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191967

Ordinance

Amend Intergovernmental Agreement with Multnomah County to increase construction cost for the Justice Center Bus Duct Replacement Project not to exceed \$13,500,000 (amend Contract 30009005)

Passed

The City of Portland ordains.

Section 1. The Council finds:

1. The Justice Center was created in 1983 as a public condominium with the City of Portland ("City") and Multnomah County ("County") being the principal owners. The Justice Center serves law enforcement, courts, and jailhouse/corrections functions.
2. The City and County share responsibility for maintaining common elements of the Justice Center, including the bus duct system (electrical service, busway risers, and electrical distribution equipment, etc.).
3. Given that components of the bus duct system are mostly of original construction (1981), they are approaching the end of their useful life and are at risk of failure, which would result in a significant, if not complete, electrical outage throughout the entire building, posing significant challenges and risk to the work performed there.
4. On June 28, 2023, Council authorized the Justice Center Bus Duct Replacement Project Intergovernmental Agreement (IGA) (Ordinance No. 191359), which outlined the division of the roles, responsibilities, and cost of the work between the City and County to replace the bus duct system (Project) at the Justice Center.
5. The Project total budget was estimated at that time to be approximately \$30,000,000 with the costs apportioned as follows: County would be responsible for 57.91 % plus the Elevator #2 Cost Credit; City would be responsible for 41.34% less the Elevator #2 Cost Credit; and the owner of Unit 4 would be responsible for 0.75%. The original IGA do-not-exceed amount authorized by the prior ordinance was \$12,402,000 for the City's portion.
6. The County was the Project lead for procurement of services for the Project. The results of the bidding and negotiation of the final construction documents resulted in an actual cost of \$33,210,000,

Introduced by

[Mayor Ted Wheeler](#)

City department

[Facilities Services](#)

Contact

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M-F 6:30 AM to 3:00 PM

Requested Agenda Type

Consent

Date and Time Information

Requested Council Date

November 20, 2024

which when apportioned to the condominium owners would increase the City's share of the Project costs. Because the Justice Center is used, in part, as a detention center operating 24 hours a day 7 days per week, that active occupancy and use increase the time required to access work areas, add delays to the contractor's workflow, and increases to the total cost.

7. The Bureau of Fleet and Facilities (BF&F), formerly the City's Division of Asset Management, recommends that the IGA with Multnomah County be amended to account for the increase for the total City portion of the overall construction cost from the estimated \$12,402,000 to a not-to-exceed value of \$13,500,000 unless additional fiscal commitment would be authorized by Council in a future budget. This increase would alter the total agreed value from \$30,000,000 to a not-to-exceed value of \$33,210,000, and add \$680,000 for contingencies for the City's share.
8. Funds are included in the Facilities Services Police locations major maintenance account and an estimate of current year costs is included in the FY 2024-25 Adopted Budget.

NOW, THEREFORE, the Council directs:

- A. The City Administrator or designee is authorized to execute the First Amendment to the Intergovernmental Agreement between Multnomah County and the City of Portland for the Justice Center Bus Duct Replacement Project, with its substantive content reflecting the changes identified in this ordinance, and upon approval as to form by the City Attorney's Office. The City Administrator or designee is authorized to amend the terms and conditions of the IGA. The City Administrator or designee may increase the First Amendment to the IGA value only if City Council clearly authorizes additional funding for the Project through an approved future budget.
- B. The Mayor and Auditor are hereby authorized to execute payments to Multnomah County 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
November 20, 2024

Auditor of the City of Portland
Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

The City and Multnomah County are joint owners of the Justice Center and share the responsibility of maintaining common elements within the condominium. The Justice Center's bus duct system components are fast approaching the end of their useful life and are at risk of failure, which would result in an electrical outage throughout the entire building.

An outage at the Justice Center would pose significant risk to intake and release for Portland Police Bureau (PPB) to the Multnomah County jail system, Multnomah County's maximum-security jail, PPB's Central Precinct, law enforcement investigative and corrections offices, and arraignment courtrooms. These functions cannot be performed at other locations without substantial planning and cost.

The City and County entered into the Justice Center Bus Duct Replacement Project Intergovernmental Agreement (Ordinance No. 191359) to establish the division of the roles, responsibilities, and cost of the work between the City and County to replace the bus duct system.

This ordinance seeks to amend that IGA to reflect the increased total cost of the project and the increase to the City's portion of that project cost.

Financial and Budgetary Impacts

A construction cost estimate of \$30,000,000, included in the IGA between the City and Multnomah County (Ordinance/Resolution No. 91359), was based on estimates created during the design phase of the project. The results of the bidding and negotiation of the final Construction Documents resulted in a project cost of \$33,210,000 increasing The City of Portland's share of the cost from \$12,402,000 to \$12,820,000. In addition, the IGA will include \$680,000 for City share contingencies and this increases the not to exceed amount of the IGA to \$13.5 million. These costs are fully funded in the Police locations major maintenance account in the Facilities Services Fund.

The funding is coming from three sources. The FY 2022-23 Adopted Budget transferred \$5.5 million in General Fund resources to the project. The FY 2023-24 Adopted Budget transferred \$6.5 million in General Fund resources to the project. The remainder of the project's costs are funded from the Police locations major maintenance account. This account is funded from the rental rates charged to the Police Bureau.

Economic and Real Estate Development Impacts

Not applicable.

Community Impacts and Community Involvement

Not applicable.

100% Renewable Goal

Not applicable.

Financial and Budget Analysis

This action increases an existing IGA not-to-exceed amount of \$30 million to \$33,210,000 for bus duct work at the Justice Center. The City's portion of the work will increase in cost from \$12,402,000 to \$12,820,000 to award the bidded contract and also will include \$680,000 in contingency. The other costs are covered by Multnomah County.

The City's share of the project will be paid through \$12 million in one-time General Fund resources set aside in FY 2022-23 and FY 2023-24 in the Office of the Chief Administrative Officer, as well as resources from the Police locations major maintenance account in the Facilities Services Fund (701). These resources are funded in the budget.

Document History

Item 967 Consent Agenda in [November 13, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/11/13) (<https://www.portland.gov/council/agenda/2024/11/13>)

City Council

Passed to second reading

Passed to second reading November 20, 2024 at 9:30 a.m.

Item 1000 Consent Agenda in [November 20-21, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/11/20) (<https://www.portland.gov/council/agenda/2024/11/20>)

City Council

Passed

Aye (5):

Mingus Mapps, Carmen Rubio, Dan Ryan, Rene Gonzalez, Ted Wheeler