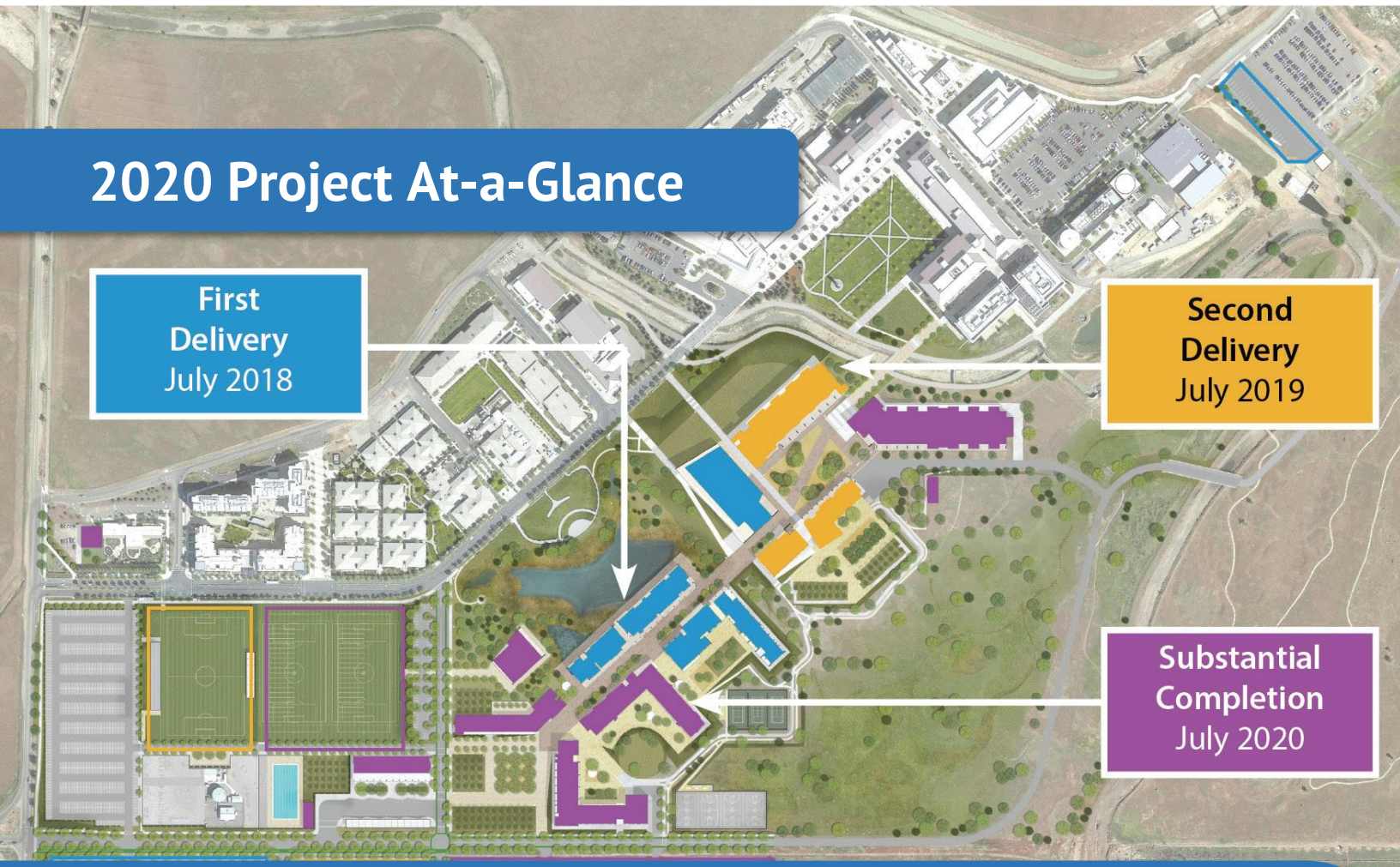
UCMERCED
UNIVERSITY OF CALIFORNIA

UNIVERSITY OF CALIFORNIA | MERCED 2020 PROJECT

PROJECT PERFORMANCE MONTHLY REPORT 10.0

PERIOD ENDING: 30 APRIL 2017

2020 Project At-a-Glance



Team

Owner' Representative
- AVC Michael McLeod (POPD)

Project Executive
- Adam Shaw (WT Partnership)

Developer/ProjectCo:
- Plenary Properties Merced ("PPM")

Equity:
- Plenary Group ("Plenary")

Design-Builder:
- Webcor Builders ("Webcor")

Operator:
- Johnson Controls ("JCI")

Commercial

Agreement:
- Availability Payment based P3 incl DBFOM
- 3 phase operational ramp-up

Term:
- 39 Years (incl 4 yr. construction)

Contract Value:
- $1,340,839,588

DB Contract Value:
- $1,166,631,875 (DB)

Annual O&M Cost (Real):
- $4.1m

Total Real Lifecycle Cost Model (over term)
- $101M

Security (equivalent cash value):
- DB Performance bond: $1,166m (100%)
- DB Payment Bond: $1,166m (100%)
- DB Limit of Liability: $583m ($50%)
- OM Limit of Liability: (200% annual cost)
- DB Parent Company Guarantee $583m ($50%)

Schedule

Financial Close
- August 15, 2016

First Delivery Occupancy Readiness Date
- July 1, 2018

Second Delivery Occupancy Readiness Date
- June 1, 2019

Substantial Completion
- June 1, 2020

Final Acceptance
- September 29, 2020

PA Long Stop Date
- June 1, 2021

Construction Schedule
- Circa 46 Months

Operating Period:
35 – 37 Years

merced2020.ucmerced.edu

1. EXECUTIVE SUMMARY

P2020 Partnering Session April 20th 2017

PROJECT EXECUTIVE'S SUMMARY

During the period: Bldg. 1B foundations are being reinforced and concrete poured. Below grade utilities have begun. Excavation for Bldg. 1D below grade utilities and pads are in progress. Building 1H temporary shoring wall excavation has begun. Excavation of Bldg. 2A pad has begun and as well as the foundation beams layout and installations. 1st Phase of Parking lot P4 (including road) location & layout has commenced along with electrical & telecom utilities work.

The Project Team continues to closely monitor PPM's schedule recovery plans / actions for lost productivity, in order for PPM to stay on track for First Delivery.

The issuance of the CDFW permit is imminent and the Developer's Construction Permit is targeted for May 10th 2017.

A successful Partnering session was conducted on Campus on April 20th 2017 which addressed the goals and objectives of P2020 and collaborative strategies that will be implemented towards resolving issues and concerns.

GOVERNANCE & OVERSIGHT

Per previous reports, the Governance structure remains in full force and on a number of issues the Project Team continues to liaise with the Governance Board and Office of General Council (OGC).

In recent Board meetings, the agenda has now expanded to consider a number of operational and institutional work streams that need to be developed in good time for 1st delivery.

DESIGN & CONSTRUCTION

Coordination activities with City and County of Merced, Merced Irrigation District, and State Agencies are ongoing. Design is in varying stages with 1st delivery buildings primarily completed the construction documentation stage. Presently, One-hundred and six (106) design submittals have been received (105 completed and 1 in progress) and One hundred & forty-one (141) stakeholder meetings have been held to date, to solicit input.

PROJECT CONTROLS

Schedule

The Project Team had conducted a review of Developer's March '17 Schedule Update in comparison to the Baseline Schedule V3. The schedule was accepted with notations for the Developer to take into consideration when producing the April '17 update.

The Project Team continues to monitor the Developer's mitigation plans for recovery of slippages and lost productivity owing to inclement weather in January '17.

Budget

The Campus Budget is retained as approved at a total of $148.13 million comprising: Owner Operating Budget ($79.38 million) and Campus Contingency ($68.75 million). Adequate cost control measures continue to be implemented to ensure suitable funds are retained to close out the project. Expenditure is currently at $6.08 million (4.1%) of total forecast. Careful measures continue to be enacted in the consideration of change requests so as to mitigate impacts and avoid budget overspends.

Scope

There continues to be a series of collaborative design review meetings with the Developer and with feedback from the Stakeholders. Reviews during the period included:

100% CD	1A-Housing	1A/3B and 1B Interior Materials Selection
100% SD	1E-CPE	Design Development
100% DD	2E-CompField	Design Development Comp + Sports Field
90% CD	1B-Housing	Design Development
50% CD	1D-Dining	Dining Equipment List for UCM Review
50% CD	Final Utility Design Narrative	"Package 3c" Lift Station
100% CD	Mineral King Bridge	"Package 6a" Mineral King Bridge Permit
100% CD	Utilities	"Package 4b" Academic Walk POC to 1A, 1B, 1D, 1H, 2A, 2B – Utility Corridor Back Check D & E
100% DD	2D-Modular	Design Development

CONTRACT MANAGEMENT

The Developer continues to deliver both Administrative and Design Submittals in the period.

The following were issued to the Developer during the period: Four (4) Preliminary Change Orders, four (4) Unilateral Change Orders, three (3) Change Orders and seven (7) Deviation requests were approvedDuring the period, the Developer has formally submitted the following:

Relief Event Notices:

- April 1st 2017 Lateral Spreading and Increased Liquefaction for Building "A"
- April 13th 2017 Groundwater Encountered at Building 2B Pad

Relief Event Claim:

- April 14th 2017 Weather Days Delay

Objection to Relief Event Claim Rejection:

- April 27th 2017 Force Majeure event of flooding & Unknown Utility

OPERATIONS

The primary focus for Project Operations in the period continues to be budgeting and forecasting each of the key contracts to enable proactive budget management of the constrained project funds. Additional interface meetings have been scheduled with Johnson Controls (JCI).

PROJECT PROGRESS PHOTOS

Layout for First Delivery Buildings

Bldg. 2A Basement Excavation & Bldg. 1D Pad Preparation

2. PROJECT HEALTH DASHBOARD

No concerns | Unable to comment | Monitoring required | Immediate action required

Schedule	The Developer is holding to the delivery milestones in spite of slippages on both design and early construction activities primarily due to CDFW and weather impacts. The Developer's schedule update for March was reviewed and approved with minor notations for consideration in the production of the April '17 schedule update. The Developer has been requested to provide further information pertaining to the Time Impact Analysis (TIA's #1 & #2) submittals. The Developer continues to status the actual progress against the baseline schedule to show slippages and cure mitigation actions.

	Start	Finish	Slippage	Status
First Delivery	20 Jun 2016	1 July 2018	30 - Days	Potential delay
Second Delivery	15 Aug 2016	1 Jun 2019	None	On-target
Final Delivery	3 Jan 2017	1 Jun 2020	None	On-target

Cost	The Project Budget continues to be further developed by the Project Team and financial analyst. Thirty-one (31) Preliminary Change Orders (PCO) have been raised to date. Of which, nine (9) Change Orders have been issued, nine (9) Unilateral Change Orders (UCO) have been instructed, a further eleven (11) are under various stages of development and two (2) have been cancelled. The cumulative potential impact is in the order of (-$0.78m) resulting in a **net increase to contingency**. Amounts shown in table are in millions ($MM)

	Regents Approval	Transfers	Adjusted Budget	Expenditure to Date	Forecast
(A)Project Operations	$90.22	$1.14	$91.36	$5.48	$91.36
(B) Campus Integration	$22.00	(-$1.14)	$20.86	$1.38	$20.86
(C) Construction Contingency	$35.91	$0.00	$35.91	-$0.78	$35.91
(D) Construction Credits	$0.00	$0.00	$0.78	$0.00	$0.78
(E) Total	**$148.13**	**$0.00**	**$148.91**	**$6.08**	**$148.91**

Scope	Eight (8) UCOs are with the Developer for pricing, with two (2) Change Order Estimate currently under negotiation. Stakeholder requests for scope changes continue to be carefully monitored, and all issues require justification and approvals through the governance structure.

	Executed Change Orders	Change Price Requests	Forecast Changes
Quantity (No.)	9	9	11
Aggregate Cost ($k)	EST -$0.34m	EST (–$0.44)	$TBD
Annualized Cost($k)	EST $0.00m	$TBD	$TBD
Time Impact (days)	EST Nil	Nil	Nil

Developer Compliance	Regarding contract compliance by the Developer, pursuant to Article 4.7 Conditions to Commencement of Construction Work item 4.7.1 of the Project Agreement, in the absence of authorized construction permits, the CDFW opines that the Developer's "At Risk" Construction work is non-compliant with their requirements. Otherwise, design and administrative submittals are being provided in accordance with the Project Agreement requirements. No notices of noncompliance occurred during the period.
Contract Notices	1 No. Delay Relief Notice.
Labor Compliance	No issues to report.
Health & Safety	No safety issues or Lost Time Injuries (LTI) to date.
Community Engagement	No complaints have yet been reported from the construction hotline.
Communication	Communication between the Project 2020 team, external authorities, the Developer, and Stakeholders continues to work positively. A partnering meeting was successfully held on April 20th 2017.
Stakeholder Engagement	Stakeholders are actively engaged in design review and shared governance. Their concerns focus largely on campus logistics and operational use of the buildings, Each case has been addressed and will be brought to a close shortly. There were 14 Stakeholder meetings held during the period.
Risk	The Team continues to systematically evaluate areas of risk with mitigation plans for each. Current delays which are not compensated under the contract give concern that PPM cannot achieve First Delivery by the contract dates. Campus is undertaking contingency planning to consider how to minimize the impact of late delivery.