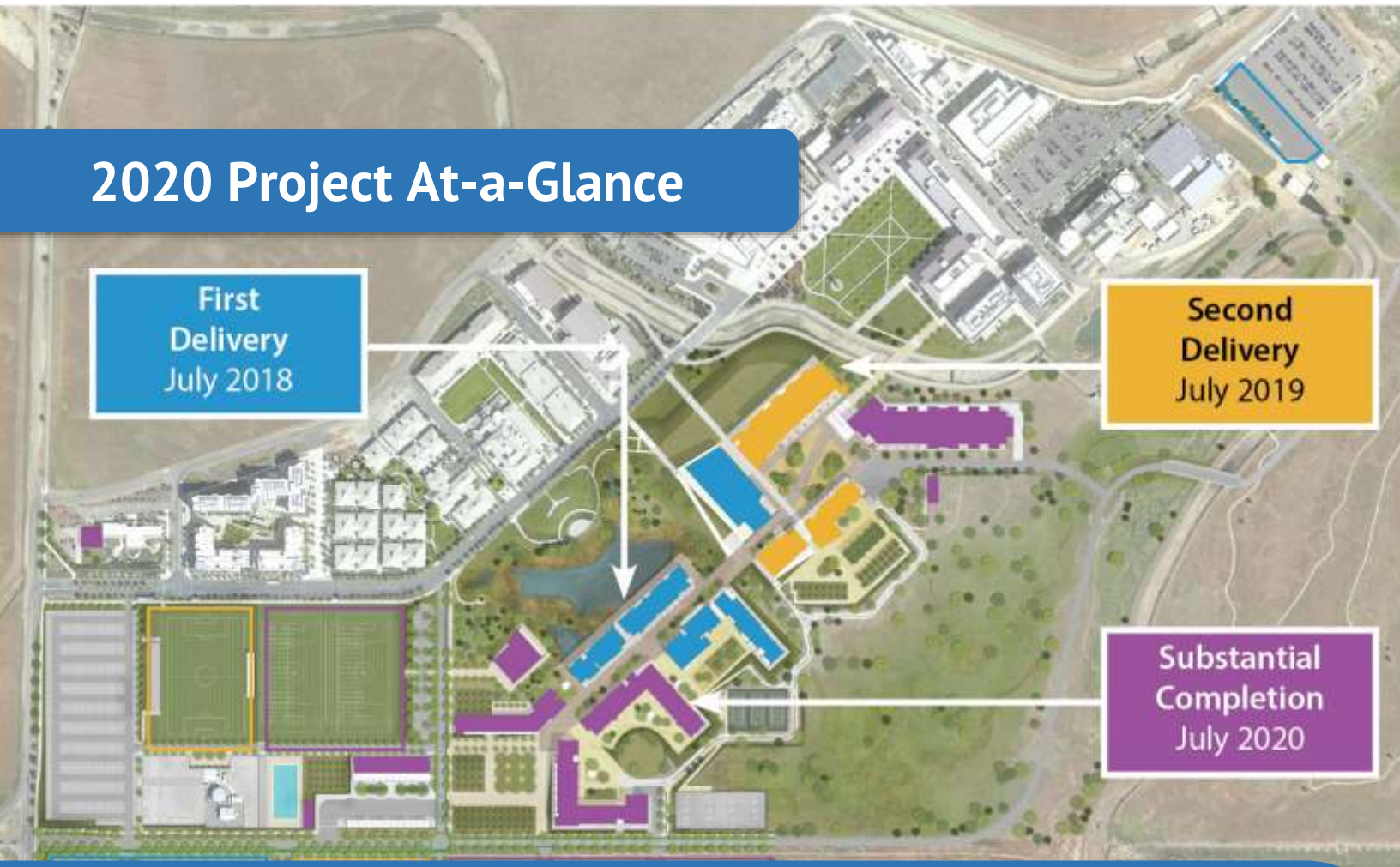
UCMERCED
UNIVERSITY OF CALIFORNIA

UNIVERSITY OF CALIFORNIA | MERCED 2020 PROJECT

PROJECT PERFORMANCE MONTHLY REPORT 14.0

PERIOD ENDING: 31 AUGUST 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 12, 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 August 31st 2017

PROJECT EXECUTIVE'S SUMMARY

During the Month of August, the Project Team has made good and unencumbered progress Sitewide. Construction activities during the period included the following:

1A/3B retaining wall: Retaining wall vertical sections were completed. The Little Lake bed area will also be graded to the wall and restored for upcoming winter season.

Building 1H: Upper mat foundation, North and partial West walls were poured this month. The 1D tunnel close-up foundation was poured and the walls formed. The 2A tunnel roof was completed and is now ready for the close-up pour to begin after the 2A shotcrete is completed at the beginning of September. Bracing has begun and waterproofing and backfill will start at the end of the month.

P4 Parking Lot: Light pole bases will be complete by the end of August. Approximately 50% of the parking stall rock has been placed, as well as approximately 50% of the French drains installed. The parking lot has been split into two turnovers, approximately 70% of the lot will be turned over after the Thanksgiving Break. The remaining 30% is being used for construction employee parking and will be turned over at Substantial Completion.

Lake and Bellevue Intersection: Electrical signal conduits, curb and gutter, grinding, paving, striping, signage, and the jogging path were all completed on August 17.

Mineral King Bridge: The North and South abutments were completed and girders have been placed. The diaphragms will be completed in September and the utilities will begin.

Site Utilities: The redesign of storm drain (SD) down Bellevue was completed this month. The previously installed SD has been demolished and new pipe is going in. The sewer lift station has been excavated and set, and sewer lines installed from the lift station to 3A.

Building Pad for 3D will be completed by the end of August.

Early Winter site preparation has begun throughout the site. Cottonwood Meadow is taking shape, and Academic Walk has been lime treated.

GOVERNANCE & OVERSIGHT

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

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 & sixty-five (165) stakeholder meetings have been held to date, to solicit input. Presently, One-hundred and sixty-seven (167) design submittals have been received (159 completed and 8 in progress).

PROJECT CONTROLS

Schedule

The Project Team conducted a review of Developer's July '17 Schedule Updates in comparison to the Baseline Schedule V3. The schedule was accepted with notations. The Developer also submitted the August '17 schedule update which is under review. The Project Team engages with the Developer on a weekly basis to monitor the first and second delivery schedules to identify potential impacts and review the Developer's mitigation plans that are being implemented 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 $10.14 million (6.8

%) of total forecast. Careful measures continue to be enacted in the consideration of Change Requests 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:

90% CD	1H Loading Dock	Permit Set Back Check C
90% CD	2A Laboratory	Permit Set
90% CD	1D Dining	Permit Set Back Check 2
50% CD	3C Housing	Design Development
90% CD	Utilities	Site Package 3c Sanitary Lift Station Back Check 1
50% CD	Utilities	Site Package 6b Loop Road Bridge

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: Two (2) Preliminary Change Orders were approved and issued. Also, during the period, the Developer has formally submitted the following:

Relief Event Responses:

- August 15th – Written Appeal to Relief Event Decision – Liquefaction & Lateral Spreading at Building 1A

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

Site Ariel's – 8/31/17

Site Panorama – 8/3/17

Site Panorama – 8/16/17

1B Housing / 1A/3B Housing – 8/9/17

1H Loading Dock – 8/3/17

1H Loading Dock – 8/16/17

2A Lab Basement Mat-Slab – 8/3/17

2A Lab Basement Mat-Slab & Shoring – 8/16/17

2A Lab Slab on Grade Footing Pour – 8/3/17

2A Lab Shear Wall / Columns Rebar, Footings – 8/16/17

1B Housing Level Four Column Rebar 8/9/17

1B Housing Level One Framing – 8/16/17

1A/3B Housing Shear Wall & Column Rebar – 8/3/17

1A/3B Housing Shear Wall & Column Pours – 8/9/17

1A/3B Housing Level One Decking – 8/16/17

1A/3B Housing / Little Lake Retaining Wall - 8/23/17

1D Dining Structural Steelwork – 8/9/17

1D Dining Structural Steelwork Framing – 8/23/17

1D Dining Tunnel to 3H Loading Dock – 8/3/17

1D Dining Tunnel to 3H Loading Dock – 8/23/17

P4 Parking Lot – 8/3/17

P4 Parking Lot - 8/23/17

2. PROJECT HEALTH DASHBOARD

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

Schedule	During the period, the Project Team approved the Developer's July 2017 Schedule updates with notations. The August 2017 Schedule update was also submitted for review. The Developer continues to status the actual progress against the baseline schedule to show slippages and cure mitigation actions and the Project Team is actively engaged with the Developer on a weekly basis to monitor the milestone activities with an emphasis on the project first and second deliveries.

	Start	Contractual Finish	Potential Finish	Slippage	Status
First Delivery	20 Jun 2016	1 July 2018	6 Aug 2018	36 - Days	Potential delay
Second Delivery	15 Aug 2016	1 Jun 2019	1 June 19	None	On-target
Final Delivery	3 Jan 2017	1 Jun 2020	1 June 19	None	On-target

Cost	The Project Budget continues to be further developed by the Project Team and Financial Analyst. Fifty-five (55) Preliminary Change Orders (PCO) have been raised to date, of which, twenty-one (21) Change Orders have been issued, five (5) Unilateral Change Orders (UCO) have been instructed, a further twenty-seven (27) are under various stages of development and two (2) have been cancelled. The cumulative potential impact of all authorized changes is in the order of $0.06m resulting in a **net decrease to contingency**. Amounts shown in table are in millions ($MM)

	Regents Approval	Transfers	Adjusted Budget	Expenditure to Date	Forecast
(A)Project Operations	$90.22	(-$2.15)	$88.07	$7.89	$88.14
(B) Campus Integration	$22.00	$2.15	$24.15	$2.19	$24.08
(C) Construction Contingency	$35.91	$0.06	$35.85	$0.06	$35.85
(D) Construction Credits	$0.00	$0.00	$0.00	$0.00	$0.00
(E) Total	**$148.13**	**$0.06**	**$148.07**	**$10.14**	**$148.07**

Scope	Currently five (5) UCOs are with the Developer and are in various stages of review and negotiations. 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.)	21	5	27
Aggregate Cost ($k)	EST (-$1.29m)	EST $1.35	$TBD
Annualized Cost($k)	EST $0.00m	$TBD	$TBD
Time Impact (days)	EST Nil	Nil	Nil

Developer Compliance	OPEN/NEW NON-CONFORMANCE ISSUES - Water stop issue #9 is still outstanding and the team is working on a solution to close. - Mat slab at building 2A and retaining wall issue is outstanding. The Team is working on a solution to close the issue. Cores have been taken at areas of cold joints and the results are pending for determining the next steps.
Contract Notices	1 No. Delay Relief Notice response from the Developer in the period.
Labor Compliance	No issues to report.
Health & Safety	1 Recordable First Aid Injury No Lost Time Injuries (LTI) to date. Webcor now have a full-time paramedic on site assisting the safety team and is also available to provide help in cases of emergency.
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 5 (five) 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.