

Portland Building Community Oversight Committee

Quarterly Report

(October – December 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 October – December 2019. Within this time frame, the PBCOC held two meetings to review project reports and evaluate project progress. 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. The biggest change was in the schedule category which received a yellow score due to a delay in tile installation. There was no meeting in December, and in 2020 the Committee will reduce the frequency of their meetings as the project is nearly complete.

PART 1 – PORTLAND BUILDING COMMUNITY OVERSIGHT, CITY OF PORTLAND

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. 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:
Charles Farrington	Commissioner Nick Fish

Don Shanklin
Robert Ball
Tom Walsh
Jessie Steiger

Commissioner Amanda Fritz
Commissioner Steve Novick
Commissioner Dan Saltzman
Mayor Ted Wheeler

Please note: Information in this report captures Committee activity and review of the project's work from October – December 2019.

October 2019:

At the end of September, a copper fitting on a third-floor water line failed. Water leaked, damaging the lower floors, basement, and elevators. The project team took immediate action, but all wet drywall had to be replaced. Elevators were out for a whole week delaying furniture delivery and installation, and the project team decided to re-rope the elevators to prevent potential rusting from the leakage.

Roofing work on the second level neared completion, though work on the third level was delayed due to rain. The main entrance doors were installed, logias were extended, and glazing was added to the windows. Carpet was installed on all floors and furniture installation between floors 4-12 was completed. MEP and HVAC commissioning began.

The CAO announced a change to the grand re-opening date. As the terra cotta tiles won't be fully installed before the end of January, the project team and City leaders agreed that it would be best to hold off the grand re-opening until all construction work is complete. The new opening date was set to March 19 as that will allow all Portland Building employees to be settled into the building and will avoid potential inclement weather.

Budget

All major risk items to the budget have been mitigated, though PBCOC members asked if the leak's repairs would result in significant costs. The Committee learned that the project had hit its deductible in builder's risk (\$100,000 deductible for the claim) so there was no impact to the budget.

Social Equity

During the meeting, Committee members learned that some firms would not meet the female or minority apprenticeship goals specified in the journey worker contracts. The project team is working with them to examine why these goals weren't reached, if firms made good faith efforts to increase diversity, and if these firms should be penalized.

November 2019:

The temporary certificate of occupancy was received, and the building's exterior is expected to be completed in February as the team is still awaiting the last shipments of the corner tiles. A group of BTS employees was moved into the building in early November to set up the network. This was ahead of the first major move in, Facilities Services, which will occur over the first weekend of December. The PBCOC (along with some members of the CAO's office) toured the Portland Building.

Budget

The team continued to release some add back items as the contingency remained in good standing. The team also mentioned that they had already planned for move in and settling in expenses. Example provided: needing to purchase additional acoustic panels.

Social Equity Report

During the last meeting, Committee members learned that some firms would not meet the female or minority apprenticeship goals specified in their contracts and that firms could be subject to a penalty. In November, two firms were issued a penalty. The penalty rate was included in the initial contract though firms had the opportunity to receive a discount if they could prove good faith efforts to attract MWESB apprentices or journey workers. The PBCOC received the first findings from the equity survey which asked firms about their experience in the project's process. There was a 20% return rate and the main reason MBE firms did not bid on the project was due to workload. Most firms rated the bidding process highly, stating that communications were timely, informative, and respectful. City Council and PBCOC members will receive a final report on how individual firms fared in the minority and female apprenticeship goals.

During this meeting, the PBCOC discussed their future meeting schedule now that the construction phase is nearly complete. They agreed to skip meeting in December and to resume meeting in January. They expect to meet less frequently – perhaps every other month.

December 2019:

Please note that the Committee did not meet during this month. These updates are based on the reports provided by Howard S. Wright concerning the project's progress.

Construction Subcontracts were 99% formally committed. MWESB certified firms' participation was at 31.6%, based on the dollars awarded out of the hard construction cost (from September 2019 data): \$110,316,862. This information can be found in the [latest Construction Dashboard](#). Most of the project's expenses are from the contract with Howard S. Wright, a \$150 million GMP, of which \$129 million has been paid. Overall project costs to date are \$146 Million.

The CAO also had an important update on the child care center which would have been on the first floor of the reconstructed Portland Building. The Mayor identified the need to re-examine the City's current approach to subsidizing childcare downtown due to the potential for equity disparities and would like to use the City's development of a long-range facilities plan to determine the best use of that space. As a result, there will not be a childcare center in the reconstructed Portland Building at this time. The next step will be to consult OEHR on how to be more equitable and supportive of all City parents.

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.

Major Accomplishments This Quarter:

- Installation of exterior terra cotta tiles continued on levels 1-3 and on the loggias.
- The first bureaus began moving in. BTS moved in first to ensure the network was installed and operational before Facilities moved in.
- Finishing touches were added to the lobby. This included: painting the lobby, terrazzo floor sanding and polishing, furniture installation, punching and final clearing.
- The building's front desk opened in December, allowing community members to find services in a central and welcoming location.
- User workshops to help Portland Building employees understand the building's new amenities and features began in mid-December.
- Furniture installation on the 15th floor was completed.

Upcoming Milestones for Next Quarter:

- Bureau move-ins will be completed. The last bureau move in will occur on in early March.
- There will be a Portland Building Grand Opening Celebration on March 19, 2020. There will also be events celebrating the contractors who worked on the project – over 15,000 people worked on the building's reconstruction.
- Installation of the terra cotta tiles will be complete as the corner tiles are in transit.

Risks, Concerns and Comments from the PBCOC For This Quarter:

- The Committee does not have any major concerns for the project as the risks have been mitigated. The Committee is now determining the frequency of their meetings as their charter only stipulates that they need to receive monthly updates. It's likely that the Committee will meet on a quarterly basis or move to an as-needed basis.

Project Name: **Portland Building Reconstruction Building**

Reporting Date: **October - December 2019**

Project Components	Oversight Assessment			PBCOC Assessment		
	October	November	December	October	November	December
Budget	Green	Green	Green	Green	Green	N/A
Schedule Expected Completion date: 2020	Yellow	Green	Green	Yellow	Green	N/A
Scope Stability	Green	Green	Green	Green	Green	N/A
Sustainability	Green	Green	Green	Green	Green	N/A
Social Equity	Green	Green	Green	Green	Green	N/A

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

Budget: Budget received a green score this quarter the project team has held onto as much contingency as possible and the project is nearly entirely bought out. The project team has also planned to allocate leftover funds toward post-move expenses.

Schedule: In October, Schedule was given a yellow score due to the change in the tile orders and the installation schedule (finishing early 2020). However, the Committee wanted it to be noted that the project charter outlined an end of 2020 completion date. The project is still ahead of the completion goal. During the November meeting, schedule was given a green score as tile installation was progressing quickly and the project team has a completion date for corner tile installation.

Scope: Scope as given a green score as there has been no scope creep.

Sustainability: This category received a green score as the project is on track to receive LEED Gold and WELL certification.

Social Equity: Social Equity was awarded a green score as the project has met most of the MWESB goals.