



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE

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Date: November 3, 2015

To: Fred Miller, Chief Administrative Officer, Office of Management and Finance

From: Jamie Waltz, Strategic Planning and Development Manager, Facility Services

CC: Bryant Enge, Director, Bureau of Internal Business Services

Bob Kieta, Division Manager, Facility Services

RE: Summary of the October 27, 2015, Portland Building Reconstruction Advisory Committee Meeting

Committee Members: Bob Ball, André Baugh, Ralph DiNola, Carl Farrington, Javier Fernandez, Janice Marquis, Cindy Nichol, Roger Roper, Alysa Rose, John Russell, Tom Walsh

We updated the Advisory Committee on the three Portland Building Reconstruction project resolutions that passed at the October 21 City Council meeting. The resolutions are:

1. **\$195 million cap and completion by end of 2020.** Resolution #37158 directs OMF to complete the project for no more than \$195 million by the end of 2020. This passed with a 5-0 vote.
2. **Lease rate equalization.** Resolution #37159 directs OMF and the City Budget Office to develop scenarios for lease rate equalization to be implemented no later than FY 2020-21. OMF was also directed to develop scenarios for lease rate equalization starting in FY 2017-18, and continuing annually thereafter. This passed with a 4-1 vote.
3. **One percent for community benefits.** Resolution #37160 directs OMF to allocate 1% of hard construction costs for community opportunities and enhancements and to develop recommendations for implementation. This separates the community opportunities and enhancements from the reconstruction project. This was passed with a 3-2 vote.

Contracts: The RFP for the Owner's Representative contract is open and will close November 5. The Design-Build-Relocate (DBR) contract will follow.

- The plan is to solicit for a progressive DBR contract. Several benefits are anticipated with this "progressive" approach:
 - We are able to select the consultant team based on the best qualified team of primes and subs. Selection will not be based solely, or even primarily, on price. The price component at the time of solicitation will only be for preconstruction services and potentially overhead and profit amounts.
 - The architect, engineers, general contractor, primary subcontractors and other required consultants will create one team under one prime contract with the City, known as the DBR team.

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- The DBR team and the owner team will be co-located throughout the life of the project. This will make it easier to establish trust, clear lines of communication, and problem solving, which will be guiding principles for work on this project. The teams collaborate daily. The process will be an iterative design and costing process to ensure the best value project is delivered for the City.

Seismic Structure: There was a discussion about the seismic level to which the building should be built.

- It was suggested that the seismic approach could be decided prior to the DBR contract. This would allow us to choose a structural approach where the building could be occupied during construction. It would also provide an opportunity to review the costs of building to current code or beyond, allowing us to build to the highest seismic level possible with an existing building.
- It was noted that often, during a design and construction process, an approach that was originally agreed upon might change as the design process moves forward. The team must remain flexible and responsive to issues that arise that might change the direction of the project.
- It was suggested that designing the structural approach, independent of considering all of the various competing priorities and issues, would put unnecessary restraints on the project and potentially result in a lesser desired and/or more expensive outcome.

Staff considered the variety of suggestions and will proceed with the progressive DBR approach. The City can, at any point, choose to conduct an independent review of the structural engineering or other elements of the design and engineering. One of the tasks of the Owner's Rep consultant is to provide QA/QC on technical requirements.

The "progressive" approach to contracting will allow for the team to discuss issues, such as seismic levels, early and frequently. The team will also explore building to a seismic level above current code. Many factors will influence the seismic structural approach including the MEP systems, amount of daylighting, and other items surrounding the core of the building such as bathrooms, elevators, and kitchens.

The success of this project hinges on many factors, and one of the most important factors is that we have a successful and functional team that is based on trust and clear, honest communication.

Technology: The committee was provided a summary of a technology round table discussion that happened between City technology staff and Elemental Technologies, a for-profit technology firm. Elemental Technologies encouraged the City to build a robust fiber system and consider the connectivity and mobility needs of the workforce. Also discussed was collaboration in the work place and how mobility can lead to more collaboration and creativity.

The next Advisory Committee meeting is on Tuesday, December 8th at 1pm in City Hall. Prior to that meeting, we will be working on several of the action items that came out of the Council meeting. These items include developing: scenarios for rate equalization; approaches for community benefits; a draft plan for providing assistance to the first floor vendors and an update on the Owner's Representative proposals.