

# **Portland Building Community Oversight Committee Quarterly Report (October – December 2017)**

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## **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 October to December 2017. Within this time frame, the PBCOC held two meetings to review project reports and evaluate project progress. The December meeting was canceled in order to provide the Guaranteed Maximum Price (GMP) update to the full committee in January.

The Committee continues to review the overall project and is monitoring for any impacts related to the Data Center Migration and bureau relocations. An area of focus included the GMP, which was presented to and approved by the Portland City Council in December, and will be explained and reviewed by the PBCOC in January. Insurance and bonding was also a concern due to the higher coverages required by the project and the challenges small business, including minority-owned, women-owned, and emerging small businesses (MWESB), have in obtaining these. These cautions are reflected in the Budget scores, which remained yellow this quarter. However, Schedule, Scope, and Sustainability all maintained green scores throughout the quarter.

In October, the Committee expressed interest in learning more about the project team's outreach strategy, given concerns about the availability of MWESB contractors in the area and the current construction market. As a result, the November meeting focused on social equity and Ozzie Gonzalez, the project team's Equity, Inclusivity, and Diversity Program Manager, explained the project team's outreach efforts in more depth.

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## **PART 1 – PORTLAND BUILDING COMMUNITY OVERSIGHT, CITY OF PORTLAND October – December 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:

<b>Member</b>	<b>Selected by:</b>
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: October – December 2017**

The Committee met with project team representatives, staff from the Office of Management and Finance (OMF), and the Owner's Representatives (Day CPM Services LLC).

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

#### **October 19, 2017:**

During this meeting the project team offered updates regarding outreach for MWSB firms, insurance premiums, and the GMP submission which were items of concern in earlier reports. The team also gave updates on temporary locations, and change management.

The Committee then discussed and reviewed the oversight, staff, and social equity reports with associated scoring.

The Committee scored the project components of Scope, Sustainability, and Schedule green. They praised the submission of GMP, which has helped capture scope changes, and the progress of the Data Center Migration project. Budget received a yellow score due to the longevity of this project which can cause scope elements to change and presents a risk to GMP. Social equity also received a yellow score due to concerns regarding the project's strategy to meet social equity goals. The Committee stressed that this score could go red, and that continued attention to this issue is key.

**November 16, 2017:**

This meeting focused on the concerns the Committee raised during the previous meeting regarding social equity and the project team's outreach plan. Ozzy Gonzalez, the project team's Equity, Inclusivity, and Diversity Program Manager, detailed the outreach strategy, which focuses on mentorship to cultivate stronger relationships between Howard S. Wright and MWESB firms.

The project team also gave updates on the Portland Building relocations, which were completed this month, and GMP, which will be presented to Council in December.

The Committee scored the project components of Scope, Sustainability, and Schedule green. Once again the committee scored budget yellow due to not knowing GMP. After learning more about the project team's outreach strategy, the Committee agreed that the social equity score was no longer in danger of being red and felt comfortable with the project's approach to engaging MWESB firms. However, they still believe that there is much work to be done in terms of engagement with MWESB firms and for that reason they gave social equity a yellow score.

**December 21, 2017:**

This meeting was cancelled so the full committee could receive the GMP update. This will happen during the January meeting.

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**PART II: SUMMARY OF PROJECT UNDER PBCOC OVERSIGHT**

October – December 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 third quarter of 2020

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

Major Accomplishments this quarter:

- GMP was submitted in September, was reviewed by City attorneys and Procurement in November, and accepted by Council in December.
- All bureaus have moved out of the Portland Building. This was done on schedule and below budget.
- The Data Center Migration is complete.
- The Portland Building held a groundbreaking ceremony on December 4, signifying the beginning of the construction phase.
- The City negotiated with their insurance broker a builder's risk policy that is broader, more comprehensive, and results in savings for the project.
- Furniture disposition has begun and is progressing ahead of schedule.

Upcoming milestones for next quarter:

- A solicitation process for the vendor selection to carry out the Space Optimization resolution, to procure furniture, is underway. Six firms representing furniture lines submitted proposals. Interviews with shortlisted vendors are planned for January, with notice to award planned for February and contracting completed in the following month(s).
- Demolition has begun and will be continuing in earnest

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

- Risks:
  - The supply side of both equity trade partners and minority and women workers is limited which poses a risk to meeting project goals. There is a high demand for these partners and minorities and women in the trades, given the number of construction projects currently in progress, or beginning in the near future.

Project Name: **Portland Building Reconstruction Building**

Reporting Date: **October through December 2017**

Project Components	Oversight Assessment Red, Yellow, Green			Portland Building Community Oversight Committee Assessment Red, Yellow, Green		
	October	November	December	October	November	December
Budget	Yellow	Yellow	Yellow	Yellow	Yellow	N/A
Schedule Expected Completion date: 2020	Green	Green	Green	Green	Green	N/A
Scope Stability	Green	Green	Green	Green	Green	N/A
Sustainability	Green	Green	Green	Green	Green	N/A
Social Equity	Yellow	Yellow	Yellow	Yellow	Yellow	N/A

\* The Committee did not score in December because the meeting was cancelled to allow all members to be present for the GMP update which will happen in June.

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

**Overall:** Schedule, Scope, and Sustainability all received green scores through the quarter. Major concerns included locking down GMP, as it would affect the budget and scope, however the GMP was presented to and approved by Council in December. Other areas of caution during the quarter were the Data Center migration and outreach to MWESB firms.

**Budget:** The budget received a yellow score in October due to the Committee's worry that the project's longevity would cause scope elements and GMP to change. Budget again received a yellow score in November as the Committee was waiting for the finalized GMP.

**Schedule:** Schedule received a green score all quarters as the Data Center migration and Portland Building relocations were completed on time.

**Scope:** Scope received a green score all quarter, but the Committee cautioned on locking down GMP.

**Sustainability:** Sustainability received a green score all quarters.

**Social Equity:** In October, the Committee gave social equity a yellow score, but cautioned that it could become red in the future as they were concerned about the project's outreach strategy toward MWESB firms. However, after hearing more about the project team's outreach efforts during the November meeting, the Committee became more optimistic about the project's ability to meet goals though they still advise for continued monitoring.