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191424

Ordinance

Authorize ninety month lease with Icon IPC Property Owner Pool 3 West, LLC for the Office of Management and Finance Facilities Operations and Maintenance Operations Center at 3315 NW 26th Ave for an estimated annual cost of \$151,871

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. The Office of Management and Finance-Facilities' ("Facilities") Operations and Maintenance ("O&M") team oversees day-to-day operations and maintenance of 17 Facilities-owned properties. This portfolio consists primarily of properties that provide critical core services to the City including City Hall, the Portland Building, multiple police facilities, the Fleet Maintenance garages and the BOEC/911/Emergency Operation Center. In addition to ensuring safe and secure space for occupants, The O&M team ensures that these operations continue unimpeded in providing support to all city bureaus and thereby citizens. The O&M team performs preventive maintenance on the City's assets designed to minimize risk and limit the possibility for a crisis to emerge.
2. O&M currently performs its maintenance services from multiple decentralized locations, that inhibit efficiencies in material purchasing and storage, maintenance of adequate tool inventory control, secure storage of service vehicles, and efficient scheduling of service technicians to job sites. As a result, service technicians, make multiple daily trips to hardware stores, and since they often travel from their homes directly to job sites without checking into a central operations center can go for days without physically being seen by their supervisor. This limits the ability to efficiently schedule both preventive and reactive work orders, resulting in extended response times which increase risk to critical assets, and significantly increased expenses overall. These decentralized locations are not sized appropriately or located strategically thereby further exacerbating the ability of the team to manage their tremendous workload. In a typical year the O&M

Introduced by

[Mayor Ted Wheeler](#)

Bureau

[Management and Finance;
Facilities](#)

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Requested Agenda Type

Consent

Date and Time Information

Requested Council Date

August 23, 2023

team processes an average of 7,200 work orders per year or 29 per workday. Finally, the O&M's space in these various locations continues to be forced to reduce their footprint due to the ever-expanding needs of the adjacent city occupants, resulting in compromised safety and functionality.

3. The O&M team seeks to implement maintenance strategies that will increase departmental efficiencies, financial accountability, while delivering enhanced services to the customer base, thereby minimizing risk of failure. It is with this goal in mind that O&M seeks to centralize all Technical Facility Maintenance staff and resources into a single location to create workshop, equipment and supplies storeroom, and staff management proficiencies. For these reasons, Facilities O&M desires to relocate maintenance operations to a single property located at 3315 NW 26th Avenue, Portland, consisting of 11,173 square feet.
4. City Binding Policy ADM 13.01 directs bureaus to locate their operations in City owned or controlled facilities when these facilities reasonably meet the business need of the bureaus. Resolution No. 37017 reaffirmed ADM 13.01 and directed OMF to work with bureaus to fully implement relevant policies by bringing City operations back into City-owned facilities when cost effective to do so, and to bring leases or rental agreements to Council for approval.
5. OMF has strategically assessed its operational needs and have concluded there are no viable options within City-owned facilities to provide sufficient space to accommodate O&M's current space and operational needs. OMF wishes to support O&M and facilitate a new lease agreement with commercially reasonable rental rates and terms.
6. The \$151,871 annual cost will be funded out of Facilities Services Fund interagency rates . Annual increases over the term are estimated at 3%. In addition, there is an expected \$100,000 in one-time costs associated with establishing operations at the facility, which will be covered from the fund's operating reserve.

NOW, THEREFORE, the Council directs:

- A. The Chief Administrative Officer or designee is authorized to execute any relevant documents including, but not limited to, amendments and extensions necessary to lease property for the Facilities Operation and Maintenance group's purposes. Subject to OMF strategically assessing availability of City-owned properties first and consistent with Section 1 findings, all documents will be reviewed by the Office of Management and Finance's Planning and Portfolio Management team for commercially acceptable terms and condition and approved as to form by the City Attorney prior to execution.
- B. The Mayor and City Auditor are hereby authorized to pay from the Facilities Services Fund when demand is presented and approved by

the proper authorities.

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council
August 23, 2023

Auditor of the City of Portland
Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

The Facilities O&M team seeks to implement maintenance strategies that will increase financial sustainability and minimize risk exposure. It is with this goal in mind that O&M seeks to centralize all Facility Maintenance staff and resources into a single location to create shop, storeroom, and management proficiencies.

Financial and Budgetary Impacts

The annual costs of the building, including the lease and operations and maintenance costs will be partially offset by terminating the lease agreement with Prosper for space at Union Station. The balance will be covered in the fund's target as it prepares its FY 2024-25 budget and rates. FY 2023-24 one-time costs and initial lease costs will be funded out of the fund's operating reserve. Some of this will be offset by the landlord as part of the lease. This use of the fund's operating reserve is appropriate because this site will allow for many work process improvements to be implemented, ultimately creating tangible cost savings and indirect service improvements. These work process improvements include a planning/scheduling system for work assignments, an organized system of routes for delivering services, implementation of a stores function, and full implementation of an enterprise asset management system. Plus, the location will allow for adjacencies between all parts of the Operations and Maintenance program, which will create efficiencies and enhance communication.

Community Impacts and Community Involvement

Public Involvement in this transaction is not necessary since this is an existing city operation scheduled to occupy an existing building zoned for the intended use.

100% Renewable Goal

The expected energy use can be expected to be lowered due to a reduction in vehicle trips due to a central hub facility vs. multiple satellite locations. The energy use associated with the building footprint is essentially neutral with a slight reduction due to the proposed location being a much newer building with better insulation and more efficient HVAC systems.

Agenda Items

669 Consent Agenda in [August 16, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/8/16)
(<https://www.portland.gov/council/agenda/2023/8/16>)

Passed to second reading

Passed to second reading August 23, 2023 at 9:30 a.m.

698 Consent Agenda in [August 23, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/8/23)
(<https://www.portland.gov/council/agenda/2023/8/23>)

Passed

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Absent

Commissioner Dan Ryan Yea

Mayor Ted Wheeler Yea