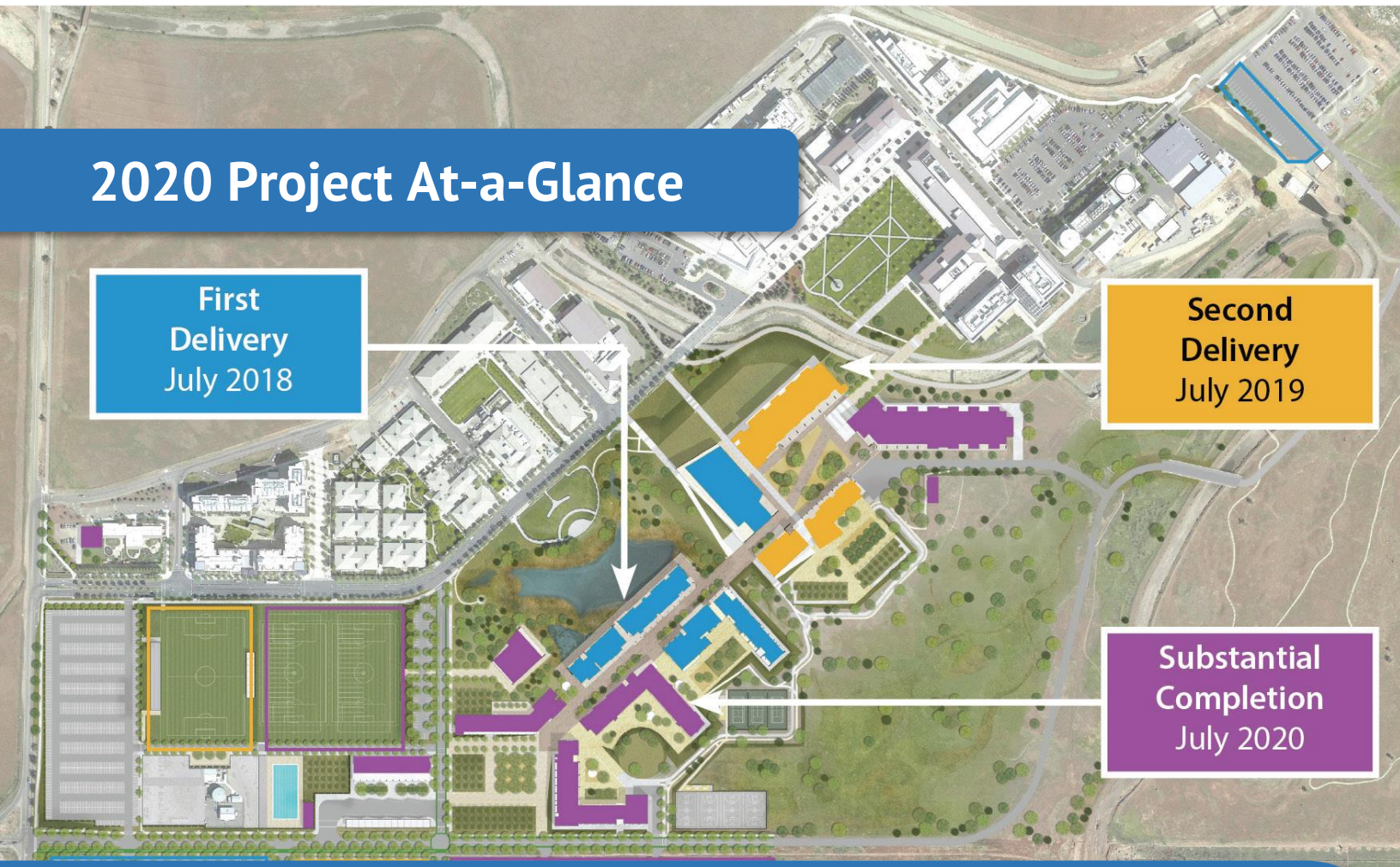
UCMERCED
UNIVERSITY OF CALIFORNIA

UNIVERSITY OF CALIFORNIA | MERCED 2020 PROJECT

PROJECT PERFORMANCE MONTHLY REPORT 11.0

PERIOD ENDING: 31 MAY 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 Webcam Site Overview May 20th 2017

PROJECT EXECUTIVE'S SUMMARY

On May 9th 2017 a major milestone was met by way of the first 1600 Application Agreement (for building 1A retaining wall) that was fully executed between the California Department of Fish and Wildlife (CDFW) and Webcor (the Contractor) and the Construction Permit was issued. During the period, the following works were undertaken:
1st Delivery - **Bldgs. 1A/3B**: Retaining wall excavation and rough grade; Foundations and soil stabilization at retaining wall and Building pad grading and soil stabilization. **Bldg. 1B**: Foundations complete, elevated placement has begun; 1st floor vertical columns are complete and 2nd floor horizontal deck prep started. **Bldg. 1H**: Structural excavation and soil stabilization of loading dock slab is complete; Form and reinforcement of Mat slab is complete and Tunnel Mat slab installation is in progress. **Bldg. 1D**: Basement wall bracing for backfill is complete; Basement waterproofing has started; Underground utility installation ongoing and Level 1 foundations are complete.
2nd Delivery Site Work is in progress for **Bldg. 2B** site grading/cut-fill/building pads and Bldg. 3A site grading/cut-fill/building pads are in progress. **P4** Underground utilities are progressing.

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 Developer continues to request the CDFW negotiate the second 1600 Application for Streambed Alteration Agreements so that this can be executed and all site grading can continue.

Trailer town is now completed and fully operational.

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. One hundred & forty-seven (147) stakeholder meetings have been held to date, to solicit input.

PROJECT CONTROLS

Schedule

The Project Team conducted a review of Developer's April '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 May '17 update. he 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 $6.58 million (4.4%) 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:

50% CD	2A-Lab	Design Development
100% CD	Utilities	"Package 4c" Academic Quad and Bridge and POC to 2A and 2B
90% CD	1H-Dock	Issue for Permit BC A
90% CD	1D0Dining	DSA Review / Final Permit Set
100% DD	2B-CompLab	Design Development
90% CD	1A-Housing	Issue for Permit
90% CD	1B-Housing	Permit Back Check B
100% CD	Utilities	"Package 4b1" T1 Retaining Wall PC 2
50% CD	2E-CompField	Design Development
90% CD	Utilities	"Package 3c" Lift Station
50% SD	3K-Pool	Comp Pool Swimming Event Analysis

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: Six (6) Preliminary Change Orders, one (1) Unilateral Change Order, six (6) Change Orders and two (2) Deviation requests were approved During the period, the Developer has formally submitted the following:

Relief Event Notices:

- May 11th Groundwater Encountered at Building 2B Pad Update
- May 26th TIA#3 Buildings 1B & 1D Cumulative Adverse Weather 14th 2017 Weather Days Delay

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

5/16/2017: and 5/30/2017: Basement of 1D Dining

5/16/2017: Subgrade utilities for Academic Walk

5/16/2017: Housing Building 1B, Academic Walk and Housing 1A3B grading

5/30/2017: 1D Dining building footing progress

5/30/2017: Subgrade site conduits

5/16/2017

5/23/2017

5/30/2017

Northeast Corner of 1B, Clockwise: Foundation slab pouring; column and sheer wall formwork; cured concrete with formwork removed

5/16/2017 and 5/30/2017: 1H Loading Dock and Tunnels to 1D and 2B

2. PROJECT HEALTH DASHBOARD

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

Schedule	During the period, the Developer has presented 1st Delivery Mitigation Schedule Concepts which are being further refined for consideration by the Project Team. The Developer's schedule update for April was reviewed and approved with notations for consideration in the production of the May '17 schedule update. The Developer has provided the requested meteorological records data to the Time Impact Analysis (TIA's #1 & #2) submittals. The Project Team is currently reviewing this information. 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-five (35) Preliminary Change Orders (PCO) have been raised to date. Of which, fourteen (14) Change Orders have been issued, nine (9) Unilateral Change Orders (UCO) have been instructed, a further ten (10) are under various stages of development and two (2) have been cancelled. The cumulative potential impact is in the order of (-$0.77m) resulting in a **net increase to contingency**. Amounts shown in table are in millions ($MM)

	Regents Approval	Transfers	Adjusted Budget	Expenditure to Date	Forecast
(A)Project Operations	$90.22	$1.14	$91.36	$5.80	$91.36
(B) Campus Integration	$22.00	(-$1.14)	$20.86	$1.55	$20.86
(C) Construction Contingency	$35.91	$0.00	$35.91	-$0.77	$35.91
(D) Construction Credits	$0.00	$0.00	$0.77	$0.00	$0.77
(E) Total	**$148.13**	**$0.00**	**$148.90**	**$6.58**	**$148.90**

Scope	Seven (7) UCOs are with the Developer for pricing, with two (2) Change Order Estimates currently agreed and will be executed imminently. 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.)	16	7	12
Aggregate Cost ($k)	EST (-$1.22m)	EST $0.45	$TBD
Annualized Cost($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 for the entire site, the CDFW opines that the Developer's "At Risk" Construction work is non-compliant with their requirements. It is also noted that in the absence of the MID permit that commencement of the Mineral King Bridge foundations is also considered as Developer "At Risk" work. 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.
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 6 (six) 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.