

Portland Building Community Oversight Committee Quarterly Report (January – March 2017)

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 January through March 2017. Within this time frame, the PBCOC held three meetings to review project reports and evaluate project progress. At the first and second meeting, the committee scored all project components including budget, schedule, scope, sustainability, and equity performance green. At the last meeting, committee members scored all project components green with the exception of the equity performance. The Committee assigned equity performance a yellow score because of concerns about the availability of minority-owned, women-owned and emerging small businesses (MWESB) needed to meet the project's equity goals. The score had nothing to do with the equity team's performance.

PART 1 – PORTLAND BUILDING COMMUNITY OVERSIGHT, CITY OF PORTLAND January – March 2017

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: |
|--------------------|---------------------------|
| Cindy Nichol | Mayor Charlie Hales |
| Charles Farrington | Commissioner Nick Fish |
| Don Shanklin | Commissioner Amanda Fritz |
| Robert Ball | Commissioner Steve Novick |
| Tom Walsh | Commissioner Dan Saltzman |

Committee Meetings: January – March 2017

The Committee met with project team representatives including staff from the Office of Management and Finance (OMF), the Owner’s Representatives (Day CPM Services LLC), and the Design-Build-Relocate contractors (Howard S. Wright Construction company/DLR Group).

Please note: Information in this report captures Committee activity and review of the project’s previous month’s work.

January 19, 2017:

Topics covered at this meeting include the following: Completion of Phase 1, Phase 2 planning and initiation; the second Design Advice Request (DAR); design programming for City bureaus; re-location activities; and the Data Center Move project.

The Committee assigned a green score to all components including schedule, budget, sustainability, equity performance, and scope.

February 16, 2017:

The project team provided information on plans for Phase 2A of the project. This phase, referred to as “Detailed Design,” will be marked by two to three deliverable milestones of coordinated sets for owner review and pricing verification and alignment. Others topics discussed at this meeting include leases for temporary spaces, space planning for City bureaus, the OMF space optimization plan, the CAO’s moratorium on technology procurements, requests of the Historic Landmarks Commission, and design options for hard wall spaces.

At the end of the meeting, the committee scored all project components green and asked the project team to keep an eye on dependencies such as the Data Center Move project and decisions on the historic components of the building.

March 17, 2017:

At this meeting, the project team shared updates on Phase 2 of the project and covered topics including lease agreements for the three temporary re-location spaces, space plans and programming for City bureaus, the Historic Landmark Commission's feedback on the second Design Advice Request (DAR) package, and the Data Center Move project.

The Committee assigned a green score to project components including budget, scope, schedule, and sustainability performance. Equity performance received a yellow score because of the limited supply and high market demand of MWESB firms needed to meet the project's equity goals.

Scores and comments are attached.

PART II: SUMMARY OF PROJECT UNDER PBCOC OVERSIGHT

January – March 2017

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 end of 2020

Current Status: The project is in its second phase. Phase 2 has been further divided into two parts: 2A (detailed design) and 2B (implementation documents). Currently, the project team is working on two parallel tracks – planning and designing the temporary spaces and continuing design work for the Portland Building.

Major Accomplishments this quarter:

- Execution of Phase 2 contract amendment and authorization with the City.
- Securing temporary re-location spaces and completing lease execution. The temporary spaces are all located downtown – Columbia Square (111 SW Columbia Street), Congress Center (1001 SW 5th Avenue), and 400 SW 6th Avenue.
- Submitting the second Design Advice Request (DAR) package to the Historic Landmarks Commission and other public agencies. The DAR package provides information on the proposed design for the historic preservation of the building's exterior and public spaces.
- Facilitating bureau engagement and community focus group meetings to refine the design requirements and programming needs of City bureaus.
- Creating new work groups such as the Make-Ready group to ensure that the Portland building is ready for heavy construction work in 2018. The group's primary task is to ensure that the critical systems and services are in place. This includes the relocation of essential server systems from the third floor to a new location in the building.
- Completing test fits on the three temporary re-location spaces.
- Completing the Equity, Inclusion and Diversity plan.
- Developing a decision document (D3) focusing on the building envelope. The document compares the pros and cons of the primary (over-cladding) and alternative (face-sealed openings) approaches to the building envelope design. It also describes how each approach addresses the core project values.
- Facilitating tours of different office spaces including the Port of Portland, Bellevue City Hall, Kirkland City Hall, and Google Kirkland to better understand the potential that exists for space design and operations in the reconstructed Portland Building.
- Delivering the first of three major milestone packages for Phase 2A (Snapshot 1 – a set of conformed design drawing) to the City.
- Participating additional ten outreach events to share information and recruit MWESB firms and creating five design mentor protégé teams for the educational benefit of MWESB firms.

Upcoming milestones for next quarter:

- Finalizing bureau space plans and preparing permit documents for the temporary tenant improvements.
- Conducting two public focus group meetings and a community open house.
- Finalizing hard wall placement for the Portland Building as well as design work for the building's foundation.
- Updating cost estimates and schedules from Snapshot 1 documents.
- Submitting a review package to the Historic Landmarks Commission for Type III Land Use Review.

Risks, Concerns and Comments from the PBCOC for this quarter:

- Risks:
 - The PBCOC flagged dependency such as requirements of the Historic Landmarks Commission and the Data Center Move project as risk that can potentially affect project schedule.
 - The committee expressed concerns over the limited supply of equity trade partners and minority and women workers needed to meet the project's equity goals. There are other public projects requiring MWESB firms during the reconstruction timeline. This is a project risk. The Committee commended the effort of the Equity team, but noted that the team is dealing with a market forces over which they have little control.

Project Name **Portland Building Reconstruction Building**
 Reporting Date: **January through March 2017**

| Project Components | Oversight Assessment Red, Yellow, Green | | | Portland Building Community Oversight Committee Assessment Red, Yellow, Green | | |
|--|--|----------|-------|---|----------|--------|
| | January | February | March | January | February | March |
| 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 | Green | Green | Green | Green | Green | Yellow |

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

Overall: Both Oversight and the Portland Building Community Oversight Committee indicate the project is meeting expectations, with a few items to watch – noted below.

Budget: The PBCOC scored the budget green because spending is as anticipated.

Schedule: The target completion date for the Portland Building Reconstruction project is the end of 2020. In December 2016, the project team successfully completed Phase 1: “Conceptualization and Design.” In January, the team initiated Phase 2A: “Detailed design” and successfully completed the execution of leases for the three temporary office locations. Currently, the project team is working on two tracks – planning the temporary spaces and continuing design work for the Portland Building. The PBCOC scored the schedule green for all these timely accomplishments and because the CAO monitors all aspects of the project. However, the committee pointed out the need for the project team to closely monitor dependencies including the Data Center Move project and requirements of the Historic Landmarks Commission.

Scope: The Committee scored the project scope green, but cautioned that the project needs to pay close attention to dependencies like Historic Landmarks Commission decisions.

Sustainability: Sustainability basis of design is on track to meet or exceed the City’s minimum of LEED Gold, v3 and other Green Building policy requirements. The PBCOC assigned a green score because the Portland Building project itself is essentially a recycling project and is on track with sustainability expectations.

Social Equity: The PBCOC scored social equity performance green in January and February, but assigned a yellow score in March due to external constraints. The yellow score had nothing to do with the critical path or effort of the Equity team. For Committee members, the main issue is dealing with a market beyond their control. There are a number of large projects requiring the services of MWESB partner firms and companies. The limited supply of MWESB firms is a risk that could potentially affect the project’s social equity goals.