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191246

Emergency Ordinance

***Approve findings to authorize an exemption to the competitive bidding requirements and authorize the use of the alternative contracting method of Construction Manager/General Contractor for the Council Chambers and Councilor Offices Project for an estimated amount of \$6,235,000**

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. With Ballot Measure 26-228, City of Portland (the "City") voters approved transformational changes to their city government voting yes to a package of reforms proposed by the Portland Charter Commission. Over the next two years, the City will phase out its commission form of government and implement a suite of changes:
 - Allow voters to rank candidates in order of preference, using ranked-choice voting.
 - Establish four geographic districts, with three city council members elected to represent each district – expanding city council to a total of 12 member Councilors.
 - Allow the City Council to focus on setting policy and engaging with community, transitioning day-to-day oversight of bureaus to a Mayor elected citywide and a professional City Administrator.
2. In order to accommodate the above changes to the City's structure, the Office of Management & Finance, Facilities Services (Facilities) is seeking to renovate existing City space to provide a Council Chambers that will accommodate the expanded Council, and maintain existing Council operations during improvements.
3. The Project will also seek to reconfigure downtown civic work spaces to create at least 12 offices to accommodate the expanded Council. When Project is completed, the Council Chambers will serve the 12 new Councilors, the Mayor, the City Administrator, and support staff. The

Introduced by

[Mayor Ted Wheeler](#)

Bureau

[Facilities; Management and Finance](#)

Contact

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Monday thru Friday, 8:00
a.m.-5:00 p.m.

Requested Agenda Type

Regular

Date and Time Information

<p>Requested Council Date April 19, 2023</p> <p>Time Requested 10 minutes</p>

renovated space will receive vital security, AV, and broadcasting enhancements to accommodate the public and Council processes.

4. The Project will require specialized skills and experience in construction methodology, problem solving, sequencing, scheduling, and cost estimating to successfully complete the work, commission, and verify space is fully operational prior to January 1st, 2025.
5. Procurement Services and Facilities recommend using the alternative contracting method of Construction Manager/General Contractor (CM/GC) for the Project to allow Facilities to:
 - A. Select a CM/GC with the experience and qualifications necessary to coordinate and develop a new Council Chambers and with demonstrated expertise participating in a collaborative CM/GC design process;
 - B. Obtain input from the CM/GC during the design process, including on the construction packaging and sequencing, on procurement of long lead items, on ensuring equity in service delivery, and on avoiding high future maintenance costs;
 - C. Obtain continuous value engineering to ensure cost containment and best value for the community;
 - D. Ensure there are opportunities for Service-Disabled Veterans Business Enterprises, Disadvantaged, Minority, Women, and Emerging Small Businesses in the contracting process.
6. The Council is the Local Contract Review Board, with the authority to exempt certain public contracts from the competitive bidding requirements of ORS Chapter 279C and Portland City Code 5.34.
7. The City will invite prospective CM/GC's to submit competitive proposals in response to the City's Request for Proposals ("RFP"). The Selection Committee will select the CM/GC based on an evaluation of the proposals. The Selection Committee will include staff from Facilities and others from the community, including a minority evaluator(s) as required per Resolution 36757. The RFP process will be completed under the guidance and direction of Procurement Services and in accordance with Alternative Contracting Methods requirements set forth in Portland City Code 5.34.
8. Draft findings addressing favoritism, competition, substantial cost savings, operations, budget and financial data, public benefits, value engineering, specialized expertise required, public safety, market conditions, technical complexity, and funding sources recommended by the City are attached hereto as Exhibit A (collectively, the "Findings"), have been made available, and a notice of the public hearing of this Ordinance was published fourteen (14) days in advance of this public

hearing.

9. Based on the Findings, the exemption of the Project from the competitive bidding requirements of ORS 279C is:
 - A. Unlikely to encourage favoritism or to diminish competition for public contracts, because the contract will be awarded using a competitive solicitation process; and
 - B. Likely to result in substantial cost savings to the City because the CM/GC will be integrated into the design team for value engineering, constructability review, and assistance in developing a construction phasing plan. Such early integration greatly reduces the chances of redesign, change orders and cost overruns.
10. To meet the project deadline, Facilities determined it is in the City's best interest to have a Guaranteed Maximum Price (GMP1) for Council Chambers and one for Council Offices (GMP2). Facilities requests for the Ordinance to allow two GMPs (GMP1 and GMP2) for a total estimated amount of \$6,235,000.
11. The estimated Construction Contract cost is \$3,975,000. The estimated total Project cost is \$6,235,000, including construction, design consulting services, project management/staff costs, construction management and other direct costs and contingences. The Project Estimate Confidence Level Rating Index, per Binding City Policy BCP-ADM-1.13, is "Low".

NOW, THEREFORE, the Council directs:

- A. Council hereby approves the Findings, as presented in Exhibit A, and on that basis exempts the Project from the competitive bidding requirements of ORS 279C.
- B. The Chief Procurement Officer is authorized to use an alternative competitive solicitation process to select a CM/GC Contractor for the Project and, upon selection of a CM/GC, is authorized to execute a contract for CM/GC pre-construction services during design phase of the Project, provided the contract has been approved as to form by the City Attorney.
- C. Upon Council's acceptance of the Chief Procurement Officer's report recommending the acceptance of GMP1 and GMP2 from the CM/GC for the Project, the Chief Procurement Officer is authorized to execute a contract for construction of the first and final phase of the Project, provided that the contract has been approved as to form by the City Attorney.
- D. The Mayor and City Auditor are hereby authorized to pay for the contract from the Facilities Services Fund budget when demand is presented and approved by the proper authority.

E. As required by ORS 279C.355 and PCC 5.34.820C, Facilities will prepare and deliver a post-project evaluation to the Council on behalf of the Chief Procurement Officer, once the City accepts the Project as complete.

Section 2. The Council declares that an emergency exists as a delay in proceeding with the alternative contracting method of Construction Manager/General Contractor may result in additional expenses and delay construction of the Council Chambers and Councilor offices; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

Documents and Exhibits

 [Exhibit A](#) 148.17 KB

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
April 19, 2023

Auditor of the City of Portland
Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

To accommodate Charter Reform OMF Facilities needs to renovate the interior of the Portland Building's Leah Hing Room to be used for Council Chambers. An alternative being explored is to see if the current Council Chambers could accommodate the new commissioners without major reconstruction of this historic part of the building. OMF Facilities also needs to renovate the interior of City Hill's first and second floor floors in preparation for the 12 Councilors' offices.

The project to make these improvements will require specialized skills and experience in construction methodology, problem solving, sequencing, scheduling, and cost estimating to successfully complete the work, commission it, and verify the space is fully operational prior to January 1st, 2025.

Procurement Services and OMF Facilities recommend using the alternative contracting method of Construction Manager/General Contractor (CM/GC) for this project. This ordinance would approve this procurement method.

Financial and Budgetary Impacts

Financing for these improvements is currently under review with a final decision incorporated into the FY 2023-24 Adopted Budget. Options currently being reviewed include using one-time cash and either internal or external debt. In all cases, one-time or annual costs will be allocated to City bureaus through Facilities Services interagency agreements.

Ongoing costs, associated with this project and the new Council residing in City Hall and meeting in Portland Building, will begin in FY 2024-25 and will include security and janitorial services for Council meetings at the Portland Building and the AV technology for the new Council Chambers.

Community Impacts and Community Involvement

Not applicable.

100% Renewable Goal

Not applicable.

Budget Office Financial Impact Analysis

The anticipated construction cost of the CM/GC portion of the work is estimated at \$3,975,000 with a total project budget of \$6,235,000. Financing for these improvements is currently under review with a final decision to be incorporated into the FY 2023-24 Adopted Budget. Options currently being reviewed include using one-time cash and either internal or external debt. In all cases, one-time or annual costs will be allocated to City bureaus through Facilities Services interagency agreements. Ongoing costs associated with this project will begin in FY 2024-25 and will include security and janitorial services for Council meetings and the AV technology for the new Council Chambers. The CM/GC contract method is expected to provide the opportunity for careful consideration of the means and methods of construction as well as cost saving measures through construction sequencing and timing which may make the delivery of the full design program more likely.

The overall Project budget of \$6,235,000 includes costs for Professional, Technical and Expert (PTE) services, pre-construction services, construction services, all project soft costs as well as contingency. The contingency is a percentage of the Project costs above the stated amount that the Project might be expected to exceed. As the design process progresses from preliminary to final design, the confidence rating regarding the Project cost increases and, correspondingly, the contingency percentage decreases. Maximum construction contract amounts within the fixed budget will be negotiated with the selected CM/GC. Because the Guaranteed Maximum Price (GMP) is negotiated close to final design, the CM/GC contracting method creates more financial certainty for the City. While funding does not change based on use of the CM/GC contracting method, OMF believes that the Project budget is likely to be more stable as a result of the alternative

contracting method and it is less likely that there will be Project cost overruns.

Agenda Items

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Passed

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea