



**Oregon Zoo Bond
Citizens' Oversight Committee**

Oregon Zoo – Skyline Room
Wednesday, Nov. 9, 2011
3 to 5 p.m.

<p>Oregon Zoo Bond Citizens' Oversight Committee Meeting</p> <p>Nov. 9, 2011</p> <p>Agenda</p>
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AGENDA

- | | |
|---|-----------------------------------|
| A. Welcome / Introductions | Sheryl Manning |
| B. Approval of Aug. 10, 2011, Committee meeting minutes | Sheryl Manning |
| C. Follow-up Audit Results | Suzanne Flynn |
| D. Committee Membership – Reappointments and New Appointments | Sheryl Manning |
| E. Land Use Projects Status | Cheryl Twete |
| F. Program Public Relations Activity | Marcia Sinclair |
| G. Comprehensive Capital Master Plan | Craig Stroud |
| H. Oversight Committee Annual Report | Sheryl Manning/Deidra Krys-Rusoff |
| I. Monthly Project Updates | Craig Stroud |
| 1. Comprehensive Capital Master Plan | |
| 2. Veterinary Medical Center Project | |
| 3. Penguin Life Support System Upgrade Project | |
| 4. Elephant Habitat and Related Infrastructure | |
| 5. Offsite Elephant Habitat | |
| 6. Updated Conditional Use Master Plan and Land Use Reviews | |
| 7. Onsite Elephant Habitat Land Use Reviews | |
| J. Program Status and Financial Information at a Glance | Craig Stroud |
| K. Consolidated Oregon Zoo Bond Program Schedule | Craig Stroud |
| L. Open Discussion/Questions | Sheryl Manning |
| • Thanks to You a Better Zoo Website | |

Meeting dates for 2012 –Wednesdays, 3 to 5 p.m.:

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|----------|---|
| Feb. 8 | Room 370A/B, Metro Regional Center, 600 NE Grand Ave., Portland, OR |
| May 9 | Room 370A/B, Metro Regional Center, 600 NE Grand Ave., Portland, OR |
| Sept. 12 | Skyline Room, Oregon Zoo, 4001 SW Canyon Rd., Portland, OR |
| Nov. 14 | Skyline Room, Oregon Zoo, 4001 SW Canyon Rd., Portland, OR |



Oregon Zoo Bond Citizens' Oversight Committee

Oregon Zoo – Skyline Room
Wednesday, Aug. 10, 2011
3 to 4:30 p.m.

Oregon Zoo Bond
Citizens' Oversight
Committee Meeting

Nov. 9, 2011

Agenda Item B

MINUTES

MEMBERS PRESENT

Sheryl Manning
Jacqueline Bishop
Greg Gahan
Ann Gravatt
Benjamin Jackson
Tony Jones
Carter MacNichol
Deidra Krys-Rusoff
Bob Tackett
Carol Welch

MEMBERS ABSENT

Marcela Alcantar
Steve Bloom
David Evans
Jim Irvine
Ray Phelps
Penny Serrurier
Michael Sestric

GUESTS

Scott Beckstead
Jackie Beckstead
Maria Gromysh
Greg McLagan
Hussain Mirza
Syd Most
Michelle Pawliger
Rex Ruckert
(Not legible)

STAFF

Kristin Lieber
Jim Mitchell
Joel Morton
Linnea Nelson
Joanne Ossanna
Scott Robinson
Marcia Sinclair
Kim Smith
Craig Stroud
Cheryl Twete

AFFILIATION

Oregon Zoo Bond Citizens' Oversight Committee (Chair)
Attorney
NW Construction Management, Inc.
Renewable Northwest Project
REAP, Inc.; Clackamas High School
Metropolitan Contractor Improvement Partnership
Shiels Oblatz Johnsen, Inc.
Ferguson Wellman Capital Management
Northwest Oregon Labor Council
Nike, Inc.

AFFILIATION

Alcantar & Associates
Portland Japanese Garden
The ODS Companies
The Conifer Group, Inc.
Allied Waste Services
Stoel Rives LLP
Smith Group, Inc.

The Humane Society of the United States
The Humane Society of the United States
Guest
McLagan Farms, LLC
SRG Partnership, Inc.
Out To Pasture Sanctuary.Org
The Humane Society of the United States
Guest
Ananda Animal Rescue

Metro Auditor's staff
Oregon Zoo Bond Construction Manager
Metro Senior Attorney
Oregon Zoo Bond Program Coordinator
Oregon Zoo Finance Manager
Metro Deputy Chief Operating Officer
Oregon Zoo Public Involvement
Oregon Zoo Director
A Better Zoo (Oregon Zoo Bond Program) Director
Metro Senior Development Advisor

A. Welcome / Introduction

Sheryl Manning, Oregon Zoo Bond Citizens' Oversight Committee Chair, opened the meeting at 3:10 p.m. and welcomed members.

B. Approval of June 8, 2011, Oversight Committee meeting minutes

Members approved the minutes of the June 8, 2011, Oregon Zoo Bond Citizens' Oversight Committee ("Oversight Committee" or "the Committee") meeting.

C. Comprehensive Capital Master Plan Team Introduction

Craig Stroud, A Better Zoo program director, introduced the Comprehensive Capital Master Plan (CCMP) update. It has been almost a year-long engagement and the effort is nearing completion. The review and approval for the bond implementation plan will be presented to Metro Council in late September. The review and approval for the 20-year master plan vision (which also incorporates the bond implementation plan) will be presented to the Metro Council in late October. The two elements were split for review and approval to reduce confusion and complexity.

Mr. Stroud reviewed the financial aspect of the CCMP work. The project estimates and forecast costs balance to bond resources available. The CCMP team has worked with the zoo's independent cost estimator and SRG's cost estimator. The estimators are comfortable with the cost estimates, which include construction escalation and contingencies. The team has honored the principle of conservative estimates in budget and timelines to help mitigate financial risk.

Hussain Mirza with SRG Partnership used a PowerPoint to present the remaining bond program pre-schematic designs (a copy of his presentation is included with the record). He presented the sequence of projects as elephants, Conservation Discovery Zone (CDZ), polar bears and primates/rhino. The condor habitat project is small enough in scope and campus impact to sequence at Metro's discretion, once land use approvals are obtained. He noted that the sequencing could be opportunistically modified, particularly the sequencing/order of Polar Bears and CDZ.

Mr. Stroud stated that on Aug. 4, 2011, the Metro Council passed a Council Resolution to remove the hippo filtration project from the bond portfolio. Hippos will leave the zoo's collection in the future and the rhino habitat will be expanded into the existing hippo habitat.

Mr. Mirza reviewed the summary of bond fund allocation by project and at the program level (presented on page 22 of the PowerPoint). The summary includes a \$7.2 million offsite elephant allocation and indicates outside train funding of \$4 million. Kim Smith, zoo director, stated that she is submitting a formal proposal to The Oregon Zoo Foundation to fund the train modifications to maximize bond funds for animal improvements. Ms. Smith stated that if the OZF declined to fund, or only partially fund, the train modifications, that she was committed to explore funding from other Metro sources, such as a loan, or to modify the existing bond project scopes to make the funding available. Ms. Smith concluded that she is committed to ensuring project scopes are balanced to available funds, even if that means value engineering scopes.

Mr. Mirza reviewed the suggested sequencing and timelines for the projects (shown on page 23 of the presentation). The Condor project is not listed as that project will be opportunistically incorporated into the timeline at Metro's discretion.

Each project is now designed to the pre-schematic level. The next major design phases are design development, construction documents, and then bidding/contracting. The bond program will use Construction Management/General Contractor (CM/GC) for the elephant project, as already authorized by the Metro Council. State law requires Metro to have Council approval for each CM/GC project. The program expects to use CM/GC contracting for many of the projects.

The Committee discussed plan costs and funding. The plan includes escalation costs by project for construction inflation. Ms. Smith emphasized that the team has developed tight project scopes and schematics, and that she is committed to accomplishing project goals with the funds available. Mr. Stroud stated that the funding plan assumes no outside funding sources and has been developed from a conservative mindset. Outside funds will be used for scope enhancements and not critical (base) project elements. OZF is working on a development plan that has development alternates that can be added in at any time.

The design on the new elephant habitat is expected to last into early 2013 with the project ground breaking soon after. The program will proceed with diligence to compress the timeline.

D. Land Use Projects Status

Cheryl Twete, Metro senior policy advisor, provided an update on the land use projects. She referred Committee members to the information provided in the meeting packet.

Metro has a high level of confidence in the team assembled to work on the land use projects. The Bookin Group has supported more conditional use master plans with the City of Portland than any other firm in the region, except for some law firms. The transportation firms are high caliber, and have been involved with the zoo for 15 or more years. They understand the needs of the institutions involved and their stakeholders. The firms were selected via a request for proposal process. The Comprehensive Capital Master Plan consultant team will also support certain elements of the Conditional Use Master Plan applications.

Metro also hired a legal firm, Black Helterline, LLP, via an RFP process. Staff responded to the Oversight Committee's advice at the last meeting to bring on legal advice earlier rather than later, and thanked the Committee for that input.

Chair Manning asked about Ms. Twete's involvement in prior land use projects. Ms. Twete reviewed her experience on similar, complex projects, including the creation of a plan district for Oregon Health Sciences University. She was part of the steering committee and worked with OHSU and city staff on the project. She was also the Senior Project Manager for the South Waterfront plan district and development agreement. Ms. Twete has many years of experience working effectively with city bureaus.

Ms. Twete was also the project manager for the Expo Center's successful Conditional Use Master Plan in June 2011, which was approved with no appeals. Ms. Twete stated that the city was very complimentary of the project.

Ms. Twete reviewed the detailed, projected land use budget prepared for the Committee. The project has many components, fees and a tremendous amount of required technical work. Since the zoo's last land use approval in 1997, many the city's standards have changed, and this has created much work on the part of the zoo to create "baseline" technical information.

The largest known issue to address in the application is visitor access and vehicle parking. Parking in particular was a key issue during the zoo's last Conditional Use Master Plan application and was a primary reason for that application's five-years of appeals. City staff is requiring detailed analysis and forecasting of total traffic demand for the parking lot over the ten-year period the updated Conditional Use Master Plan will cover. Metro is working with other Washington Park Alliance members on this forecast, as the lot is shared. Metro is assessing strategies to increase the use of alternative transportation modes for visitors to access the zoo, putting significant focus on improving the poor visitor experience that currently exists for parking and shuttle systems. Part of this strategy is to work with the stakeholders sharing the lot to identify common goals and activities that improve the current condition.

Chair Manning asked about the land use budget, and what were comparable costs at OHSU or other similar projects. She said the zoo numbers seem high. Ms. Twete said that Ms. Bookin managed the Kaiser Permanent hospital land use application in Hillsboro and was paid \$122,000 for that work, compared to the \$100,000 contract for supporting the zoo's updated Conditional Use Master Plan application. Ms. Twete noted that these types of direct comparisons can be misleading as conditions for the two entities are different and the jurisdictions were different. Ms. Twete agreed to check with the Port of Portland on its airport land use costs. MS. Twete stated that the zoo's Conditional Use Master Plan will cost much less than the creation of a plan district, which was the original idea for this latest phase of development planning.

Mr. MacNichol commented that the Kittleson fee seemed high given his understanding of the project scope, but that he has not reviewed the scopes of work they are completing. He said it is important to determine what the city requires and to ensure the traffic engineers are only preparing the required information. Ms. Twete responded that the scopes are appropriate for the technical application needs, as well as the needs of Metro for ultimately improving the access and parking problems.

Some members expressed surprise at the SRG Partnership fees for land use work, especially given its current contract for CCMP work. Mr. Stroud explained that the land use work was new scope and in addition to their original CCMP scope of work. After the decision was made to pursue a new Conditional Use Master Plan rather than a plan district designation, the necessary scope of services were added to provide the technical and zoning analysis information. The SRG team is assisting with the nonconforming conditions analysis.

Mr. MacNichol commented that the Bookin Group fee seemed reasonable given his understanding of the project scope. He commented that the budget was carrying a substantial contingency. Ms. Twete explained that the project budget covers expenses through a City Council appeal, if that occurs. Final costs will depend on city requirements that may include additional technical analysis, negotiations to reach acceptable conditions of approval, and future appeals beyond City Council, if any. The work includes analysis of the existing conditions, future demand projections, future conditions analysis and the preparation of an updated Transportation Demand Management strategy. In the past, the zoo has assumed responsibilities

for the city-owned parking lot, and going forward, is looking at identifying what the shared responsibilities might be across the various stakeholders using the lot.

Chair Manning asked about the 20 percent contingency. Ms. Twete responded that Metro wanted to use a conservative figure for budgeting. She is exercising the Metro strategy of actively responding to prior issues and problems and being good partners to neighbors and institutional stakeholders impacted by zoo operations. Metro has been communicating early and often with stakeholders to avoid costly delays in the future. Chair Manning recommended attempting to benchmark the project in terms of costs. She suggested elements of the airport project may be useful to assess and compare.

Chair Manning added that the public outreach figures also seem high. Mr. Stroud said the bond program organization chart, last updated in 2010, identifies the land use projects as the public involvement staff's primary assignment. In addition, the public outreach costs borne by the bond program all directly support bond program activities and would be bond-funded regardless of the bond program project supported. Tracking and allocating these costs across bond projects would not change the total bond-funded amount and was expected to be materially insignificant for the minor bond projects supported. For those reasons, the decision was made to allocate the public involvement costs entirely to the land use projects.

Chair Manning asked Ms. Twete to discuss the most significant land use risks. Ms. Twete responded that to minimize risk, Metro has been working very closely with city staff to identify early the expectations for the zoo's unique conditions. The city has communicated two primary concerns, 1) transportation and 2) environmental zone impacts. The elephant, train and road project is the primary bond program project that impacts environmental zones. Metro's strategy to seek an amendment to the existing Conditional Use Master Plan for the elephant, train and road project separates this difficult issue from the transportation issues. Because the scope and budget for this project represents approximately half of the remaining bond funds, significant work can proceed while the transportation issues are resolved as part of the new Conditional Use Master Plan application for the remaining bond projects.

Chair Manning asked Ms. Twete to discuss the land use schedules. Ms. Twete said that the consultant team is working diligently to complete the amendment and updated applications and that they are on schedule for submission for Sept. 1 and Oct. 15, 2011, respectively. Once an application is submitted, the city will review the application for completeness. That step may take longer than the typical three-week process due to the complicated nature of the project. The overall project schedule acknowledges this factor and has incorporated additional time. Metro expects the city will ask Metro to sign a waiver to the 120-day rule for the city to complete its review. Caroline MacLaren, attorney with Black Helterline, reviewed the schedule and believes the schedules are reasonable. Metro is targeting the completion of both land use projects by June 2012, assuming no major appeals.

Joel Morton, Metro senior attorney, said that risks have been considered and discussed to the top of Metro, including with Dan Cooper, Metro's Interim Chief Operating Officer. Senior staff is well aware of the inherent risks and understands that there will be issues to resolve as the process unfolds.

Mr. Stroud said he understands the Committee's concern about the amount of funds budgeted and being spent to obtain land use approvals. However, he believes schedule risk is the key risk facing the land use projects and the overall bond program. A significant delay in land use approval, as Metro experienced in the last Conditional Use Master Plan effort for the zoo, could push out the program's construction schedule. In that scenario, construction inflation could generate financial impacts that far exceed the \$900,000 budgeted for the land use projects. To minimize schedule risk, the Metro strategy has been to clearly understand the city requirements and stakeholder issues prior to the application submittals. Much work has gone into communicating early and often to inform and help smooth the application and review processes.

Carol Welch asked at what point the Committee will receive updated information on costs and outcomes for the land use projects. Chair Manning asked staff to report status at the November meeting.

E. Bond Measure Program Progress: Bond Program Management Quarterly Report (FY 11, Q3)

Deidra Krys-Rusoff asked about the Penguin Life Support System Upgrade project and the schedule slippage. Mr. Stroud responded that the general contractor is behind schedule. The project team is satisfied with the quality of the Life Support System installation thus far. The schedule slippage is not creating animal welfare or guest experience impacts and the general contractor is paying for additional fees as a result of the slippage.

The Committee congratulated staff for the Water Main Building coming in under budget and on time.

The Metro Council met Aug. 4, 2011, and reappointed members to the Oversight Committee to serve a new two-year term that expires Dec. 31, 2012: Benjamin Jackson, Tony Jones, Deidra Krys-Rusoff, Carter MacNichol, Penny Serrurier, Michael Sestric, Bob Tackett and Carol Welch.

F. Program Status and Financial Information at a Glance

Mr. MacNichol said he believes the committee should continue to review overhead costs, as they did to prepare for the Committee's first report to the Metro Council, to ensure the costs are reasonable.

G. Consolidated Oregon Zoo Bond Program Schedule—No discussion.

H. Open Discussion/Questions—No discussion.

I. Adjournment

Chair Manning adjourned the meeting at 4:24 p.m.

Some committee members then toured the Veterinary Medical Center construction site and building.

Next Meeting Date –Wednesday, Nov. 9, 2011, from 3 to 5 p.m. in the Oregon Zoo Skyline Room



News Release

Office of the Metro Auditor

600 NE Grand Avenue
Portland, Oregon 97232

Contact: Suzanne Flynn
503-797-1891

Audit finds Zoo bond projects are well-managed

October 26, 2011

In an audit released today, the Office of the Metro Auditor reviewed in-depth three construction projects funded by the 2008 Zoo bond measure. The three projects were a new veterinary medical center, penguin exhibit improvements and a new water main building. Metro had spent or committed about \$15 million of the \$125 million bond measure.

The report was a follow-up to a 2009 audit that concluded Metro needed stronger project management capabilities in several areas. The Metro Auditor found good progress on recommendations from that audit. Processes for controlling costs and managing schedules were working well.

The report commends Metro staff's efforts in addressing the audit recommendations. "Metro and Zoo staff worked hard to make needed improvements quickly," Metro Auditor Flynn said. "Of the seven recommendations, six have been implemented satisfactorily and Metro is working on the seventh." The Audit noted all three projects were within budgets, and schedule management processes were working well. Metro made progress on improving reporting, but could do a better job of showing how actual results compared to planned results.

The audit is available on the Metro website at <http://www.oregonmetro.gov/auditor>. Copies of the audit can also be obtained by calling the Office of the Metro Auditor at 503-797-1892. The Metro Auditor will brief the Metro Council on Thursday, November 10th.



Office of the Auditor

ZOO CAPITAL CONSTRUCTION PROGRAM AUDIT FOLLOW-UP

BOND PROJECTS ARE WELL MANAGED

Kristin Lieber
Senior Management Auditor

October 26, 2011

SUMMARY

In November 2008, Metro-area voters passed a \$125 million bond measure to make capital improvements at the Oregon Zoo. A 2009 audit, *Oregon Zoo Capital Construction: Metro's readiness to construct 2008 bond projects*, found Metro could correct deficiencies and build stronger processes. Of the report's seven recommendations, Metro had implemented six and made progress on the seventh. We found that Metro is now well-positioned to deliver on the promises of the bond.

BACKGROUND

The Oregon Zoo is one of Oregon's most popular attractions. It is home to more than 2,000 animals from around the world and attended by over 1.6 million visitors annually. Additionally, more than 2,000 individuals donate their time to the Zoo.

In November 2008, Metro-area voters passed a \$125 million bond measure to allow the Zoo to make improvements including larger enclosures, an updated veterinary hospital, a new education center and water conservation measures. The set of projects funded by the bond measure was ambitious and complex. This ballot measure was three times the dollar value of a similar bond measure passed in 1996 and will take at least twice as long to complete. Construction is expected to affect almost every corner of the Zoo.

A report by our office in November 2009 found Metro needed better processes for managing the construction of Zoo bond projects. In the two years since that report, Metro has undertaken three bond-funded construction projects and demonstrated improved management practices over costs and schedules.

SCOPE AND METHODOLOGY

The objective of this audit was to determine the status of recommendations made in the original 2009 audit. The audit, entitled *Oregon Zoo Capital Construction: Metro's readiness to construct 2008 bond projects*, made seven recommendations to improve how construction projects were managed. These recommendations included creating clear roles, and having better processes for managing costs, schedules, reporting, and documentation.

The 2009 audit looked in-depth at how three Zoo construction projects were managed. Similarly, this audit looked at three construction projects; however, the set of projects differed. Exhibit 1 describes the three projects reviewed for this report. All three projects were funded by the bond and were completed or were nearing completion.

SUZANNE FLYNN

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Exhibit 1: Construction projects reviewed

PROJECT	DESCRIPTION
Veterinary Medical Center	A new center replaces substandard veterinary and quarantine facilities. The cost is estimated to be about \$9 million.
Penguin Life Support System	A new water filtration system in the penguin exhibit will reduce water use by recycling water. The project's budget is \$1.8 million.
Water Main Building	This building makes possible harvesting rainwater onsite, which will reduce water use and improve quality. The project's budget is \$267,000.

Source: Oregon Zoo Bond Program

To accomplish our objectives, we reviewed each project in depth. We assessed the planning, scheduling and contracting information. We verified spending data. We interviewed management and staff and attended meetings. We reviewed project files, status reports, consultant reports and other documents to assess progress made.

We conducted our follow-up audit work in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

RESULTS

Based on our review of three bond-funded projects, Metro had implemented six of the seven recommendations in the 2009 report and had made progress on the seventh. Processes for creating clear roles, controlling costs, and managing schedules were working well. The area that still needed attention was the content and clarity of the Bond Program's progress reports to a Citizen Oversight Committee and the Metro Council. A list of the 2009 recommendations and their status is on page 8.

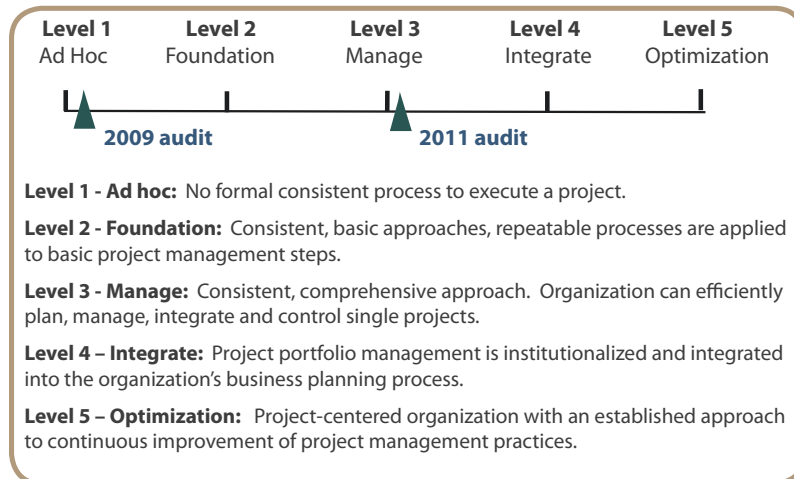
The Zoo Bond Program effectively managed projects

In the 2009 audit, we used a project management maturity model to assess the management of construction projects. The model is shown in Exhibit 2 and outlines five maturity levels. In order to successfully manage construction while maintaining operations, Metro needed to move toward a Level 4 organization. At this level, institutionalized processes are in place to efficiently plan, manage and control multiple interrelated projects.

Overall, results were positive. In 2009, we found the processes to be at Level 1, Ad-Hoc. We now find Metro at Level 3 and able to manage individual projects successfully. As of June 30, 2011, approximately 12% of the bond funds were spent or committed. The Zoo

Bond Program had effectively managed three separate construction projects. Furthermore, Metro was in the process of developing a master plan that would provide a blueprint for the complex series of future projects to come.

**Exhibit 2: Level of project management capability and maturity
2009 and 2011 audits**



Source: Auditor's Office analysis

Going forward, we would expect to see continued commitment to the management improvements that have been made. Construction will be underway through 2019 and in time, key staff may change. It will be important to have project management processes that are institutionalized and integrated into the organization.

Reports could be improved to be more useful

The 2009 audit found reports to Metro Council on Zoo construction projects were not adequate. The bond measure created a Citizen Oversight Committee to review progress, monitor spending and recommend changes if projects cost more than expected. To perform its function, the Oversight Committee needed current and accurate information on the status of individual projects and the Bond Program as a whole. The Metro Council required similar information to provide adequate oversight.

The Bond Program had established regular reports to these groups. However, the content of these reports could be improved. The 2009 audit recommended the Oversight Committee and the Metro Council receive reports on cost, schedule and variance, comparing actual results to planned results. While detailed information was provided about individual projects, the Bond Program could provide a clearer picture of the status of the whole program. During our audit, the Zoo was completing a master plan that would provide a schedule and cost estimates for the remaining projects. With this information, reports should be improved to clearly show if spending and schedule are on track for the whole program.

Exhibit 3 summarizes the information currently provided to these two groups. Much of the information was already collected, but it was located in different places, such as in detailed status reports prepared by project managers. The Bond Program should improve the content in reports to Metro Council and the Citizen Oversight Committee in order to provide better and easier to understand information.

Exhibit 3: Recommended information reported to Oversight Committee and Metro Council

Recommended Information	Available		Oversight Committee		Metro Council	
	Actual	Actual to Plan	Actual	Actual to Plan	Actual	Actual to Plan
Cost, by project	●	●	●	●	●	●
Cost, whole program	●	●	●		●	
Schedule, by project	●	●	●		●	
Schedule, whole program	●					

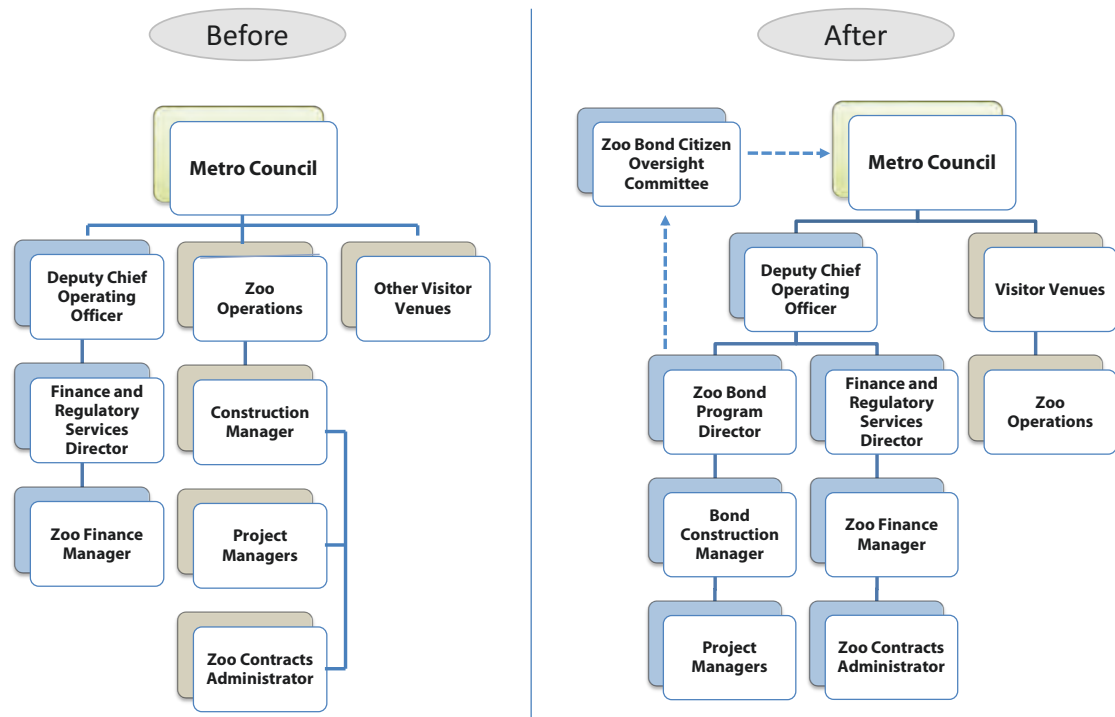
Source: Auditor's Office analysis

Organizational structure clarified roles and addressed weaknesses

In 2009, Metro had not established clear leadership for the Bond Program. Among construction staff and Metro management, roles and responsibilities were uncertain. As a result, there were breakdowns in managing cost, scope and schedules.

Since then, Metro created a well-defined organizational structure. Considering the nature of the work, we found the new organizational structure to be appropriate. Metro improved financial oversight by making some key changes. The two functions, Zoo Operations and the Bond Program were separated organizationally. Exhibit 4 shows the organizational structure before and after the changes.

Exhibit 4: Organizational structure before and after changes



Source: Auditor's Office analysis (Note: not all organizational levels are shown)

Reporting relationships were changed to reduce conflicts. In the past audit, the Zoo Contracts Administrator reported to the Zoo Construction Manager, who did not consistently follow policies. This created a difficult situation where a subordinate was supposed to question the actions of their supervisor. Now, the Zoo Contracts Administrator reports to the Zoo Finance Manager, a more appropriate chain of command. This change appeared to be working. We reviewed contracts issued since 2009 and found they complied with key procurement policies.

Clear leadership is important for accountability and we found the Bond Program had assigned clear leadership for construction projects. Each project had a designated project manager. As a result, one person was responsible and accountable for the project.

Separating the Bond Program from Zoo Operations created a separate project management function better suited to address problems seen during the previous audit, such as a history of cost overruns, insufficient information, and over-scheduling of resources. A challenge of this separation is maintaining collaboration. Zoo Operations are affected by construction and will ultimately own the final results. As a result of well-formed project teams and strong communication, we found Zoo Operations and the Bond Program collaborated effectively on projects.

Project costs were managed well and within budgets

In the 2009 audit, we found projects cost more than budgeted. In particular, the Zoo underestimated project costs, began projects without reasonable budgets, and did not monitor the value of contracts signed. It is not uncommon for construction projects to cost more than initially estimated. Even so, when projects cost more than expected, there might not be enough money to complete other projects, and the public can lose trust in government's management ability.

Good budget management has three essential components. The first is a comprehensive cost estimate. Developing a good cost estimate requires planning for the unexpected. In construction, there are often unforeseen changes that cannot be predicted before a project begins. For this purpose, a cost estimate should include some contingency funds set aside for emergencies. The second component is a realistic budget that fits a project's scope and design. The third component is a process to monitor spending that provides an early indication of cost increases.

We found the Bond Program managed its budget well. For the three projects we reviewed, the Program had:

- Created realistic cost estimates with money set aside for emergencies,
- Verified that the amount budgeted for the projects was reasonable, and
- Closely monitored and controlled spending.

As a result, all three projects were expected to be completed within or under budget.

The Bond Program had good processes for developing reliable cost estimates. Cost estimates were developed by experienced professionals. They included contingency funds for emergencies, as well as needed changes. Furthermore, they received rigorous review. For several projects, the Program verified initial estimates with a second independent estimator.

In addition to developing realistic cost estimates, the Bond Program began projects with reasonable budgets. The first project, a new Veterinary Medical Center, will replace the current substandard veterinary and quarantine facilities. In the 2009 audit, we found the original design was estimated to cost \$2 million more than its \$9 million budget. To its credit, the Program did not move forward on this design. Instead, a new design lowered costs by relocating the building and reducing its size by almost 3,600 square feet. As a result, the amount budgeted for the project was reasonable. Moreover, the budget set aside money for unforeseen costs. During excavation, the contractor discovered a prior landslide on the site that required additional work. Due to prudent planning, the project manager was able to cover this work without going over budget.

Similarly, with the other two projects, the Bond Program set aside sufficient funds for emergencies. Both required supplementary electrical work and other minor improvements after construction began. The amount budgeted was sufficient to pay for these additional costs.

Once construction was underway, there were effective processes for monitoring and controlling spending. All project managers followed a standard method for tracking spending as well as forecasting costs. Each month, project managers issued an updated forecast of the total costs for their projects. We found these forecasts accurately predicted costs for the three projects.

Schedule delays identified early so action could be taken

The 2009 audit found schedules developed at the beginning of projects were not kept current. As a result, timelines reported by the Zoo to the Metro Council and staff were not accurate. It was not clear when exhibits would be ready.

During this audit, we found the Bond Program had established effective processes for managing project schedules. Project managers received training in the scheduling software. Before construction began, project managers developed an initial schedule. As construction progressed, they updated the schedule monthly. We found schedules reflected new dates if projects were delayed.

As a result, potential delays were identified early, allowing management to take effective action. For example, during construction on the penguin exhibit, the project manager reported that the contractor may not be able to meet the schedule several months before it would impact operations. The Bond Program notified Zoo staff of the anticipated delay and, as a result, maximized the protection and care for the animals.

Managing projects typically means balancing schedule, cost and scope. These three constraints are commonly referred to as the 'Project Management Triangle' because, for the most part, a change to one is likely to affect another. In the case of the bond projects, we found project managers extended schedules in order to optimize cost and quality. For instance, due to the landslide, the Veterinary Medical Center needed additional engineering to stabilize the location. Rather than trying to meet milestones and pay more or risk poorer quality due to rushed work, the schedule was extended.

Well-organized files provided easy access to information



During the 2009 audit, we found that staff had not developed a standard way of maintaining project files. As a result, information was lost or located in separate places at the Zoo. As project managers frequently changed, it was difficult for new project managers to obtain accurate information about the status of their projects.

Since then, the Bond Program developed a consistent way for maintaining files, making it easy to understand what was going on with a project. Documentation was handled similarly from project to project, and most documents were available electronically. Information could be easily located because each project had a set of files organized by simple and distinct categories. Furthermore, the program was working with the Metro records manager to develop a records retention schedule that would outline which documents should be kept and for how long.

STATUS OF RECOMMENDATIONS

2009 Audit Recommendations	Status
To ensure careful stewardship of public resources and encourage realistic expectations for Zoo projects:	
1. Metro should ensure basic cost management processes are in place before it commits to large value construction contracts for bond-funded projects. This includes processes for: <ol style="list-style-type: none"> a. Communicating the project budget to the architect; b. Estimating project costs, including appropriate contingency amounts; c. Verifying the work scope can reasonably be completed within the budget; and, d. Monitoring and controlling spending and encumbrances. 	<i>IMPLEMENTED</i>
2. Metro should improve its knowledge and understanding of estimating project costs.	<i>IMPLEMENTED</i>
3. Metro should develop processes for creating, monitoring and updating schedules for individual projects and the bond program as a whole.	<i>IMPLEMENTED</i>
4. Metro should establish a periodic reporting mechanism that provides the Citizen Oversight Committee and Metro Council with current and accurate information on cost, schedule, and variances by project and for the bond as a whole.	<i>IN PROCESS</i>
5. Metro should develop a consistent system to maintain Zoo bond project documentation.	<i>IMPLEMENTED</i>
To improve accountability, the Chief Operating Officer should:	
6. Clarify the organizational structure by clearly delineating roles and responsibilities and lines of authority.	<i>IMPLEMENTED</i>
7. Clarify the role of the Finance and Regulatory Services Department in providing financial oversight to capital projects.	<i>IMPLEMENTED</i>



Date: October 21, 2011
To: Suzanne Flynn, Metro Auditor
From: Scott Robinson, Deputy Chief Operating Officer; 
Kim Smith, Oregon Zoo Director 
Subject: October 2011 Zoo Capital Construction Program Audit Follow-up Report

This memorandum is Metro management's response to the Zoo Capital Construction Program Audit Follow-up Report published in October 2011.

Management would like to thank-you and your staff for performing this follow-up audit to assess Metro's progress on implementation of the seven recommendations from the 2009 audit, *Oregon Zoo Capital Construction: Metro's readiness to construct 2008 bond projects*. Metro management believes that it is vitally important to effectively manage the Oregon Zoo Infrastructure and Animal Welfare bond program, the largest capital improvement program the zoo has ever undertaken.

Management began taking steps to create a robust governance and oversight structure to ensure careful and diligent stewardship of bond funds upon the passage of the \$125 million Zoo bond measure in November 2008. The audit recommendations provided valuable additional guidance for improving performance and protecting taxpayers. Metro management is pleased with your conclusion that of the prior report's seven recommendations, Metro had implemented six and made progress on the seventh. In particular, we appreciate that the audit noted that the three projects under construction had realistic costs estimates with appropriate contingencies, verified budgets, and that spending was closely monitored and controlled.

For the one recommendation identified as in process, Metro management is committed to providing timely, relevant, and accurate information to the Oregon Zoo Bond Citizens' Oversight Committee and the Metro Council. As the follow-up report states, Bond Program staff collects and documents detailed information for each active project. With the Metro Council adoption of the Bond Implementation Plan on September 22, 2011, the scopes, schedules and budgets for all remaining bond projects are now known and can be used to provide information for the program as a whole. Metro management will work closely with the Oversight Committee and Metro Council to ensure they receive the information they need to perform their important oversight functions.

Metro management and staff appreciate the thoughtful and thorough review conducted by the auditor and welcome ongoing review of the Bond Program in the future. Metro is focused on continual improvement to project management, budgeting, communication, and oversight to ensure that promises made to the public are kept.



Committee Membership

Oregon Zoo Bond
Citizens' Oversight
Committee Meeting
Nov. 9, 2011
Agenda item D

Approximately half of the Oversight Committee members' terms expire Dec. 31, 2011. These individuals are eligible to serve an additional two-year term from Jan. 1, 2012 to Dec. 31, 2013. The members with expiring terms are:

Marcela Alcantar	President, Alcantar & Associates
Jacqueline Bishop	Attorney
Steve Bloom	Executive Director, Portland Japanese Garden
David Evans	Vice President, Controller, The ODS Companies
Greg Gahan	Vice President, Operations, NW Construction Management Inc.
Ann Gravatt	Energy consultant
Jim Irvine	Homebuilder/Developer, The Conifer Group Inc.
Ray Phelps	Regulatory Services, Allied Waste Services

If you are an individual listed above, please email Chair Manning and Craig Stroud by Nov. 16 stating your desire to serve or decline a second term. Program staff will begin the required Council legislative process to reappoint members by Dec. 31.

In addition, several members have resigned from the committee over the past two years. Chair Manning would like to briefly discuss the backgrounds and current members and identify any particular skill-sets that could be recommended to Metro Council President Hughes for consideration as part of the new member nomination process.



Land Use Project Updates

Oregon Zoo Bond
Citizens' Oversight
Committee Meeting

Nov. 9, 2011

Agenda item E

For this agenda item, Cheryl Twete will recap the progress since the last Oversight Committee meeting for the amended and updated new Conditional Use Master Plan applications. The monthly status reports, including expenditures to date and specific activities, can be reviewed in the meeting packet in agenda item documents I-6 and I-7.



OREGON ZOO BOND CITIZENS' OVERSIGHT COMMITTEE

Oregon Zoo Bond
Citizens' Oversight
Committee Meeting
Nov. 9, 2011
Agenda item F

Worksheet

Presentation Date: November 9, 2011 Time: 3:00 pm Length: _____

Presentation Title: Public Involvement and Stakeholder Engagement Update

Presenters: Marcia Sinclair, Public Involvement Coordinator, 503-525-4200

Issues and Background

Effective communication and transparency are critical elements of any successful public planning process. In the case of the Oregon Zoo Bond Program, it is especially important. Bond projects were funded through a public vote that remains relatively fresh in metro area residents' memories. Results of public opinion polls indicate there is strong public support for the zoo and compassion for the animals in its care. A large percentage of people across the region visit the zoo, are familiar with its facilities and are eager to learn about and see improvements. Public attention and expectations are high.

In addition, the planning process will require decisions from several departments within three public land management jurisdictions. The process entails complex plans for facilities on challenging landscapes and involves many public and private stakeholder groups. Because zoo staff at the outset had limited experience in managing communication on a complex capital improvement and land use process, Marcia Sinclair joined the bond team in July 2010. A Senior Public Affairs Specialist in Metro's Communication Department, Marcia provides general bond communication support including strategic planning, public involvement, issues management, writing and meeting management. She works closely with zoo marketing and exhibits staff, bond team members and zoo management and acts as liaison to Metro communication staff.

Accomplishments

Here are some of the public benefits of the bond program's communication accomplishments over the past year:

Easy access to information about the entire bond program through the Metro web site. The zoo was able to leverage Metro support to build a web presence that is engaging, graphic and includes video clips, interactive maps, background documents and links to surveys and news coverage. This content will migrate to the zoo's new web site when it is launched later this year.

Opportunities to shape the new zoo through public meetings and surveys

The zoo has hosted two series of open houses. Three events in March/April showcased initial plans and asked members of the public to weigh in on key questions including a focus shift from hippos to rhinos, train route options and sustainability measures. Two open houses in August allowed the public to review zoo plans prior to Metro Council approval and offered extended drop-in hours for staff and volunteers to gain familiarity with the zoo's future plans. Together, these events were attended by more than 500 people.

Over 4400 people participated in an online survey in May as part of Metro's new Opt In internet opinion panel. Results helped shape the master plan and exhibits and also influenced plans for food service, events and for managing parking, access and traffic.

Regular news and behind-the-scenes views of progress on bond projects

The Oregon Zoo has been successful in obtaining positive earned media, particularly in the Oregonian and Portland Tribune, with additional coverage on television and radio stations. In addition to publicizing and covering public events, stories have focused on sustainability measures and improved habitats for animals. Most recently, the zoo received positive coverage in the Oregonian on the Metro Auditor's follow-up review to the 2009 audit.

News and construction updates for on-site visitors

Last spring, zoo staff trained 38 "construction talkers," volunteers who staff construction areas and events, informing visitors about bond program history, status of planning and construction, project timelines and benefits to animals and visitors.

Signs at current and future construction sites help visitors envision and share in the excitement of upcoming exhibits. Plans are in the works for expanded bond project signage across the zoo.

Events help publicize progress on bond projects and encourage members and visitors to share in celebrations of accomplishments. The Veterinary Medical Center Construction Celebration and Penguin Parade drew enthusiastic crowds last year. Plans are in the works for the opening events for both of these facilities later this year.

Previews, news, updates and events for members and donors

Zoo Tracks, the Oregon Zoo Foundation quarterly publication, reaches over 50,000 households. Each quarter, zoo staff work with the publication editor to determine content and develop one or more bond program stories and graphics for each issue. Members also access bond program news through E Tracks, a bimonthly email blast to members

Inside scoop on plans and construction for staff and volunteers

Staff and volunteers are an organization's greatest assets and best messengers. The zoo has kept employees and volunteers apprised of bond program progress through presentations at all-staff meetings, senior leadership team briefings, weekly agency-wide email newsletters and notices, monthly news summaries, invitations to events and posted notices.

Volunteer training and presentations

Bond staff have trained volunteers, presented information at monthly volunteer gatherings and written articles for volunteer newsletters.

Collaboration on improvements to parking, access and traffic management

The zoo has worked with fellow Washington Park Alliance members to engage adjacent neighborhood associations in identify issues, reviewing plans and working toward collaborative solutions to shared concerns. The zoo is in regular communication with neighborhood representatives, has hosted two neighborhood workshops on parking and traffic management, and launched a neighborhood listserv to open dialogue and seek mutually beneficial resolution to neighborhood issues.

Strategic planning and outreach on a remote elephant center

The zoo is fine tuning plans for a remote elephant center on rural land within the metro area. This project is unique and requires that elected officials, key staff, and affected parties be kept apprised of plans as they progress. As the project progresses, successful management will entail discussions with adjacent land owners to identify and resolve concerns as well as coordination with county public engagement staff. Staff will also work with a variety of media to develop stories and provide appropriate interpretation of the purpose and goals of this project.



Comprehensive Capital Master Plan Project Update

Oregon Zoo Bond
Citizens' Oversight
Committee Meeting

Nov. 9, 2011

Agenda item G

For this agenda item, Craig Stroud will recap the Metro Council action on Nov. 3, 2011, for the 20-year Comprehensive Capital Master Plan. Staff is seeking Council adoption of the plan. If that happens, the Comprehensive Capital Master Plan project will be complete.



Required Oversight Committee Report to the Metro Council

Oregon Zoo Bond
Citizens' Oversight
Committee Meeting
Nov. 9, 2011
Agenda item H

For this agenda item, Chair Manning would like the committee to discuss the upcoming required Oversight Committee report to the Metro Council. The desired discussion outcome is identification of a process to create the committee's draft report by early 2012.

Required Report to the Metro Council (from Ordinance 10-1232)

This report should contain:

1. Assessment of the zoo's program progress in implementing the Oregon Zoo Bond Measure 26-96 project improvements.
2. Report on project spending trends and current cost projections, and a review and report on the Annual Independent Financial Audit of spending.
3. May recommend project modifications intended to account for increases in construction costs in excess of budget estimates, to ensure that the purpose and promise of the Oregon Zoo Bond Measure 26-96 is fully realized.



Oregon Zoo Bond
Citizens' Oversight
Committee Meeting

Nov. 9, 2011

Agenda item I

Oregon Zoo Bond Citizens' Oversight Committee meeting

Nov. 9, 2011

Agenda Item I

I. Monthly Project Updates

1. Comprehensive Capital Master Plan
2. Veterinary Medical Center
3. Penguin Life Support System Upgrade
4. Elephant Habitat and Related Infrastructure
5. Offsite Elephant Habitat
6. Updated Conditional Use Master Plan and Land Use Reviews
7. Onsite Elephant Habitat Land Use Reviews



Oregon Zoo Bond Project Status Report

Oregon Zoo Bond
Citizens' Oversight
Committee Meeting

Nov. 9, 2011

Agenda item I-1

Project Title: Comprehensive Capital Master Plan	Project Manager: Craig Stroud
Reporting Period/Status Date: October 19, 2011	Project Manager Phone: 503-914-6026
<p>Project Description: A Comprehensive Capital Master Plan is needed to address project sequencing, scope, programming and budgeting for the remaining bond projects. In addition, that Plan will be required to develop recommendations for sustainable practices to enhance the synergistic possibilities of the zoo's built and natural environments, and to integrate the results of the current Stormwater Master Plan into the overall bond program. As projects are defined and developed, this comprehensive planning effort will be effective in incorporating identified sustainable initiatives, as well as concepts from the Stormwater Master Plan. It is anticipated that the resulting document will provide a clear "blueprint" for the process that will realize the bond measure goals.</p>	

Status at a Glance

Status Item	On Track	Caution	Off-track
Budget	X		
Schedule and signoffs	X		
Deliverables	X		

LEGEND:

	Moving along nicely, no significant concerns at this time.
	Must be addressed or may be escalated to off-track mode.
	Causing significant impact to the project.

Schedule

START DATE		COMPLETION DATE	
BASELINE	REVISED	BASELINE	REVISED
7/1/2010	8/20/2010	8/25/2011	11/3/2011

Total Project Budget

BUDGET BASELINE	COSTS TO DATE OF STATUS	ESTIMATE AT COMPLETION	BUDGET VARIANCE
\$1,850,000	\$1,500,046	\$1,726,000	\$124,000

Critical Issues for Corrective Action: none at this time

Summary Status

- **Budget Status**
Final expenses are forecast approximately \$124,000 under the baseline budget. The majority of the under spending is for contracted scope totaling \$84,000 for schematic design for a remote elephant center. This work was deferred because an option for a property has not been secured and is not expected before the completion of the Comprehensive Capital Master Plan.
- **Schedule and Signoffs Status**
The schedule has not changed. Council approved the Bond Implementation Plan on Sept. 22 and is scheduled to review the 20-year Master Plan on Nov. 3.
- **Deliverables Status**
The final draft of the 20-year Master Plan has been received and is under final review.



Oregon Zoo Bond Project Status Report Construction Phase

Oregon Zoo Bond
Citizens' Oversight
Committee Meeting

Nov. 9, 2011

Agenda item I-2

Project Title: Veterinary Medical Center	Project Manager: Jim Mitchell
Reporting Period/Status Date: October 24, 2011	Project Manager Phone: 503-914-6025
Project Description: Replace the current substandard veterinary and quarantine buildings with a new facility that meets standards set by the Association of Zoos and Aquariums.	

Status at a Glance

Status Item	On Track	Caution	Off-track
Budget	X		
Schedule and signoffs	X		
Deliverables	X		

LEGEND:

	Moving along nicely, no significant concerns at this time.
	Must be addressed or may be escalated to off-track mode.
	Causing significant impact to the project.

Construction Schedule

START DATE		COMPLETION DATE	
BASELINE	REVISED	BASELINE	REVISED
8/10/10	8/16/10	9/20/11	12/02/11

Total Project Budget

BUDGET	COSTS TO DATE	ESTIMATE AT	BUDGET
BASELINE	OF STATUS	COMPLETION	VARIANCE
\$9,464,299	\$7,828,934	\$9,464,299	\$0

The schedule has been extended 54 working days from change order impacts. Current completion is 12/2/2011.

Critical Issues

No critical issues to report for this period.

Summary Status

Milestones/deliverables for this reporting period

- Pay Application #14 in the amount of \$736,865 has been processed.
- Exterior concrete is complete.
- Tours with some of the major donors have taken place and will continue.
- The two artists have completed installation of pieces in the entry and lobby.

Planned milestones/deliverables for the next reporting period

- Process requests for information, submittals, change orders and pay applications in a timely manner.
- Continue site tours with staff and other stakeholders.
- Caging is being installed and is approximately 95 percent complete.
- Epoxy and rubber flooring are being installed throughout the building.
- Electrical and mechanical finishes are nearing completion.
- Building systems commissioning has started on all mechanical, electrical and plumbing systems.



Oregon Zoo Bond Project Status Report Construction Phase

Oregon Zoo Bond
Citizens' Oversight
Committee Meeting

Nov. 9, 2011

Agenda item I-3

Project Title: Penguin Life Support System Upgrade	Project Manager: Lee Campbell
Reporting Period/Status Date: October 20, 2011	Project Manager Phone: 503-220-2704
Project Description: Upgrade the aquatic life support system in the Penguin Exhibit to: a) Conserve water; b) Improve water quality.	

Status at a Glance

Status Item	On Track	Caution	Off-track
Budget	X		
Schedule and signoffs		→	X
Deliverables	X		

LEGEND:

	Moving along nicely, no significant concerns at this time.
	Must be addressed or may be escalated to off-track mode.
	Causing significant impact to the project.

Construction Schedule

START DATE		COMPLETION DATE	
BASELINE	REVISED	BASELINE	REVISED
11/1/10	11/1/10	5/4/11	11/15/11 (Punch List)

Total Project Budget

BUDGET BASELINE	COSTS TO DATE OF STATUS	ESTIMATE AT COMPLETION	BUDGET VARIANCE
\$ 1,800,000	\$1,508,661	\$ 1,800,000	\$0

Critical Issues

01.02 Item Description: Construction Schedule			
Originated on: 12-16-10	Originated By: Lee Campbell	Action: Triad Mechanical	Due: 10-3-11
Contractor construction schedule is extended. (See previous reports for a complete history of this issue.)			
7-19-11	<ul style="list-style-type: none"> ○ Contractor schedule was extended to complete construction work. ○ Project and zoo expenses associated with the delay are reimbursed by the contractor. ○ Birds will move into the exhibit based on Substantial Completion of construction. ○ The birds are on exhibit in temporary location. The delay to the project has minimal impact on visitor and zoo operations. 		
9-19-11	<ul style="list-style-type: none"> ○ Substantial Completion was not obtained on Sept. 15, as scheduled by the contractor. Contractor work is 95 percent complete and systems are running, but remaining work includes: 1) Final City of Portland inspections / sign-off; 2) Consultant Substantial Completion Inspections; 3) Final system controls; Landscape work; Clean-up of site; Punch-list work. ○ Substantial Completion is re-scheduled for Oct. 3, 2011 		
10-20-11	<ul style="list-style-type: none"> ○ Intent to Use Facilities is accepted by the contractor, without relieving the contractor of any responsibilities in resolving remaining contract issues: 1) Special Inspections must be approved by the City of Portland; 2) Punch-list work. ○ Terns will be released into the exhibit after veterinary exams. Penguins will follow, as determined by Living Collections. 		

Penguin Life Support System Upgrade - Construction Project Status Report

Summary Status

Milestones/deliverables for this reporting period:

- Staff training on water chiller and system controls
- Landscaping
- Contractor approval of zoo "Intent to Use Facilities"

Planned milestones/deliverables for the next reporting period

- Exterior wall siding completion
- Substantial Completion Certificate



Oregon Zoo Bond Project Status Report Design and Construction

Oregon Zoo Bond
Citizens' Oversight
Committee Meeting

Nov. 9, 2011

Agenda item I-4

Project Title: Elephant Habitat and Related Infrastructure	Project Manager: Jim Mitchell
Reporting Period #1/Status Date: October 25, 2011	Project Manager Phone: 503-914-6025
Project Description: Provide a new elephant habitat, expanding from 1.5 acres to 6 acres, allowing for an evolution in the way the elephants use their space, which supports the zoo's vision for elephants to live in family herds. Sub-projects include; 1) relocating the train, 2) a new perimeter service road, 3) relocating the Wild Life Live program and 4) water and energy sustainability measures including LEED Silver Certification and a new campus geothermal loop to reduce the use of fossil fuels for heating and cooling.	

Status at a Glance

Status Item	On Track	Caution	Off-track
Budget	X		
Schedule and signoffs	X		
Deliverables	X		

LEGEND:

	Moving along nicely, no significant concerns at this time.
	Must be addressed or may be escalated to off-track mode.
	Causing significant impact to the project.

Design and Construction Schedule

START DATE		COMPLETION DATE	
BASELINE	REVISED	BASELINE	REVISED
8/30/11	9/13/11	4/14/15	5/1/15

Total Project Budget

BUDGET	COSTS TO DATE	ESTIMATE AT	BUDGET
BASELINE	OF STATUS	COMPLETION	VARIANCE
\$54,294,348	\$260,507	\$54,294,348	\$0

Critical Issues

None to Report			

Summary Status

Milestones/deliverables for this reporting period

- The evaluation team for the Request for Proposal (RFP) for Design Consultant has been selected and confirmed.
- The pre-proposal meeting was held on Oct. 5 and approximately 40 individuals attended.
- Addendum 4 was issued which included information on the amendment of the 1997 Conditional Use Master Plan. Due to the volume of information for the proposers to review, the due date on the RFP was extended one week to Nov. 3.

Planned milestones/deliverables for the next reporting period

- Evaluate Design Consultant proposals.
- Schedule interviews with the Design Consultant proposal finalists.
- Finalize Construction Manager/General Contractor (CM/GC) contract documents
- Prepare and publish the RFP for CM/GC services.



Oregon Zoo Bond Project Status Report

Oregon Zoo Bond
Citizens' Oversight
Committee Meeting

Nov. 9, 2011

Agenda item I-5

Project Title: Offsite Elephant Habitat – Phase II	Project Manager: Mike Keele
Reporting Period/Status Date: October 21, 2011	Project Manager Phone: 503-220-2445
Project Description: Metro Council Resolution No. 11-4230 authorized the COO to enter into options to purchase real property for the purpose of providing an elephant reserve under the 2008 Oregon Zoo Bond Measure. Staff was also authorized to continue financial feasibility planning and initiate a fundraising campaign for capital costs and operating expenses with the help of The Oregon Zoo Foundation.	

Status at a Glance

Status Item	On Track	Caution	Off-track
Budget	TBD		
Schedule and signoffs	TBD		
Deliverables	X		

LEGEND:

	Moving along nicely, no significant concerns at this time.
	Must be addressed or may be escalated to off-track mode.
	Causing significant impact to the project.

Schedule

START DATE		COMPLETION DATE	
BASELINE	REVISED	BASELINE	REVISED
10/19/2009		TBD	

Budgetⁱ

BUDGET BASELINE	COSTS TO DATE OF STATUS	ESTIMATE AT COMPLETION	BUDGET VARIANCE
\$7.2 million Note 1	\$38,338	TBD	\$

Note 1: The Metro Council adopted Bond Implementation Plan allocates \$7.2 million for the offsite facilities capital improvements. Once a site is selected, programming, operating, and capital plans will be able to be updated to identify refined capital construction funding requirements. The baseline budget will show \$7.2 million until that work concludes.

Critical Issues for Corrective Action: none at this time.

Summary Status

Milestones/deliverables for this reporting period

- Document prepared for Zoo Director defining reduced program scope for purposes of phasing the offsite facility with a less costly initial build-out. This document was presented to the full team for comment.
- Metro and PGE have agreed to terms for an option agreement and agreement of purchase and sale.

Planned milestones/deliverables for the next reporting period

- Formalize option agreement and agreement of purchase and sale with PGE for the Roslyn Lake site.
- Develop Project Plan for activities during option period prior to executing option to purchase.

ⁱ Not loaded for allocated costs.



Oregon Zoo Bond Project Status Report Planning Phase

Oregon Zoo Bond
Citizens' Oversight
Committee Meeting

Nov. 9, 2011

Agenda item I-6

Project Title: Updated Conditional Use Master Plan and Land Use Reviews (CUMS)	Project Manager: Cheryl Twete
Reporting Period/Status Date: October 20, 2011	Project Manager Phone: 503-797-1774
Project Description: Prepare city conditional use application for the updated Zoo Comprehensive Capital Master Plan, and applications for related reviews, such as environmental review and adjustments (if any). Achieve land use approvals from the City of Portland for the updated master plan, bond program projects and other improvements at the zoo campus. Engage Washington Park Alliance (WPA) members to prepare 1) an urban design vision for the entry/parking lot area, and 2) an updated joint transportation management strategy.	

Status at a Glance

Status Item	On Track	Caution	Off-track
Budget	X		
Schedule and signoffs		X	
Deliverables		X	

LEGEND:

	Moving along nicely, no significant concerns at this time.
	Must be addressed or may be escalated to off-track mode.
	Causing significant impact to the project.

Schedule

START DATE		COMPLETION DATE	
BASELINE	REVISED	BASELINE	REVISED
5/18/09	7/1/11	12/11	7/1/12

Total Project Budget

BUDGET BASELINE	COSTS TO DATE OF STATUS	ESTIMATE AT COMPLETION	BUDGET VARIANCE
\$796,785 Note 1	\$334,681	\$796,785	\$0

Note 1 – Extensive planning in the past months has identified project scope/budget for consultant services. If city staff requires additional technical analysis as part of the land use review, there may be some additional consultant costs. This project budget is carrying all land use project manager and public outreach/communication staff costs.

Critical Issues for Corrective Action: none at this time.

Summary Status

- Budget Status
 - No changes.
- Schedule and Signoffs Status
 - The CCMP was modified to eliminate a 0.3-acre area from the proposed Elephant Meadow due to potential drainage area conditions, as concluded by a September 2011 environmental assessment. This has caused the consultant team to put more focus on the CUMS Amendment application, and consequently, will result in the updated CUMS application being submitted approximately one month later than scheduled. The updated CUMS application will be submitted Dec. 1, 2011.
 - The transportation impact study and demand management strategy are progressing well. However, due to the lack of final decisions by Washington Park Alliance and Portland Park Bureau regarding future transportation management, the zoo's updated CUMS application will focus solely on its own plan and strategies, until superseded by a broader coalition approach with the City and WPA.

- Related to the CUMS work, a phase II South Entry/Parking Lot Visioning study is underway and is now anticipated to be completed in December 2011. Recent geotechnical information has impacted proposed project elements and the design team is assessing new and different options for a future parking garage and associated common green open space. Portland Parks staff is actively involved in both the South Entry/Parking Lot Visioning Study and the transportation planning efforts. Portland Parks' involvement is key to the effort because the bureau owns the parking lot and entry area, and the new strategy is dependent upon their long-term commitment. The zoo general fund and some Washington Park Alliance members are funding the expenses related to these scopes.
- Negotiations with Portland Parks regarding future parking lot management continue. Portland Parks will submit a letter to the Hearings Officer confirming parking availability for the Oregon Zoo for the full duration of the updated CUMS (10 years).
- A nonconforming development assessment for the main parking lot is underway and is another key element of the Updated CUMS application. Plans to bring the lot into zoning code conformance will also be consistent with the evolving urban design visioning work for the area and the zoo's Comprehensive Capital Master Plan (CCMP).
- Outreach to surrounding neighborhood associations for both the updated and amended land use activities will continue for the next several months. A second WPA-sponsored workshop was held Sept. 21 to present the CCMP and information on the Updated CUMS for input and comment. A follow-up neighborhood meeting is being scheduled for November 2011, prior to the submission of the updated CUMS application. Key neighborhood issues related to the zoo include: parking and vehicle pass-through impacts in the neighborhoods, whether the auxiliary parking lot becomes permanent or is closed down, and parking fee structure.

➤ Deliverables Status

- Transportation work program is well underway, with final modifications to the reports expected by mid-November, after consultation with Portland Bureau of Transportation (PBOT) staff. Reports will be finalized in late November. Finalization of the CCMP and additional work associated with the CUMS Amendment application is consuming additional staff and consultant time, which may impact the Updated CUMS schedule further. The goal is to prepare a thorough, accurate and satisfactory application to minimize the risks of appeals and conflicts.

Planned milestones/deliverables for the next reporting period

- Existing transportation conditions report completed. Future transportation conditions and demand management strategy in final draft stages. All products are expected to be finalized by late November.
- Complete non-conforming assessment of parking lot by Nov. 15, 2011.
- Washington Park Entry Area/Parking Lot Vision Study was finalized in May and a phase two scope of work will be continued through December 2011. Two or three team workshops will be held in November.
- Continue public outreach and involvement with neighbors and the general public through emails, attendance at neighborhood association meetings, a new list service site for sharing documents and an additional workshop in November.
- Focus on parking lot management negotiations with Portland Parks Bureau as part of the transportation strategy work program.
- Preliminary draft of the updated CUMS application will be available early November for review by the project team.



Oregon Zoo Bond Project Status Report Planning Phase

Oregon Zoo Bond
Citizens' Oversight
Committee Meeting
Nov. 9, 2011
Agenda item I-7

Project Title: Onsite Elephant Habitat Land Use Reviews	Project Manager: Cheryl Twete
Reporting Period/Status Date: October 20, 2011	Project Manager Phone: 503-797-1774
Project Description: To prepare and submit a Conditional Use Master Plan (CUMS) amendment and associated Environmental Zone review for City of Portland approval. The Onsite Elephant land use package will be submitted in advance of the application for approval of the updated Zoo Conditional Use Master Plan. This strategy is being pursued in order to enable the elephant exhibit project to proceed prior to final land use approvals for the updated master plan to assure continuous phasing of construction activity.	

Status at a Glance

Status Item	On Track	Caution	Off-track
Budget	X		
Schedule and signoffs	→	X	
Deliverables	X		

LEGEND:

	Moving along nicely, no significant concerns at this time.
	Must be addressed or may be escalated to off-track mode.
	Causing significant impact to the project.

Schedule

START DATE		COMPLETION DATE	
BASELINE	REVISED	BASELINE	REVISED
5/18/09	7/1/11	12/11	7/1/12

Total Project Budget

BUDGET	COSTS TO DATE	ESTIMATE AT	BUDGET
BASELINE	OF STATUS	COMPLETION	VARIANCE
\$110,429	\$89,744	\$115,000	(\$4,500)
Note 1			

Note 1: The budget includes professional services to develop and submit the amendment materials. In the event the city requires additional materials to deem the application complete or if the project is subsequently appealed, additional consultant and legal services will likely be required. Engineering fees for the new elephant habitat environmental impacts and stormwater management are in the elephant project financials. Project management and public outreach/communication staff costs are included in the New CUMS project.

Critical Issues for Corrective Action: none at this time.

Summary Status

➤ Budget Status

- The project budget was established for consultant services, given staff's understanding of the city's information needs and requirements. Additional technical work was required in September for potential drainage reserve requirements and/or potential wetlands condition in the North Meadow habitat subarea. This extended the application submittal several weeks. Staff time to address and manage this issue resulted in additional project management costs which have driven the forecast above the baseline budget by approximately \$4,500.

➤ Schedule and Signoff Status

- Land use and environmental zone applications were submitted Sept. 23, 2011. On Oct. 14 and Oct. 20, respectively, Bureau of Development Services and Bureau of Environmental Services issued letters requiring Metro provide additional information in order for the application to be deemed complete. The consultant team is preparing additional information and has met with BDS to clarify needs and expectations. As of this report, staff does not have an assessment of the timing required

to complete additional information for BES. The schedule is reflected as caution because of this issue.

➤ Deliverables Status

- The amendment application reflects a modified North Meadow subarea, permanently eliminating approximately 0.3 acres of the potential area of wetland or drainage way conditions. The elephant habitat meets bond acreage requirements without the 0.3 acres.
- On Sept. 21, a second WPA-sponsored neighborhood workshop was held to discuss the zoo's Comprehensive Capital Master Plan, transportation issues, the upcoming conditional use process as well as other neighborhood concerns.
- An environmental analysis report for the drainage way area was received and reviewed with the consultant. No further action is needed at this time and the issue is resolved.

Planned milestones/deliverables for the next reporting period

- Continue public outreach and involvement with neighbors and the general public through emails, participation in neighborhood association meetings and Washington Park Alliance meetings and an additional neighborhood workshop in mid-November 2011.
- Submission of additional information to BDS and BES in order for CUMS Amendment application to be deemed complete. The information can be combined or submitted separately to the two bureaus. Continue working with city staff to ensure successful completeness review of the amendment application.



Oregon Zoo Bond Program
 Project Status and Financial Information at a Glance
 As of September 2011

Oregon Zoo Bond Citizens' Oversight Committee Meeting Nov. 9, 2011 Agenda item J
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							Project Budget and Expenditures - note 1			
Construction Projects		Schematic Design	Design Development	Construction Documents	Contracting	Construction	Close-Out	Project Target Budget	Project to Date Expenditures	Project Forecast Total Expenditures
								Veterinary Medical Center	% Complete	Complete 100
Penguin Life Support System Upgrade	% Complete	Complete 100	Complete 100	Complete 100	Complete 100	99%	\$ 1,800,000	\$ 1,508,661	\$ 1,800,000	
Water and Energy										
Water Main Pressure Reducing Assembly	% Complete	Complete 100	Complete 100	Complete 100	Complete 100	Complete 100	\$ 267,459	\$ 242,493	\$ 242,493	
Elephant Habitat and Related Infrastructure	% Complete	Complete 100					\$ 54,294,348	\$ 260,506	\$ 54,294,348	
Condor Exhibit	% Complete	Complete 100					\$ 2,778,149	\$ -	\$ 2,778,149	
Conservation Education Discovery Zone	% Complete	Complete 100					\$ 13,773,577	\$ 3,131	\$ 13,773,577	
Polar Bear Exhibit	% Complete	Complete 100					\$ 20,382,644	\$ -	\$ 20,382,644	
Primate/Rhino Exhibits	% Complete	Complete 100					\$ 14,419,586	\$ 1,909	\$ 14,419,586	
Remote Elephant Center	% Complete						\$ 7,200,000	\$ 38,338	\$ 7,200,000 see note 2	
Planning Projects								Project Target Budget	Project to Date Expenditures	Project Forecast Total Expenditures
		Proposals Submitted	Contract Award	Interim Reports	Bond Implementation Plan	Comprehensive Capital Master Plan				
Comprehensive Capital Master Plan	% Complete	Complete 100	Complete 100	Complete 100	Complete 100	75	\$ 1,850,000	\$ 1,500,046	\$ 1,726,000	
Stormwater/ Wastewater Analysis	% Complete	Complete 100	Complete 100	Complete 100	Complete 100		\$ 160,000	\$ 159,979	\$ 159,979	
Stormwater Minor Projects & Campus Survey	% Complete	100	100	100	100		\$ 386,797	\$ 386,797	\$ 386,797	
One-Percent for Art Requirement	% Complete						\$ 722,505	\$ -	\$ 722,505	
Interpretive Design for All Projects	% Complete						\$ 526,980	\$ -	\$ 526,980	
Land Use Processes								Project Target Budget	Project to Date Expenditures	Project Forecast Total Expenditures
		Determine Appropriate Process and Negotiate	Establish Project Scope and Baselines	Project Execution - Technical Studies and Prepare Application	Public meetings	Submit CU MS to City for Approval	Land Use Approval Process			
Land Use - New CUMS	% Complete	100	100	70	50	0	\$ 796,785	\$ 334,681	\$ 796,785	
Land Use - Amended CUMS	% Complete	100	100	100	75	90	\$ 110,429	\$ 89,744	\$ 115,000	
Program Administration								Project Target Budget	Project to Date Expenditures	Project Forecast Total Expenditures
Program Staff, Administration, Metro Central Support, & Bond Issuance								\$ 3,912,881	\$ 1,213,247	\$ 3,912,881
Totals								\$ 132,846,439	\$ 13,568,466	\$ 132,702,023

Note 1 - Projects not loaded for program administration, Metro service charges, or other allocated costs.
Note 2 - The Metro Council adopted Bond Implementation Plan allocates \$7.2 million for the offsite facilities capital improvements. Once a site is selected, programming, operating, and capital plans will be updated to identify refined capital construction funding requirements. The baseline budget will show \$7.2 million until that work concludes.



CONSOLIDATED OREGON ZOO BOND PROGRAM SCHEDULE

As of Oct. 19, 2011

Oregon Zoo Bond
Citizens' Oversight
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ID	Task Name	Start	Finish	2011				2012				2013				2014			
				Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
0	Consolidated Bond Program Schedule	3/16/10	8/14/15																
1	Veterinary Medical Center	8/16/10	1/24/12																
2	Construction	8/16/10	12/2/11																
3	Post Construction	10/31/11	1/24/12				10/31												
4	Penguin Filtration	11/1/10	11/30/11																
5	Construction	11/1/10	10/21/11																
6	Post-Construction	10/21/11	11/30/11				10/21												
7	Comprehensive Capital Master Plan	6/2/10	11/3/11																
8	Master Plan Project Start	6/2/10	6/2/10																
9	Interim Report #4	5/10/11	5/10/11		5/10														
10	Elephant Habitat Report	5/20/11	5/20/11		5/20														
11	Final Bond Implementation Plan presentation to Metro	9/22/11	9/22/11																
12	Final presentation to Metro Council	11/3/11	11/3/11				11/3												
13	Land Use Process - Updated CU MS	3/16/10	7/2/12																
14	Engage City officials and staff	3/16/10	7/2/12																
15	Define Land Use Approach	10/1/10	6/30/11																
16	Hire Transportation Consultant	8/10/10	9/30/10																
17	Prepare Transportation Final Work Scope	8/10/10	1/30/11																
18	Ongoing Public Outreach/Communications	8/11/10	7/2/12																
19	Prepare Entry/Parking Lot Area Design Vision	12/1/10	12/15/11																
20	CU MS Pre-App Conf with City	12/30/10	6/24/11																
21	Prepare/submit Land Use CU MS Application	6/1/11	12/1/11				6/1												
22	CU MS Review/Hearings/Approval	12/1/11	7/2/12				12/1												
23	Elephant Habitat and Related Amended CU MS	2/14/11	8/14/15	2/14															
24	Land Use Review for Elephant Habitat	2/14/11	2/20/12	2/14															
25	Pre-App Conference w/ City	2/14/11	3/17/11	2/14															
26	Prepare/submit Land Use Apps.	3/22/11	9/23/11	3/22															
27	Review/Hearings/Approval	9/23/11	2/20/12				9/23												
28	Elephant Habitat and Related Projects	9/20/11	8/14/15				9/20												
29	RFP Architect	9/20/11	12/16/11				9/20												
30	RFP Contractor	11/8/11	1/27/12				11/8												
31	Design Development	12/12/11	7/24/12				12/12												
32	Construction Documents	7/25/12	3/29/13								7/25								
33	Permit Process	11/12/12	3/29/13								11/12								
34	Train/Access Road Construction	5/13/13	12/20/13												5/13				
35	Habitat Construction	7/8/13	5/8/15												7/8				
36	Post-Construction	5/11/15	8/14/15																

This schedule includes active bond projects. The Comprehensive Capital Master Planning effort will identify the schedule and sequencing for the remaining bond projects.