

Portland Building Community Oversight Committee Quarterly Report (July – September 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 July to September 2017. Within this time frame, the PBCOC held two meetings to review project reports and evaluate project progress. There was no meeting in September due to member absences.

The Committee continues to review the overall project and is closely monitoring for any impacts related to the Historic Landmarks Commission decision, bureau moves to temporary locations, Data Center migration and schedule, and any unforeseen costs. They have noted that construction costs are going up and the faster Guaranteed Maximum Price (GMP) is locked down the better; the project is scheduled to have GMP by the end of 2017. These cautions are reflected in the yellow scores for Budget in July and August, and Scope Stability in July. Some of the risks were mitigated by the August meeting, which is reflected in the change to a green score for Scope Stability.

Social Equity remains yellow due to concerns for the availability of minority-owned, women-owned and emerging small businesses (MWESB) contractors in the area given the current construction market. In August, the Committee discussed insurance and bonding that could encourage and allow MWESB firms to participate in the project, which will be discussed in more detail next quarter.

PART 1 – PORTLAND BUILDING COMMUNITY OVERSIGHT, CITY OF PORTLAND July – September 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: July – September 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.

July 20, 2017:

During this meeting the project team offered project updates regarding the upcoming Historic Landmarks Committee decision and data server migrations, which were items of concern in earlier reports. Both items appear to be on track for positive outcomes. The team also gave updates on temporary location move preparations, and change management.

PBCOC reports were discussed and reviewed including oversight, staff, and social equity with associated scoring. The previous Quarterly Report was reviewed and approved.

The Committee scored the project components of Schedule and Sustainability green, but flagged the Historic Landmarks Commission decision while praising the Data Center migration. The Committee gave a yellow score for Equity performance due to a concern about the limited supply of MWESB contractors. The Committee scored Scope and Budget yellow due to budgetary increases such as rising costs in the exterior envelope estimate and uncertainty about the Historic Landmarks Commission decision.

August 17, 2017:

During this meeting, the project team discussed project updates such as the Historic Landmarks Commission's decision and temporary location moves. Moves began August 18 and will continue into November.

The budget was discussed as trending below expectations but the GMP still needs to be set. The Project Team also discussed the project scope and how the project is in a much better position now having several scopes of work related to technology developed and clarified.

Project team members discussed bonding and insurance processes that could be used as potential strategies for widened outreach to the contracting community. The Committee noted that staff/workforce participation on the project has been significant in equity performance, but gave social equity a yellow score due to the shortage of MWESB contractors in the area. The committee noted this score could go to red if the City does not work out the bonding and insurance issue for contractors, which should help with social equity.

September 21, 2017:

There was no meeting in September due to member absences.

PART II: SUMMARY OF PROJECT UNDER PBCOC OVERSIGHT

July – September 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 – constructing and moving to temporary spaces and continuing design work for the Portland Building.

Major Accomplishments this quarter:

- As of July, the data server migrations are going very well with completed migrations of 67 servers (14% complete). All of the migrations have been scheduled and it is anticipated that the migrations will be completed on schedule.
- Temporary location moves began on August 18 and continue on schedule.
- The Historic Landmarks Commission voted 4-0 to approve the Portland Building Reconstruction project's plan with conditions. The Project's appeal to City Council regarding one of the conditions was preliminarily granted on August 24, with formal acceptance in September.
- The budget is trending below the line but the GMP still needs to be set.
- Employees are actively preparing for the move as shown by building-wide and office clean-ups.
- The project team continues to drive toward a Guaranteed Maximum Price (GMP) submission, which is due by the end of the year.

Upcoming milestones for next quarter:

- Bureau moves to temporary locations will be complete by November 6.
- The scheduled end date for migrations is December 1.
- GMP will be determined by the end of 2017.

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

- GMP needs to be set, as construction prices continue to increase.
- The supply side of both equity trade partners and minority and women workers is limited and this poses a risk to meeting the goals on the project. 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.

- Monitoring for any additional appeals of the Historic Landmark Commission and City Council decisions.
- Data Center Move project could impact budget and schedule if the Data Center is not moved according to schedule. Currently, the Data Center is on track to meet their move out timeline.

Project Name: **Portland Building Reconstruction Building**

Reporting Date: **July through September 2017**

Project Components	Oversight Assessment Red, Yellow, Green			Portland Building Community Oversight Committee Assessment Red, Yellow, Green		
	July	August	September	July	August	September
Budget	Yellow	Yellow	Yellow	Yellow	Yellow	N/A*
Schedule Expected Completion date: 2020	Green	Green	Green	Green	Green	N/A*
Scope Stability	Yellow	Green	Green	Yellow	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 September because there was not meeting due to absences.

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

Overall:

Committee members noted the project is on track and being well managed. Major concerns identified by the Committee include continuing to watch the Historic Landmarks Committee appeals, rising construction costs, as well as insurance and bonding for MWESB firms. The committee also noted the need to set the GMP on the project.

Budget:

The Committee ranked the project's budget as yellow due to the increases in the exterior envelope estimate and an indication that a watchful eye should be on unforeseen expenses as the project moves towards GMP. The committee noted that construction costs are going to go up and the faster we can lock in GMP the better.

Schedule:

Schedule received a green score because the project is meeting its milestones as expected; one in particular is the Data Center Migration project is moving forward on schedule.

Scope:

In July, the Committee gave Scope a score of yellow due to concerns about impacts of the Historic Landmarks Commission decision and the timeline for the moves, including the Data Center Migration. In August, the Committee raised the score to green after the Historic Landmarks Commission's conditional approval, but flagged locking down the GMP, watching the Council decision on the Historic Landmarks Commission appeals, and continuing to monitor the Data Center Migration.

Sustainability:

Sustainability performance received a green score from the Committee.

Social Equity:

The Committee noted that staff/workforce participation on the project has been significant in the area of equity performance, but gave social equity a yellow score due to the shortage of MWESB contractors in the area. In August, the committee noted this score could go to red if the City does not work out the bonding and insurance issue for contractors, which should help with social equity.