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April 2, 2021

To: Commissioner Mingus Mapps
Commissioner Carmen Rubio
Commissioner Jo Ann Hardesty
Commissioner Dan Ryan
Mayor Ted Wheeler

CC: Auditor Mary Hull Caballero

From: Tom Rinehart, Chief Administrative Officer

Re: Final Portland Building Reconstruction Project Update

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 – December 2020. Within this time frame, the PBCOC held no meetings due to the COVID-19 pandemic. In February 2021 a final PBCOC meeting was held. Only two of the members attended. Due to lack of quorum there is no official scoring from the committee as a whole. However, the members in attendance at the final meeting gave all categories green scores. The green scores were given because the project has reached or exceeded its sustainability goal of LEED Gold, including achieving the higher rating of LEED Platinum, V3 with v4 materials, it has had no scope creep, and surpassed the aggregate social equity subcontracting goal.

Moves into the building were completed in March of 2020, just days prior to the City announcing all offices were to be closed to all but essential employees due to the COVID-19 pandemic. Due to this closure, many of the post-occupancy tests and adjustments have been put on hold until the building is once again fully occupied.



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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	Commissioner Amanda Fritz
Robert Ball	Commissioner Steve Novick
Tom Walsh	Commissioner Dan Saltzman
Jessie Steiger	Mayor Ted Wheeler

Project overall

Please note: Information in this report captures Committee activity and review of the project's work from January – December 2020, except where noted.

Substantial Completion was received on the overall project on December 4, 2019. Moves continued through March of 2020 and the next day the City announced we were closing all offices except for employees that needed to do essential work and couldn't do it from home. In early 2020, the City approved the build-out of the previous 1st floor tenant space into additional office space for the City's Civic Life and 311 offices. HSW and DLR completed the build-out between May and December with moves completed December 5th, 2020. This work concluded the work that will be captured within the GMP. The City has continued to track ongoing potential changes and upgrades to the building as the facilities staff has worked to fine tune the building and systems. Unfortunately, due to the pandemic, many of the original thoughts of the post occupancy test period and desire to make adjustments as needed have been put on hold due to the very limited occupancy of the building. What was designed to house approximately 1700 people has averaged around 60 people per day during the pandemic, scattered

throughout the building. The project team has completed initial warranty walk throughs and work is proceeding as needed.

The original project was effectively completed in December of 2019, one year ahead of schedule, with moves complete in March 2020. Additional work continued to build out a tenant space and was paid for out of the project costs. This work is complete, and the project has transitioned into its post occupancy period, which was allocated to extend for two years after substantial completion throughout the 2-year warranty period.

Budget Update

\$195 million was budgeted to reconstruct the Portland Building in a fiscally responsible way, creating a functional, accessible, sustainable, seismically upgraded workplace. Two additional projects were being contemplated at the time of the Portland Building Reconstruction project's scoping. One was a BTS technology project to provide consistent AV across bureaus and creating city-wide AV standards and the second was a secondary daycare to support city employees. Neither project was funded. The approval of the Portland Building Reconstruction project set the Schedule and Budget as immovable with the minimum scope stated, but the CAO was authorized to add scope as the budget and schedule allowed. Since the Portland Building Reconstruction project was tracking under budget for the minimum required scope, the CAO directed the AV for the Portland Building to be added to the project scope and later authorized the build out of the 1st floor tenant space which was originally allocated for the future daycare to instead be built out for additional office space. The project is continuing to hold approximately \$2.4 million for potential post occupancy expenditures. With those additions, the project is still tracking nearly \$9 million under budget.

Sustainability Update

The project has met or exceeded all sustainability goals and requirements. It exceeded the City's goal of LEED Gold, v3 and instead received a rating of LEED Platinum. It also met all other Green Building Policy requirements. The project is also tracking positively to receive WELL certification with final documentation being gathered now. Verification is still to be determined due to the low occupancy levels of the building during the Pandemic.

Social Equity Update

During the last meeting the committee learned that, as of November 15, 2020, Tier I Construction Subcontracts are 100% formally committed and the project has surpassed 12 of the 13 subcontracting goals. The one subcontracting goal unmet was the minority owned business goal for design services, which achieved 6% utilization, rather than the desired 8%. However, the women owned businesses subcontracting goal for design was exceeded by more than twice the original goal of 8% with a final of 17% utilization. All subcontracting utilization goals for construction were met or exceeded.

The committee members discussed with staff how to take the lessons learned from this project to find success in subcontracting goals for future projects. One key takeaway was the importance of early and consistent outreach efforts.

Table 3-A. Subcontract Utilization – Design Services

Category	Goals (%)	Goals (\$)	(%) Committed	(\$ Committed
MBE	8%	\$782,118	6 %	\$ 608,930
WBE	8%	\$782,118	17 %	\$ 1,615,952
ESB*	4%	\$391,059	6 %	\$ 593,823
HSW Reach Goal	+2%	\$195,530	--	--
TOTALS	22%	\$2,150,825	29%	\$2,818,705
(last month)			29%	\$2,818,705

Table 3-B. Subcontract Utilization – Construction Services

Category	Goals (%)	Goals (\$)	(%) Committed	(\$ Committed
MBE	12%	\$13,238,023	14 %	\$ 15,008,960
WBE	5%	\$ 5,515,843	18 %	\$19,500,219
ESB*	5%	\$ 5,515,843	3 %	\$ 3,062,196
HSW Reach Goal	+3%	\$ 3,309,506	--	--
TOTALS	25%	\$27,579,215	34%	\$37,571,375
(last month)			(34%)	(\$37,571,375)

Scoring

Reporting Date: **January – December 2020**

	Oversight Assessment	PBCOC Assessment
Project Components	January – December 2020	January – December 2020
Schedule	Green	Green
Budget	Green	Green
Scope Stability	Green	Green
Sustainability	Green	Green
Social Equity	Green	Green