

Portland Building Community Oversight Committee Quarterly Report (January – March 2019)

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 to March 2019. Within this time frame, the PBCOC held three meetings to review project reports and evaluate project progress. During the March meeting, the Committee was unable to score the project's progress as not enough members were present to hold a vote.

This quarter, most categories were given green scores as the project has already reached its sustainability goal of LEED Gold, has had no scope creep, 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. Committee members were also able to view furniture mockups of employee work spaces and shared areas. Their impressions were positive.

PART 1 – PORTLAND BUILDING COMMUNITY OVERSIGHT, CITY OF PORTLAND January – March 2019

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. 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:

Member	Selected by:
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 review of the project’s previous month’s work.

January 2019:

Tenant improvement work continued on the 4th and 5th floor, as did installation of the exterior panels. Installation of the curtainwall anchors on the south and east facades was completed this month. The Child Development Center’s (City Kids) schematic design was finalized and included value engineering items and vendor’s comments for a second round of pricing. Permit documents are expected by the end of March, with construction starting in July. The evaluation regarding the need for WELL Building Certification was completed; it was recommended that the team begin pursuit of the certification. Some City employees were delegated to be “change champions” to help provide project updates to their coworkers and help with transitions.

The project team continued to add value add-backs. This month that included: destination dispatch elevators to increase security, privacy banding for conference rooms, upgraded hand dryers, and envelope commissioning not included in the initial GMP. The project team’s list of possible items to be added to the project totals \$8.7 million. This will be evaluated against the contingency regularly.

Journey worker and apprentice goals continued to trend up (their goals have already been met), and the project is working with individual firms that need help meeting their workforce goals. These workforce goals are tracked on a per contract basis and if the firm fails to meet the agreed upon goals, Procurement may penalize them but that has not happened yet. The project has officially fallen short on one of their minority goals in

the subcontract utilization – professional/technical services categories. The team is still working to reach emerging small business goals in the professional/technical and construction services categories, and minority business goals in the construction services category. The Committee requested an update on the contractor engagement survey. As the Committee preferred a more in-depth survey from a national firm, the process was referred back to the City as procurement services will be responsible for handling the solicitation. The Committee hoped that this wouldn't result in a major delay of the survey process.

February 2019:

The project team drafted an employee handbook, Facilities created an operational plan for the building, and the Office of Management and Finance sent a budget package to Council that includes funds for building support. Employees received tours of furniture mockup spaces and had mostly positive responses to the new office spaces; Committee members also received an opportunity to look at the new furniture and ask further questions regarding layouts.

Terracotta quality testing is complete, and the project is one month out from finishing the concrete wall in the basement. Tenant improvement work progressed further, glass and light fixtures were installed on Floors 4 – 7, tile was laid in restrooms, the waffle ceiling on the 8th and 9th floors was painted. The Child Development Center Schematic Design documents were received and submitted for review by the daycare center architect, SEA. Permit documents are expected by the end of March and construction to begin July 2019. The daycare center is set to open January 1, 2020.

While the project has officially fallen short on one of their minority goals in the subcontract utilization – professional/technical services categories, the team has made progress on the subcontract utilization – construction services minority goal. Forecasts projected the overall minority subcontract utilization goal (which combines minority design and construction services) to be 29.2% utilization, exceeding the overall 25% goal set by the project. As these contracts are nearly all bought out, the project team is working to connect subcontractors with future City projects. By establishing a relationship and making these projects more accessible, there is hope more minority and emerging small businesses will participate in these projects. The Committee learned that the roofing contract will likely go to a MWESB certified firm. The contractor went to limited solicitation and received three bids from certified firms; the firms that bid were either MBE or WBE.

March 2019:

Structural work is nearly finished, and nearly all pours were completed; only the first floor's infill is left to complete. The project team is preparing to install the turquoise tiles that will go on the exterior of the first three floors. The final curtain wall panels have been glazed in Mexico and will be soon be shipped up to the site. The terracotta mockup was completed, and the installation process went quickly and smoothly.

Interior structural upgrades continued on schedule; shear walls were completed on the 12th and 13th floors as was installation of steel rebar and formwork for additional columns on all floors. The exterior curtain wall on the north and west facades was completely installed and installation continued on the east and south facades. Tiling in the 4th floor restrooms was completed, painting of the waffle ceiling on the 12th floor was begun, the basement ramp was demolished, and a new slab on grade was poured.

The project continued to be under budget and still holds a \$12.7 million project contingency. The team continues to evaluate value design items that were not included in the original Guaranteed Maximum Price (GMP). There were some minor cost overruns in the budget and the team explained that there were sections of the floor that needed more leveling than previously anticipated to achieve the industry standard. The Committee was reassured that this was not a structural problem, just normal sagging, and the leveling is needed to accommodate the new furniture.

Journey worker and apprentice goals continue to improve even though their goals have already been met. The team is now focusing on helping individual firms increase their percentage of Minority/Women/Emerging Small Business (MWESB) participation. The Subcontract Utilization – Design Services percentages remained the same as that portion of the work is nearly done. The project team is still working on scopes for the Subcontract Utilization – Construction Services category to boost participation with minority and emerging small business subcontractors. There are still some opportunities (for example in roofing and concrete contracts) to ensure these goals are met or exceeded. Three firms will be working on the interior painting package. This is partially due to the painter shortage in the region and because the firms chosen are all MWESB certified. The roofing contract will go to a MWESB certified firm. The contractor went to limited solicitation and received three bids from certified firms; the firms that bid were either an MBE or WBE.

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:

- City employees toured furniture mockup spaces. Most feedback was positive as employees noted that the cubicles were larger and had more privacy than expected.
- The terra cotta quality testing went well and mock ups and installations went smoothly.
- Change Champions were identified in each bureau. These employees will help disseminate information to their bureaus and relay questions and concerns to the project's change management team.
- The new HVAC system was installed and reconfigured to be more efficient.
- Curtain wall panel installation is complete.

Upcoming Milestones for Next Quarter:

- Employees will be able to view a fly through video of a typical office floor (Floors 4 – 10) to better understand how the new spaces will look.
- The last set of buy outs will be finalized.
- The project team will make a final decision regarding the new WELL Building certification path.
- All structural work and concrete pours will be complete.
- Waffle ceilings will be completely painted.

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 is interested in hearing the information gathered from the subcontractor outreach survey and urges that the survey be sent out soon to avoid a loss of momentum.

Project Name: **Portland Building Reconstruction Building**
 Reporting Date: **January – March 2019**

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	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	Red	Red	N/A

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 as 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 as the project might not meet individual MWESB goals despite being on track to reach the overall equity goals.

* The Committee was unable to score progress during the March meeting as there were not enough members present to hold a vote.

Budget: The Committee scored the project's budget green all quarter as the project is 90% formally bought 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 employees to move in by the end of 2019 and a soft opening date has 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 as the project has achieved LEED Gold and is strategizing its approach to WELL Building certification.

Social Equity: 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. The Committee also awaits information on the contractor engagement survey.