

Meeting Minutes | November 4th, 2020



Portland Public Schools Bond Accountability Committee
Virtual Meeting due to COVID 19 restrictions

PORTLAND PUBLIC SCHOOLS
Office of School Modernization
501 North Dixon Street • Portland, OR 97227

Members present: Kevin Spellman, Beth Woodward, Cheryl Twete, Dick Steinbrugge, Greg DiLoreto, Norm Dowty, Tenzin Gonta, Tom Peterson

Board members present: Andrew Scott, Julia Brim Edwards, Michelle DePass

Guests present: Canaan Chatman (Andersen Construction), Erin Storlie (Andersen Construction), Elizabeth Juhala (Andersen Construction)

Staff present: Marina Cresswell, Chris Boyce, Glenn Bryant, John Burnham, Darwin Dittmar, Steve Effros, Erik Gerding, Derek Henderson, Claire Hertz, Jamie Hurd, Robert Jole, Dan Jung, Steve Kasel, Mark Kline, Darren Lee, Brian Oylear, Scott Perala, Terry Proctor, Sunny Rose, Steve Simonson, Jen Sohm, Jessie Steiger, Steve Varblow

Next meeting: 2021 (TBD)

I. Welcome & Introductions

Kevin Spellman called meeting to order at 5:30pm. (*Note: this meeting was conducted virtually due to COVID 19 restrictions*).

II. Pre-Agenda Topics

2020 Bond

- At the request of BAC Chair Kevin Spellman, OSM Senior Director Marina Cresswell provided a brief update of the 2020 Bond Execution Plan.
- The BAC suggested that staff should consider working with the BAC on the 2020 Bond Execution Plan. Board Director DePass noted that the BAC is not involved in the execution of the work and staff should be responsible for creating the plan and reporting it out. Board Director Scott concurred with Director DePass and noted it would be good to share the Plan with the BAC once developed.

BAC Meeting and Report Formats

- OSM noted that, based on BAC feedback, the format of the presentation this meeting would be shorter and more targeted.
- All of the usual reports/materials were provided ahead of the meeting.

- Discussion will continue regarding updating the standardized BAC format.

III. Public Comment

- Public Comment was requested to be submitted in written format due to COVID 19 restrictions. No known emails came in for public comment. OSM will re-review the public comment email account to determine if any were missed before the meeting.

IV. Program Update

Overview

- Staff continue to work remotely as much as possible. Staff are on construction sites as needed.
- There has been a decrease in site-based COVID infections on the construction sites. The COVID safety plans and measures appear to be working.
- OSM is working diligently on filling open staff positions. Several openings are in the final hiring steps. Additionally, recruitment for the 2020 Bond work is getting underway.
- The performance auditors are starting Year 3 field work. Year 3 will focus on the following areas:
 - Communication, outreach and transparency
 - Business Equity – a review of what OSM has done in the past, what peers do, and what OSM can do better
 - 2017 Bond status
 - Prior audit recommendations
- OSM has been focusing on audit recommendation implementation.

Financials

- 2012 Program
 - There are no significant changes in the 2012 Program financial reports.
 - The \$4M payment to PBOT has been made.
 - 2012 Program contingency is being held for Grant Upper Field Improvements and Roosevelt Phase IV.
- 2017 Program
 - There are no significant changes in the 2017 Program financial reports
 - OSM continues to forecast conservatively for Contingency. Funds for CAT impacts are still being held in Contingency. OSM is holding program contingency funds for potential COVID cost impacts as well, although the projects are also holding contingency for COVID impacts as the project budgets allow.

OSM/BAC Discussion:

Board Director Brim Edwards asked for an example of COVID costs on Kellogg. Kellogg Senior Project Manager Steve Effros provided the examples of: COVID-related safety requirements; lost labor efficiencies; schedule acceleration to avoid potential schedule impacts from labor inefficiencies. Director Brim Edwards asked if any of the COVID costs were related to changes to the design. Marina Cresswell noted that the COVID costs

were related to completing the work, not design changes. Senior Director Cresswell also explained that OSM was aiming to be careful that COVID impacts did not disproportionately impact smaller subcontractors and potentially our COVID-certified subcontractors. Chair Spellman commended OSM on their efforts in working with contractors on the front end for this COVID impact.

Schedule

- The Madison modernization project has been able to get back on schedule for the planned substantial completion date.
- The Security project schedule has slipped a little, but only for some limited fencing work.
- There are otherwise no material changes from the last report
- OSM is already beginning design for next summer's roof replacements.

Equity

- OSM, along with internal and external partners, is discussing potential actions that could improve business equity outcomes. The options are wide and varied, including:
 - OSM University – OSM regularly providing training seminars to potential contractors regarding OSM procurement and construction administration procedures, including documentation needs, how-to's, etc.
 - RFP criteria changes to reduce barriers
 - Hiring a dedicated FTE resource
 - Survey of past and current COVID firms to identify barriers and suggest new practices
 - Engagement of the BAC
 - Focus area in the Year 3 performance audit

V. Select Project Updates

Kellogg Middle School Replacement Project *(Senior PM Steve Effros)*

- Project status overview:
 - Exterior is significantly complete.
 - MEP is significantly complete, with commissioning getting started.
 - Solar is nearing completion.
 - Technology and FF&E are scheduled for installation early next year.
 - Site work is currently focused on the north side of the site.
- Schedule is about 80% complete. The project team is working with Operations on preparing for occupancy.
- Roughly \$1M of contingency has been used, or approximately 32% of available contingency).

OSM/BAC Discussion:

Chair Spellman noted that the schedule line item "program start up" had changed since the last meeting, and asked what it was and where it was on the critical path. Senior PM Effros clarified that this refers to bringing in the planning Principal or permanent Administrator, as a post-project completion activity. There are currently no concerns regarding timing or duration issues.

Madison High School Modernization Project (Senior PM Jessie Steiger)

- Project status overview:
 - There are roughly 300 workers on site daily.
 - Construction progress details are in the written materials.
 - Coordination between PBOT and ODOT in the Right-Of-Way was a challenge.
- The project has worked overtime to regain schedule. Currently it is showing 1 day ahead of schedule and will continue to accelerate the schedule to buffer against future COVID or weather slowdowns.
- There has been one safety incident since the last meeting. It resulted in a rolled ankle and the worker was put on light duty for one week.
- The Madison contingency update was provided in the materials.

OSM/BAC Discussion:

BAC Member Dick Steinbrugge noted that he did not find in the materials the full risk log that was referenced elsewhere. He asked what amount had been set aside for COVID, and what OSM's theory was on available contingency and how it is reflected in the scorecard. He shared that he felt the contingency was thin. Senior PM Steiger answered that there is \$12.75M in contingency, and the project team is forecasting having enough funds to complete the project but may not have enough to cover all of the COVID cost impacts. However, the program will cover the remainder with program contingency. She also clarified that various contingencies are available for the differing risks. Senior Director Cresswell noted that the scorecard is based on specific points in time, to provide consistent information across the program. The 50% Construction milestone was reached during the last quarter and the contingency at that time fell within the parameters shown on the scorecard. However, the contingency showing now in the project's report has changed and is slightly outside the parameters. The scorecards do not address every situation perfectly.

BAC Member Tom Peterson asked how the COVID costs were being forecasted. Senior Director Cresswell answered that the projects are forecasting as much COVID costs as the project budget can handle. Additionally, OSM is forecasting the full COVID cost (for all projects) at the program level as a belt and suspenders approach.

Chair Spellman noted that, going forward, the BAC may want to focus more on contingencies than project budget.

BAC Member Cheryl Twete noted that there are federal (CARES) dollars available for COVID expenses and asked whether PPS is pursuing those. Senior Director Cresswell and COO Dan Jung answered that yes, OSM is tracking COVID costs in detail and PPS is submitting expenses for reimbursement. OSM does not have a current update on the status of those submittals.

BAC Member Tenzin Gonta asked if there was a cost estimate or example of late design changes to meet design standards. Senior PM Steiger provided the example of a generator back-up standard for the security system that got missed in the original design.

Chair Spellman asked how the possible name change was impacting the project. Senior PM Steiger said that the impacts have been many and varied, including signage, system programming, etc. The team is working to limit potential rework costs.

Lincoln High School Replacement Project (Senior PM Erik Gerding)

- Project status overview:
 - The current construction focus is the repetitive floors of the taller portion.
 - Steel top-out is scheduled for January 2021.
 - MEP rough-in has begun.
 - Masons are using robotic arms to help move heavy masonry, as one of many COVID-related safety measures to ensure workers are able to maintain physical distancing.
- The project is currently operating on the initial permit. They are awaiting the full building permit, which is expected in a couple of weeks.
- LHS's Construction Management class has been collaborating with Hoffman, as part of Career Learning Experiences. Hoffman has also taken on two LHS interns.
- There has been one minor injury on site since the last meeting; the worker was on light duty for one week.

Benson High School Modernization Project (Senior PM Brian Oylear)

- Benson project status overview:
 - Team is reviewing the 100% DD set and estimates. The current gap between estimate and budget is about \$12M (roughly 5-7%) but the team is continuing to work through review of the estimate.
 - The 50% CD set will be used for permit and GMP.
 - The project has received approval from the Landmarks Commission. SHPO is working towards a Memorandum of Agreement.
- MPG project status overview:
 - The project has new site constraints due to PBOT feedback. PBOT has specifically asked for no vehicular access off of 16th and have asked to move the parking garage access point further from the street corner.
- Swing sites project status overview:
 - The project team continues to work on right-sizing scope with school administration, including reducing the overall scope of the swing site work.
 - Permitting the CTE shop has been a schedule challenge.

OSM/BAC Discussion:

BAC Member Norm Doughty asked about the budget discrepancy between the master plan budget and DD budget. Senior PM Oylear explained that the 100% DD cost estimates have come in. There was a significant gap between the original third-party cost estimate and Andersen's cost estimate. The team is working on reconciling the estimates against each other and reconciling the costs against target values to get back into budget. Scope-specific value engineering teams are identifying cost saving options.

VI. Benson Business Equity Presentation

A team from Andersen Construction, including Erin Storlie, Elizabeth Juhala, and Canaan Chatman, provided an overview of the Benson HS project business equity plan.

OSM/BAC Discussion:

BAC Member Tom Peterson asked whether there has been any significant growth to the certified business contracting pool. The Andersen team noted that one of their largest concerns is that many large public projects are vying for the same pool of contractors. However, Andersen has strengthened relationships with organizations like NAMC and PDBG.

Chair Spellman asked whether the presented procurement plan has already been approved by PPS. Senior Director Cresswell clarified that the plan has been presented to OSM and Purchasing & Contracting, but has not yet been approved, and OSM is asking the BAC for feedback on the plan. Chair Spellman agreed the BAC could provide feedback.

BAC Member Norm Doughty expressed that he was impressed with the commitment to this effort, and felt that the presented 3-prong approach is probably necessary. BAC Member Tom Peterson asked if this is the first time that PPS has utilized direct appointments and set asides. Senior Director Cresswell responded that this is the first time that set asides have been proposed on a CMGC. BAC Member Cheryl Twete commended the team for thinking through a creative approach, and recommended treating this as a “pilot” and doing a thorough post-project analysis. BAC Member Tom Peterson applauded the approach. BAC Member Beth Woodward noted that addressing institutional racism requires creative solutions.

VII. Adjournment

The meeting was adjourned at 8:15 PM.