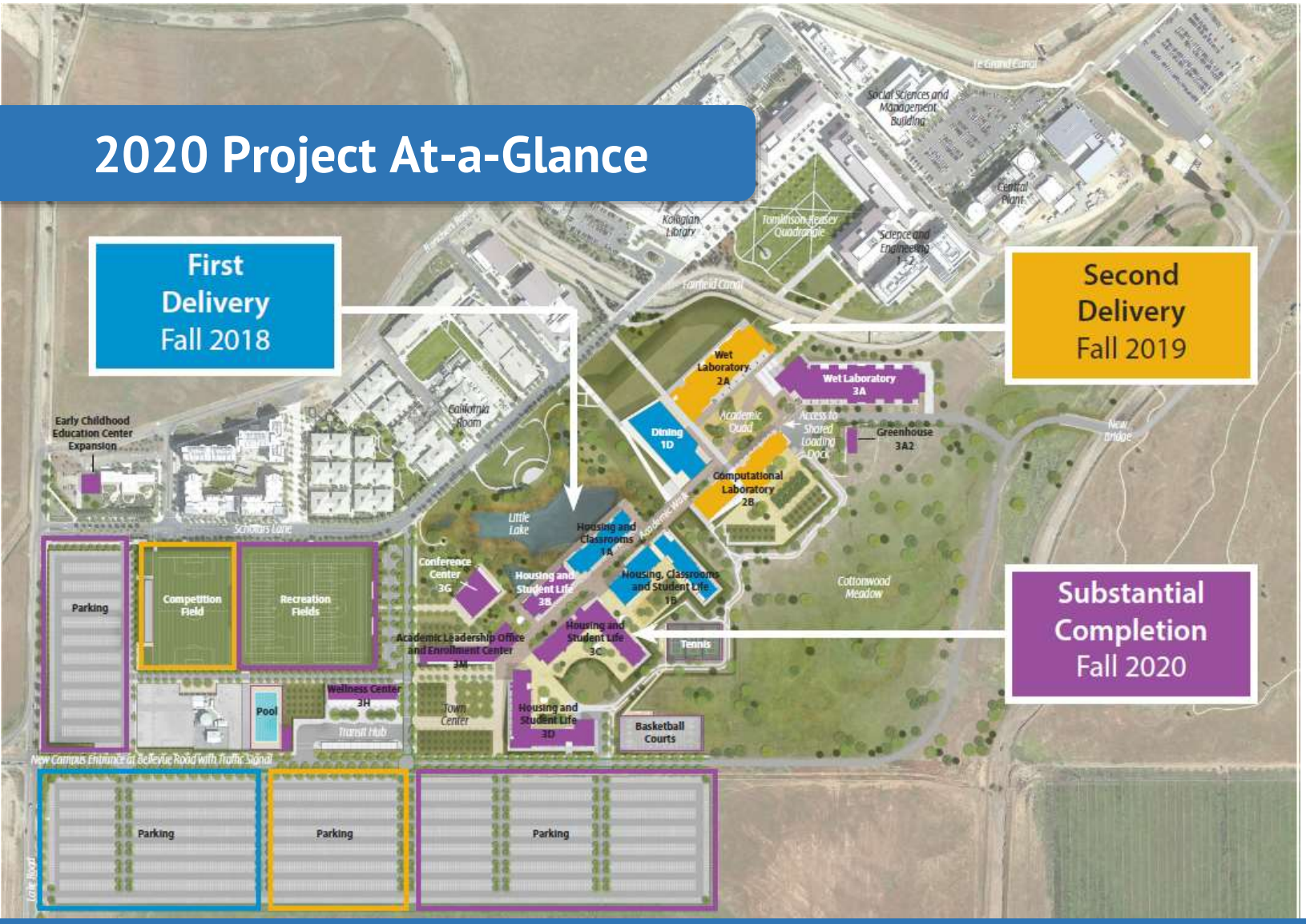
UCMERCED
UNIVERSITY OF CALIFORNIA

UNIVERSITY OF CALIFORNIA | MERCED 2020 PROJECT

PROJECT PERFORMANCE MONTHLY REPORT 15.0

PERIOD ENDING: 30 SEPTEMBER 2017

2020 Project At-a-Glance



Team

Owner's Authorized Representative & Project Executive
- AVC Michael McLeod (POPD)

Lead Project Manager
- Paul Mackintosh (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 September 30th 2017

PROJECT EXECUTIVE'S SUMMARY

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

1A/3B Retaining Wall: The retaining wall has been backfilled with cement treated material. The Little Lake grading and restoration activities have begun in preparation for the upcoming winter season.

Building 1H: The 1D tunnel close-up walls and ceiling were poured. The 2A tunnel close-up was completed after the Building 2A Shotcrete walls were completed. Bracing installation has been completed with waterproofing and backfill continuing through the end of the month.

Building 2B: The shoring wall girder install is complete with the lagging being installed in 5-foot lifts. The Crane Pad for Building 2A has been completed, with the foundation in progress.

Central Plant Expansion/ Building 2D: Chilled Water Lines have been installed through the Building 2D Server area which allows the grading and Building Pad preparation to begin next month.

P4 Parking Lot: Light Pole erection is complete. Placing of rock, installation of French Drains, Curb, and the paving of the drive aisles for the first turnover area is complete. Hose Bib and pull box setting and installation began in September. Pay station and Blue Light installation in the UC area of P4 began mid-September.

Lake and Bellevue Intersection: The rework of the storm drain line running the length of Bellevue along with the accompanying clash repair work was completed. Subgrade for Bellevue road has been achieved, Curb and Gutter has been installed, and sidewalk/bike path flatwork has begun. Light Pole base and irrigation sleeve installation North of P4 has been completed. Rumble strips and striping have been completed in the Lake and Bellevue intersection.

Lift Station: Plumbing and Electrical work continues the Lift Station with an expected completion in early October.

Mineral King Bridge: Utility installation crossing the Mineral King Bridge began and will continue into October.

Site Utilities: Water and sewer lines are completed and the Storm Drain Reroute is in progress North of Building 3A. Utilities West of Building 3D commenced and the grease oil interceptor for Building 1D was installed.

The Site team has begun implementing the Winterization plan including: water retention strategies, temporary piping pathways, and lime treatment, delineation, and cleanup of access roads.

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 & seventy (170) stakeholder meetings have been held to date, to solicit input. Presently, One-hundred and seventy-six (176) design submittals have been received (168 completed and 8 in progress).

PROJECT CONTROLS

Schedule

The Project Team conducted a review of Developer's Septembers '17 Schedule Update in comparison to the Baseline Schedule V3. The schedule was accepted with notations for the Developer's consideration in the production of the October '17 update.

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 $12.96 million (8.75%) 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:

50% CD	2B Lab	Design Development
90% CD	1A/3B Housing	Issue for Permit Back Check B
100% CD	1H Loading Dock	Issue for Permit Back Check D
50% CD	2D Modular	Design Development
90% CD	1D Dining	EHS Review Back Check 2
90% CD	Utilities	Package "4d" Remaining Utilities
100% CD	P4 Parking Lot	Back Check #3

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: Seven (7) Preliminary Change Orders and three (3) Unilateral Change Orders. Also, during the period, the Developer has formally submitted five (5) Developer Change Proposals which are currently under review.

There were no Relief Event notices or claims submitted in the period by the Developer.

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 continue with Johnson Controls (JCI).

PROJECT PROGRESS PHOTOS

Site Panorama – 9/6/17

Site Panorama – 9/21/17

1D Dining Structural Steel – 9/6/17

1D Dining – 9/6/17

1D Dining– 9/21/17

1 D Dining – 9/13/17

1D Dining– 9/26/17

Bridge to Existing Campus – 9/6/17

Bridge to Existing Campus – 9/6/17

Lab 2B Ground Floor Column & Shear Wall – 9/13/17

Lab 2B Ground Floor Column & Shear Wall – 9/26/ 17

Lab 2B Basement – 9/13/17

Lab 2B Basement with Decking– 9/21/17

1B Housing – 9/21/17

1B Housing Framing & Overhead Utilities - 9/13/17

Exterior Mockup – 9/21/17

1H Loading Dock – 9/26/17

1A/3B Housing, 3B 2nd Floor Decking – 9/13/17

1A/3B Housing, 3rd Floor Decking – 9/21/17

P4 Parking Lot – 9/28/17

P4 Parking Lot – 9/28/17

2. PROJECT HEALTH DASHBOARD

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

Schedule	During the period, the Project Team reviewed the Developer's September 2017 Schedule update and added notations for the Developer to reconcile in the October update. 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-six (56) Preliminary Change Orders (PCO) have been raised to date, of which, twenty-one (21) Change Orders have been issued, nine (9) Unilateral Change Orders (UCO) have been instructed, a further nineteen (19) are under various stages of development and eight (8) have been cancelled. In addition, 5 Developer Change Proposals (DCP) have been approved at nil cost. The cumulative potential impact of all authorized changes is in the order of $1.65m resulting in a **net decrease to contingency**. Amounts shown in table are in millions ($MM)

	Regents Approval	Transfers	Adjusted Budget	Expenditure to Date	Forecast
(A)Project Operations	$90.22	(-$2.15)	$88.07	$9.03	$88.07
(B) Campus Integration	$22.00	$2.15	$24.15	$2.28	$24.15
(C) Construction Contingency	$35.91	$1.65	$35.91	$1.65	$35.91
(D) Construction Credits	$0.00	$0.00	$0.00	$0.00	$0.00
(E) Total	**$148.13**	**$1.65**	**$148.13**	**$12.96**	**$148.13**

Scope	Currently nine (9) 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	9	19
Aggregate Cost ($k)	EST (-$1.29m)	EST $2.94	$TBD
Annualized Cost($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	None from the Developer in the period.
Labor Compliance	No issues to report.
Health & Safety	In the period: Recordable Injury - 1 First Aid -3 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.