

# **Portland Building Community Oversight Committee Quarterly Report (October - December 2018)**

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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 September to December 2018. Within this time frame, the PBCOC held three meetings to review project reports and evaluate project progress. During this quarter, an employee open house event was held, and project manager Kristin Wells presented an update on the project's progress at a City Council work session. Both events were well received.

This quarter, most categories were given green scores as the project reached its sustainability goal of LEED Gold, has had no scope creep, has established a soft opening date, and is mostly bought out. Social equity continued to be an area of focus as the Committee awaited information on outreach and final buy outs. During the December meeting, the Committee chose to give social equity a yellow score as they recognized the project team's outreach efforts and their meeting of the overall contracting goals.

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## **PART 1 – PORTLAND BUILDING COMMUNITY OVERSIGHT, CITY OF PORTLAND** October - December 2018

### **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, like 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. Determining if project components such as scope, schedule, budget, equity performance, and sustainability are meeting desired results and assessing progress towards the overall goal.
3. Providing project assessment.
4. Reporting findings and submitting 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>
Charles Farrington	Commissioner Nick Fish
Don Shanklin	Commissioner Amanda Fritz
Robert Ball	Commissioner Steve Novick
Tom Walsh	Commissioner Dan Saltzman
*Jessie Steiger	Mayor Ted Wheeler

\* This appointment was made in late 2018 as former PBCOC member, Cindy Nichol, moved.

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 reviews the project’s previous month’s work.

**October 2018:**

Demolition continues, as does installation of the interior shear wall on the 6th and 7th floors. Exterior tiles are expected to arrive by the end of October and installation will begin in November. Curtain wall installation on the building’s exterior is scheduled to begin mid-October. The City is hosting an “open house” for Portland Building employees later this month and has invited them to tour floors 1, 6, and 14. A furniture mockup walkthrough was also offered to bureau directors and some employees. They looked at the workspaces, huddle rooms, and additional furniture; responses were positive. The project team is on the cusp of deciding whether to pursue WELL Building certification as there are City policies that might need to be amended. The project’s sustainability goal was set as LEED Gold as per city policy and while it considered the pursuit of LEED Platinum, it was deemed infeasible due to limiting factors of the existing historic building.

As the budget is performing well, the project team considered add backs that will support the building in long-term functionality and create the best value approach for the building. The project is working with BTS to determine what costs should be allocated to the Portland Building Reconstruction project and which are to be held in the technology project budget.

The project is meeting the City's apprentice and subcontract utilization goals overall. However, some subcontractors are not meeting their individual apprentice goals and the disaggregated minority subcontracting goal is not being met. Efforts to increase minority and emerging small business participation include alternate procurement proposals that will increase the value of the limited solicitation amount to allow MWESB contractors to be awarded larger portions of scope which are more appealing to their business models. The Committee learned that Fay Birch, as a subconsultant to DAY, has been slated to conduct the social equity outreach survey. They expressed some concern that contractors would see this as a conflict of interest as Birch is associated with the project and connected to the equity community in Portland. It was suggested that an unrelated or non-regional firm might be better suited for this task. The project team listened to these concerns and will look at outside firms, though it will take longer to conduct the survey and analyze the data. However, the team agrees that the information gathered from this survey will be important for future projects and that the survey must yield impartial data.

#### **November 2018:**

The project team chose one of the building's art installations. This installation will be featured over the first and second floor lobby area (previously the employee food court) and will be visible from the park across the street. The artist will use data provided by the City to create a visual representation that will then be projected onto an object. A recommendation to use Portland Building Reconstruction project funds to begin a technology investment project was approved by the Mayor. This parallel project will upgrade AV equipment and printers, and as it is outside the project's original scope, it will be coded differently on the contingency log. The Auditor's Office was briefed on this change.

Installation of the panels has begun and will continue into next year, as it takes approximately two weeks to complete a floor and there are roughly 10 floors that will be paneled. There was a discrepancy in one of the north side panels which resulted in the bottom angle of the panel requiring manual adjustment. As a precautionary measure, the project team and the envelope consultant conducted field tests to ensure there were no waterproofing problems or other potential issues. The project continues to be on time and on budget, and there are no concerns for budget or scope creeps. There are no changes to sustainability as the team is still discussing WELL building certification.

The team exceeded their overall subcontract utilization goal for construction services – 23% of project completed with MWESB certified subcontractors – by 0.2%. A “reach

goal” was added, raising this goal to 25%. Although the overall goal was reached, the minority and emerging small business categories remain below target. The forecast predicts this category will end at 28%. The team also exceeded their overall subcontract utilization goal for professional/technical services. The goal was set at 20% and was raised to 22% after the team reached 22.7% MWESB participation. Again, minority and emerging small business categories are below target but are close to the goals. The team also reported that individual companies have struggled with bringing in female apprentices and journey workers into the project due to lack of supply and a systemic issue. The project team is working on creating a pipeline between pre-apprenticeship programs and high schools to encourage women to join the construction industry and boost retention.

### **December, 2018:**

The Mayor’s new appointee to the PBCOC, Jessie Steiger, attended this month’s meeting. The Committee also learned that the Project Manager, Kristin Wells, would be transitioning into another City position. While the Committee was concerned about the loss of project knowledge, they were reassured that she will still be involved with the project.

Installation of the exterior panels continues, and the project crew set a goal to install nine panels a day. Interior structural upgrades continue, including installation of the shear walls and structural steel rebar. Tenant improvement work on the 4<sup>th</sup> floor and the building core is progressing. There were no changes to budget or scope this month. However, Committee members did ask about the portion of the technology improvements package that will be covered by the project’s budget. They were assured they would receive updates on the budget and they asked for a risk log. There is no update on WELL Building Certification as the WELL consultant is working with the City on a policy review for WELL Building v.2 standards.

Social equity continues to be an area of focus. Apprenticeship and journey worker goals continue to be exceeded. However, subcontract participation for professional/technical and construction services continues to fall short of individual goals in the minority and emerging small business categories, though the overall goal is expected to be met. The Committee learned that City auditors would make note if the project did not meet the individual goals. The Committee awaits updates on the search for a national firm to conduct a survey for all subcontractors contacted during the bidding process regarding their experience with Howard S. Wright and the bids.

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

**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

**Current Status:** The project is in its third phase which focuses on construction.

Major Accomplishments this quarter:

- Crews began installing the exterior tiles (panels) this quarter. This is one of the most noticeable changes, and the project team has set a goal to complete nine panels per day.
- Furniture has been signed off. Furniture is expected to arrive around mid-2019.

Upcoming milestones for next quarter:

- Terra cotta installation is expected to begin early next year.
- The last sets of buy-outs are expected to be finalized.
- The project team will determine a strategic approach to WELL Building certification.

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

- Social equity remains a source of concern as it appears that the team's individual social equity goals for subcontract utilization will not be reached. The Committee advised the project team to hire a consulting firm not attached to the project or the Portland contracting community to conduct the subcontractor outreach survey. By doing so, the Committee hopes to receive honest answers from subcontractors regarding the bidding process.
- A technology improvement package was included into the Portland Building Reconstruction project budget. Though the technology project is an investment in higher-end AV equipment for the Portland Building conference rooms, the Committee would still like a risk log.
- Project Manager Kristin Wells will be transitioning to a new position. Though she will still be involved with the project, the Committee is concerned about the loss of project knowledge. Fortunately, she will still be responsible for change orders, part of weekly meetings and updates, and will begin to develop a close out plan as the project will be completed by the end of 2019.

Project Name: **Portland Building Reconstruction Building**

Reporting Date: **September – December 2018**

Project Components	Oversight Assessment Red, Yellow, Green			Portland Building Community Oversight Committee Assessment Red, Yellow, Green		
	October	November	December	October	November	December
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	Yellow	Yellow	Yellow	Red	Red	Yellow

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

**Overall:** Most categories maintained green scores this quarter. There were no concerns with the budget, scope, or schedule as the project is on schedule, on budget, and there is no scope creep. Sustainability has kept its green scores the project has reached its goal of LEED Gold and is still working on an approach to WELL Building certification.

Social equity maintained a red score most of the quarter as the project might not meet individual MWESB goals despite being on track to reach the overall equity goals. During the December meeting, the Committee commended the project's meeting of the aggregate goals while still advocating for increased attention to the minority and emerging small business subcontractor goals which are below target.

**Budget:** The Committee scored the project's budget green all quarter as the project is 92% brought out and the project team has held onto as much contingency as possible.

**Schedule:** Schedule received a green score from the Committee as the project is on track for move in December 16, 2019 and soft opening dates have been decided.

**Scope:** The Committee gave scope a green score as there has been no scope creep.

**Sustainability:** The Committee sustainability a score of green.

**Social Equity:** Social equity maintained a red score most of the quarter as the project might not meet individual MWESB goals despite being expected to reach the overall equity goals. During the December meeting, the Committee commended the project's meeting of the aggregate goals while still advocating for increased attention to the minority and emerging small business subcontractor goals which are below target.