This report provides information through the quarter ending Mar. 31, 2014.

The ICC has been holding quarterly meetings since its inception in Feb. 2011. In each meeting, City staff updates the citizen members about ICC activities from the preceding fiscal quarter. Aaron Beck, OMF Business Operations Division, provides status updates for the GO Bond fund, debt sales and expenditure projections. Then staff and/or Project Oversight Committee (POC) members from each of the four GO Bond-funded projects (Fire Station 21, Fire Apparatus, Emergency Coordination Center, and PSSRP Radio project) provide updates on the progress of the respective projects.

The ICC members have reviewed the quarterly reports submitted by the POCs to the ICC and we concur with their findings, which are summarized below.

1. Executive Summary

a. Public Safety GO Bond Fund – Program budget and actual expenses

The fund is in sound financial condition. The program's financial needs are being met through GO Bond proceeds received from the first debt sale in May 2011. Each project is progressing according to its budget with no serious exceptions. While there are some delays in the progress of the different projects, this does not negatively impact the status of the overall fund.

The program had its second debt sale in this quarter and, after an update to the City's credit rating, received 15 bidders. Results were better than projected with the City getting a 2.37% true interest cost.

The third and final debt sale is projected for the 3rd quarter of 2015.

b. Project Oversight Committees

Each of the four projects is overseen by a citizen POC. Each POC reviewed and approved the quarterly reports sent to the ICC.

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c. Projects

As of Mar. 31, 2014, all four projects are on schedule and within scope. Furthermore, except as specifically discussed below, the projects are progressing within budget.

2. Major Accomplishments

a. Apparatus

Approval from the Fire Chief to move ahead with acquisition of three tiller trucks and two rehab trucks has been granted. The purchasing procedures are being finalized for the quint apparatus. The fireboats are being outfitted with internal cabinetry and equipment and are on schedule. Specifications for the tiller trucks are complete. Specifications for the rehab trucks are nearing completion.

b. Station 21

The building permit was issued Feb. 19, 2014. The demolition permit can be closed out. Completion of Boathouse electrical is underway and soon will be completed. David Franklin, the selected artist for the RACC-required artwork has submitted permit documents to the City. The project is on track for LEED Gold Certification including a pilot innovation credit for bird-friendly design.

c. Emergency Radio

All engineering tasks are on schedule. As noted, we are slightly behind the original timeline due to protracted contract negotiations. We expect Detailed Design Review (DDR) to be completed during the first full week in May. A detailed schedule will be available at that time.

d. Emergency Coordination Center

Temporary occupancy obtained and PBEM move-in on the 2nd floor occurred in late Sept. Substantial Completion to the construction contract was achieved Oct. 24, 2013.

3. Critical Issues and Risks

a. Apparatus

There are slight risks for delays in the acquisition process based solely on internal timelines required for Council approvals.

b. Station 21

The project contingency held by the City was \$1,116,000 at the beginning of construction. At 35% project completion, change orders have reduced this by roughly 23%. Risks associated with compaction grouting, delays due to high water and contaminated soils removal are minimal. The most significant costs have been associated with additional scope added during the City's design review and electrical coordination issues between the upland station and boathouse. Although the building permit is in hand, deferred submittal review can be lengthy. These reviews still have the potential to cause delays. Although the project is on track for LEED Gold, we have a small point cushion.

c. Emergency Radio

The timing is important to BOEC regarding installation of consoles, to BOEC's restrictions on scheduling any activities that impact Operations personnel schedules between mid-April and mid-Sept. Additional impacts on the console installation are space restrictions on the Dispatch floor due to the size of computer platforms use. There is potential for impact on the project schedule and cost if the selected solution requires tower and cabling space at tower sites that are currently loaded to or near capacity. Since the City does not own all the tower sites and towers that are used by the radio system, potentially some sites could be unavailable to the new system. This could result in proposed technical solutions needing to be re-designed and/or some tower sites lease agreements needing to be renegotiated. Current information indicates that there are five or more towers that are over 90% loaded. Walters Hill was purchased by the City of Portland in 2011. It was known that the building on the site needed to be replaced and the telephone pole currently supporting the antennae at the site was inadequate for any future use. The City, through a separate project managed by BTS, submitted land use permit applications to the City of Gresham. The initial application for both the original tower and structure, deemed incomplete, has been withdrawn, with a new submittal set to occur in late May.

d. Emergency Coordination Center

A large mechanical unit (ASHP-1) recently incurred serious freeze damage and will require replacement of major components. The system's heat tape, which was installed to protect the unit against freeze damage, was either never activated during start-up of the equipment or was deactivated by some unknown party. The equipment start-up documentation indicates that the start-up technician did turn the breakers "on," but the breakers were found to be off so the heat protection was not functioning during a recent freeze. The total cost of repairs is approximately \$60,000 and Emerick Construction is currently exploring whether the costs can be covered by their insurance. If not, the city is at risk for a portion of the repairs since the project is past substantial completion. It is anticipated that the city's risk would be shared with Emerick Construction and their mechanical subcontractor as part of a negotiated settlement. Issuance of a final change order and then close out of the construction contract is delayed until this issue can be resolved.

4. Upcoming Milestones

a. Apparatus

Finalize the ordering of approved apparatus and continue work of evaluating type and configuration of apparatus needs.

b. Station 21

Skanska completes foundation work and structural steel erection. The Project Team will attend weekly construction meetings. Boathouse electrical service to be completed in April. Ordering of structural steel and continued coordination of art work on the catwalk.

c. Emergency Radio

During the 2nd quarter of 2014, the project will complete the DDR process, a major change order document will be reviewed and processed for approval, and infrastructure equipment will be ordered and manufacturing will commence. BTS Communications will continue to work on preparation of radio sites and the Walters Hill submittal. The in-building coverage study will be completed and information incorporated into our discussions with Motorola.

d. Emergency Coordination Center

A building dedication ceremony was conducted on Jan. 30, 2014. A separate "post-construction" contract is underway with a shelving contractor to install seismically anchored storage solutions in five storage rooms throughout the building.

Dashboard

The table on the next page tracks and summarizes the progress of all four projects and POCs.

Key:	 Green On target, good performance	 Up Positive changes, outweigh negatives
	 Yellow Caution, objectives threatened	 Equal No net change
	 Red Serious issues, corrective action needed	 Down Negative changes, outweigh positives

	Prior Rating	Direction	Current Rating	Comments
Apparatus				<ul style="list-style-type: none"> Satisfactory progress continues on construction of the two fireboats. PF&R opted to purchase the two leased quint apparatus for continued operations. Finalizing the purchase is in process. Specifications for remaining new trucks and rehab/air/light units are nearly complete. Orders will be placed within the next four to six weeks after the purchase of the quint apparatus is finalized. The Request for Information (RFI) results have been received from three manufacturers. This information is currently being evaluated and will be used for the Request for Proposal (RFP) to order these apparatus.
Station 21				<ul style="list-style-type: none"> The electrical and low voltage work for the boathouse is underway and scheduled for completion by the end of April. Hayward Baker completed the ground stabilization work on schedule despite work delays due to inclement weather and equipment failures. Foundation and footing work is underway and should be completed by mid-April. Due to design review requirements requiring additional foundation work, a two-week delay is scheduled. Skanska plans to recover that time once the building is enclosed. Structural steel is being fabricated and installation should also begin mid-April. David Franklin, the artist selected for the RACC art project, has delivered the permit documents to Bureau of Developmental Services (BDS) for review as a deferred submittal. He continues to coordinate directly with Skanska regarding fabrication and installation.
Emergency Radio				<ul style="list-style-type: none"> The Radio Project Oversight Committee met during the 1st quarter of 2014 and adjusted the charter for the Committee, selecting a new Chair and Co-Chair for the next two years: Cate Simons and Greg Wenneson, respectively. Significant activities in planning for all the sites continue, with BTS Communications developing separate schedules to handle any work needed at the sites that have been identified by the audit done by Motorola. Two sites have been identified as needing additional shelter work. It was determined that shelter replacement was appropriate. Pre-made used radio shelters have been identified as available and will be purchased in the 2nd quarter. This activity will a savings to the project as opposed to building a new structure. Discussions around building coverage are ongoing, particularly in light of the extensive needs at the Port of Portland's International Airport (PDX). The Project still remains within expected budget norms. Current contract authorization is \$18.3 million, with approximately \$12 million dedicated to the infrastructure, and approximately \$6.3 million dedicated to maintenance and long-term sustainability. Stakeholder briefings continue to occur and provide system user agencies with information on subscriber units and our projections as to when transition of the system will occur. Progress has been made on the Gresham Butte (Walters Hill) site. The land use application was withdrawn and a new submittal will occur in late May. The application for both the original tower and the structure has been withdrawn. Subscriber unit purchases moved forward in Mar. 2014. Approximately 2,770 portables and mobiles, as well as accessories and batteries/battery chargers were ordered, along with 4,500 flash upgrades to existing radio equipment for use on the P25 digital radio system.
Emergency Coordination Center				<ul style="list-style-type: none"> Construction is 100% complete and some minor final punchlist completion work is still underway. Close-out of the construction contract is pending resolution of an outstanding building mechanical issue (See section C Project Risks/Issues). Completion of some minor furniture and technology components is still ongoing. Final punchlist work should be completed by the end of Apr. 2014. Since the start of construction, change order requests under the Emerick Construction contract have been approved for \$1,903,408 (18.4%) and a credit of \$50,000 under the Bureau of Technology Services agreement. These changes are within anticipated additional costs and project contingency. The project continues to be well under budget and will be under budget at final completion and close-out.