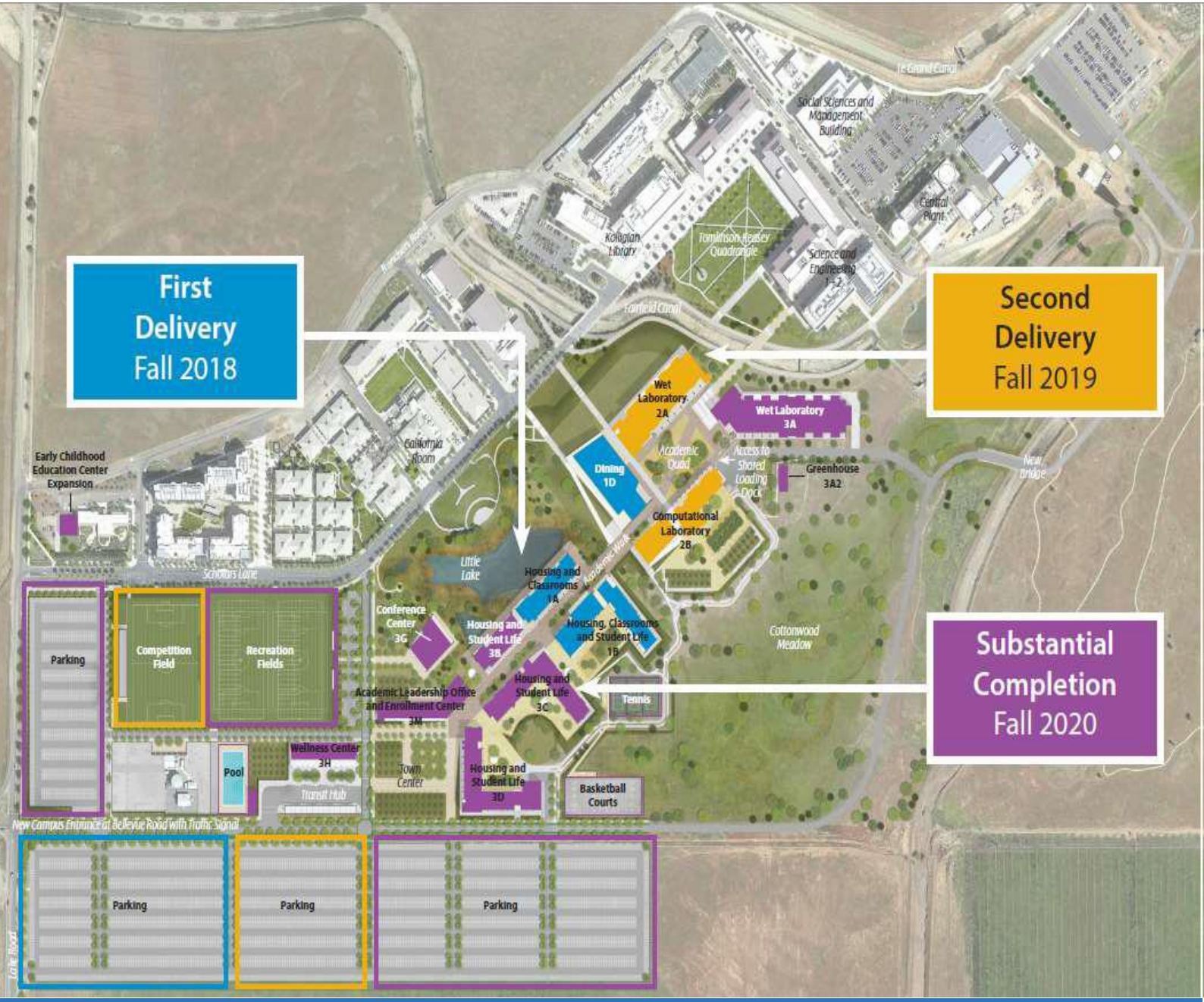
# UNIVERSITY OF CALIFORNIA | MERCED 2020 PROJECT

## PROJECT PERFORMANCE MONTHLY REPORT 20.0

PERIOD ENDING: 28 FEBRUARY 2018




## Team

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

**Lead Project Manager**
- Paul Mackintosh (WT Partnership)

**Developer/Project Co:**
- 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

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## Purpose of Report

This report is provided for the benefit of the Leadership Team, executive-level reporting, and historical record, in the on-going management of the University of California, Merced 2020 Project. It includes observations about project activities, project health, Developer performance, risk, and process improvement opportunities.

[Parenthesis] - Square brackets are utilized within the document to illustrate an opinion founded on information available at the time of writing. It affords the author and the Project Team the opportunity to review the conclusion following discussion and liaison, where relevant, revising following initial issue for finalization.

## Document Control

| | | | | | |
|---|---|---|---|---|---|
| Report Title | UC Merced 2020 \| Project Performance Report 20.0 | | | | |
| Doc ID | 2020 Project Performance Report 20 February 2018 (Campus) | | | Project Ref | Z830PUA026 |
| Client | University of California, Merced | | | | |
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| Rev | Date | Details | Author | Verifier | Approver |
| | 3/23/2018 | Draft Report | RW | PM | MJM |

# 1. EXECUTIVE SUMMARY

## PROJECT EXECUTIVE'S SUMMARY

The Project is currently tracking four (4) months out from Occupancy Readiness of First Delivery buildings and construction activity is running at full pace ensuring all remaining deliverables and finishes are finalised. The Developer and UCM Project Teams continue to work through final contractual and compliance requirements in anticipation of this.

## GOVERNANCE & OVERSIGHT

Per previous reports the Project Team continues to liaise with the Governance Board and Office of General Council (OGC) on project issues. Three Governance Board meetings were held during the period where a variety of Change Orders and project issues were reviewed and discussed.

## DESIGN & CONSTRUCTION

Design for First Delivery Buildings is complete, as is Structural Design for Second Delivery Buildings and Building 3C and 3D Third Delivery Buildings.

During the February 2018 period, the Design Review Team received six (6) design submittals and twenty-two (22) Requests for Information (RFI) from the Developer finalising details for First Delivery FF&E and design work for Second and Third Delivery Greenhouse and labs.

Initial discussions were also held between the Developer, Johnson Controls, and University Stakeholders to effectively plan for measuring and verifying energy use against energy targets being set for each 2020 facility.

The Construction Team's focus during February remained on progressing the P5 Parking Lot, Competition Field, 2D Server Building, Loop Road Bridge, Hardscape, Landscape, and Permanent Power for First Delivery facilities. At the time of writing this report, construction progress for First Delivery Buildings stands at 1D 68%, 1B 68%, and 1A 60%.

## PROJECT CONTROLS

### Schedule

The Developer's February 2018 Schedule Update was received and is currently under review. Initial insights show that the Project's First Delivery schedule has gained approximately four (4) working days over the reporting period, this coupled with the improvement over January 2018 signifies a positive trend that has been deficient from the Project trend since June 2017.

Revised First Delivery Occupancy Readiness dates are currently under review. The proposed dates are as follows:

- 1D Dining – 1st July 2018;
- 1B Housing – 25th July 2018; and
- 1A Housing – 6th August 2018.

### 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 $17.25 million (11%) of total forecast. Careful measures

continue to be enacted in the consideration of Change Requests to mitigate impacts and avoid budget overspends.

## CONTRACT MANAGEMENT

The Developer continued to deliver both Administrative and Design Submittals during the February 2018 period. The following change management items were also delivered to the Developer during the month: two (2) Preliminary Change Orders, four (4) Unilateral Change Orders and six (6)) Change Orders. One (1) adverse weather delay days were signalled by the Developer for the month and may be submitted by the owner in the future. The Project Team will note this as one (1) of the seventeen (17) days allocated in the Schedule.

The Project safety record is still tracking well and a credit to the Builder with nine (9) First Aids and one (1) Recordable during February. Furthermore, no instances of contractual, inspection or environmental non-compliance were recorded during the period.

We have now entered bird nesting season and the site Biologists are regularly monitoring for any nesting activity. The Developer has engaged a Falconer to visit the site as a visual deterrent for any birds looking to nest on site.

## OPERATIONS

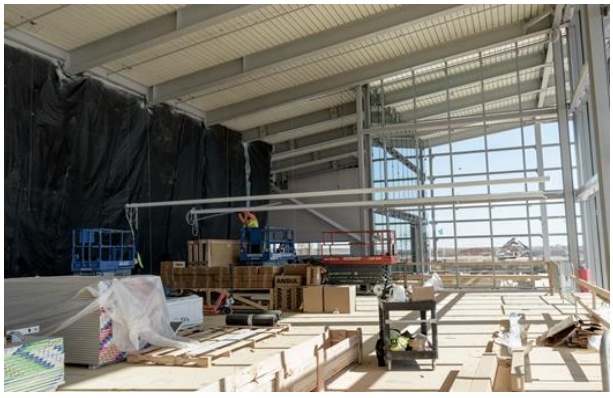
The primary focus for Project Operations in the period continued to be schedule management, budgeting. and forecasting each of the key contracts to enable proactive budget management of the constrained Project funds.

## PROJECT PROGRESS PHOTOS

***Progress Photo 1.*** *Partial Site Panorama, February 7th 2018*

***Progress Photo 2.*** *1D Dining Glazing, February 7th 2018*

***Progress Photo 3.*** *1D Dining Glazing, February 21st 2018*



***Progress Photo 4.*** *1D Dining Ballast, February 21st 2018*

***Progress Photo 5.*** *1B Housing Stucco, February 7th 2018*

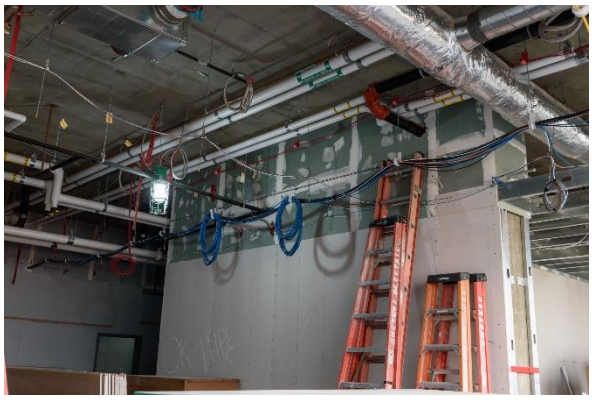
***Progress Photo 6.*** *1B Housing Painted, February 21st 2018*

***Progress Photo 7.*** *2A Lab, February 7th 2018*

***Progress Photo 8.*** *2A Lab, 21st February 2018*

***Progress Photo 9.*** *Lab 2A, February 21st 2018*

***Progress Photo 10.*** *1H Loading Dock, February 7th 2018*



***Progress Photo 11.*** *1B Housing Cabling, February 7th 2018*

***Progress Photo 12.*** *1B Classroom Glazing, February 21st 2018*

***Progress Photo 13.*** *Academic Walk, February 21st 2018*

***Progress Photo 14.*** *3A Lab Grading, February 7th 2018*

# 2. PROJECT HEALTH DASHBOARD

No concerns  Unable to comment  Monitoring required  Immediate action required

| | |
|---|---|
| *Schedule* | Activities occurring on the Critical Path (CP) have remained constant at 24% of all remaining activities being critical over the reporting period with the peak intensity occurring Q2-2018 to Q3-2019. |

| | Start | Contractual Finish | Potential Finish | Slippage | Status |
|---|---|---|---|---|---|
| *First Delivery* | 20 Jun 16 | 1 July 18 | 6 Aug 18 | 36 Days | On target |
| *1A - Housing* | 20 Jun 16 | 1 July 18 | 6 Aug 18 | 36 Days | On target |
| *1B - Housing* | 20 Jun 16 | 1 July 18 | 25 July 18 | 24 Days | On target |
| *1D - Dining* | 20 Jun 16 | 1 July 18 | 1 July 18 | Nil | On target |
| *Second Delivery* | 15 Aug 16 | 1 Jun 19 | 1 Jun 19 | None | On target |
| *Final Delivery* | 3 Jan 17 | 1 Jun 20 | 1 Jun 19 | None | On target |

| | |
|---|---|
| *Cost* | The Project Budget continues to be further developed by the Project Team and Financial Analyst. To date, fifty-seven (57) Preliminary Change Orders (PCO) have been issued, twelve (12) of which were cancelled and two (2) on hold pending alternative design solutions. Forty-three (43) Change Orders (CHO), thirty-seven (37) Unilateral Change Orders (UCO) have also been issued to date. No new Developer Change Proposals (DCP) have been approved. The cumulative potential impact of all authorized changes (also known as Unilateral Change Orders) is in the order of $9.15m. Amounts shown in table are in millions ($MM). |

| | Regents Approval | Transfers | Adjusted Budget | Expenditure to Date | Pending Committed Costs | Remaining Budget |
|---|---|---|---|---|---|---|
| *(A)Project Operations* | $90.22 | (-$2.15) | $88.07 | $12.35 | $0.00 | $75.71 |
| *(B) Campus Integration* | $22.00 | $2.15 | $24.15 | $4.89 | $0.00 | $19.25 |
| *(C) Construction Contingency* | $35.90 | $0.00 | $35.90 | $0.00 | $12.66 | $23.24 |
| *(D) Construction Credits* | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| *(E) Total* | **$148.13** | **$0.00** | **$148.13** | **$17.25** | **$12.66** | **$118.22** |

| | |
|---|---|
| *Scope* | February saw the issuance of six (6) items to final agreed Change Order. The Owner is currently analyzing and reconciling costs with the Developer on the remaining open items. It is the Project Team's continued opinion that the change process is still working effectively to filter scope creep. Any Change Orders that are being implemented, continue to undergo rigorous and substantive business case analysis and Governance approval. |

| | Total Executed Change Orders | Total Unilateral Change Orders | Total Preliminary Change Orders |
|---|---|---|---|
| *Quantity (No.)* | 43 | 37 | 57 |
| *Aggregate Cost ($k)* | EST $3.36m | EST $9.30m | $TBD |
| *Time Impact (days)* | Nil | Nil | Nil |

| | |
|---|---|
| *Developer Compliance* | No new non-conformance issues were raised for the month of February 2018. |
| *Contract Notices* | None from the Developer in the period. |
| *Labor Compliance* | No issues to report. |
| *Health & Safety* | In the period:<br>Recordable Injuries – 1<br>First Aid – 9<br>No Lost Time Injuries (LTI) to date.<br>Webcor continue to have a full-time paramedic on site assisting the safety team and is also available to provide help in cases of emergency. |
| *Community Engagement* | Concerns were raised regarding driving conduct of Project contractors outside of the site were received and forwarded to the Webcor email address for assessment. |
| *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. They continue to focus on campus logistics and operational use of the buildings particularly in the lead up to First Delivery. Each case has been addressed and will be brought to a close imminently. There were twelve (12) stakeholder meetings held during the February 2018. |
| *Risk* | The Team continues to systematically evaluate areas of risk with mitigation plans for each. Presently the Developer remains on schedule to achieve First Delivery, however Campus continues to proactively undertake contingency planning should schedule slippages occur. |