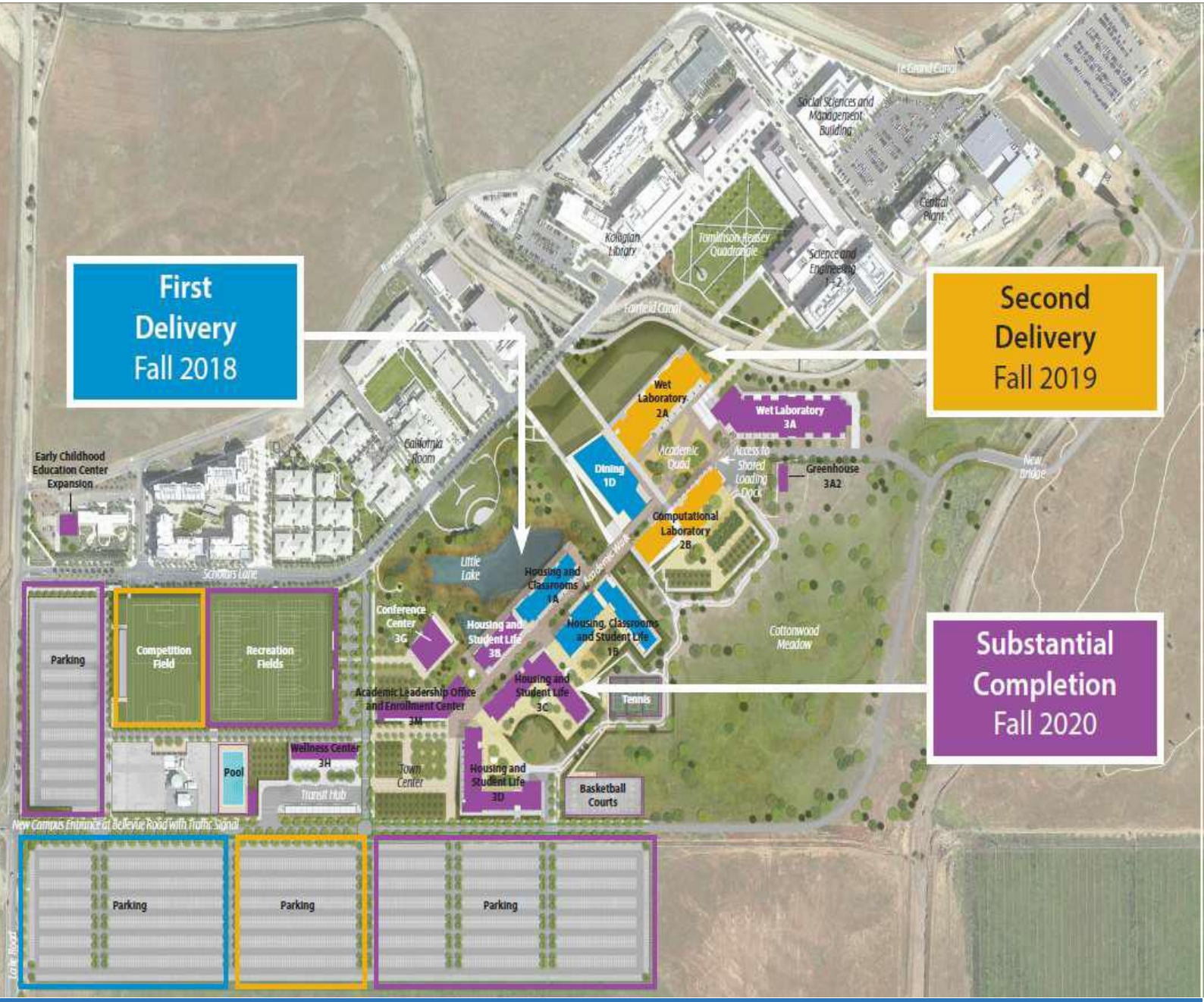
UNIVERSITY OF CALIFORNIA | MERCED 2020 PROJECT

PROJECT PERFORMANCE MONTHLY REPORT 21.0

PERIOD ENDING: 31 MARCH 2018



Team

Owner's Authorized Representative & Project Executive
- VC/COO 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
- August 6, 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

Table of Contents

1. EXECUTIVE SUMMARY 4
2. PROJECT HEALTH DASHBOARD 9

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 21.0				
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	5/3/2018	Draft Report	RW	PM	MJM

1. EXECUTIVE SUMMARY

PROJECT EXECUTIVE'S SUMMARY

The Project is currently tracking 3 months out from First Delivery handover, and all efforts are focused on meeting Occupancy Readiness deadlines. Commissioning activities have been scheduled in the lead up to building finalisation and their progress will be covered in subsequent reports over the coming months. The University also welcomed Jones Lang LaSalle to the Project Team during the period who will work with the Developer to provide operational support and coordination to ensure the successful transition from construction to operation of First Delivery Facilities.

GOVERNANCE & OVERSIGHT

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 activities for the period mainly focused on the design finalization of 2D Research Server and Landscaping along with the coordination of site infrastructure for Third Delivery buildings. Competition / Recreation Fields and P1 and P5 Parking Lots were also reviewed by CBO and proceeded with IFC documentation. A resolution to the storm water detention basin associated with P4 Parking Lot was presented to and review by the UC Project Team and a meeting had been scheduled to discuss available options.

From a total of three hundred and fifty-nine (359) Requests for Information (RFI) / Owner Questions, twenty-two (22) were received during the month, and nine (9) new design submittals were reviewed by the Project Team.

Construction activities during the month focused on the provision of permanent power and IT to First Delivery Buildings and the foundation work for Building 3C Housing and Loop Road Bridge. Site and building specific construction activities are further detailed in Section 5 of this report. At the time of writing this report, construction progress for First Delivery Buildings stands at 1D 80%, 1B 80%, 1A 76%.

PROJECT CONTROLS

Schedule

The Project continues to track well towards the revised First Delivery dates. If final fit-off to mechanical, inspection works, and pre-commissioning activities occur early enough to mitigate any fault-finding downtime then the delivery of Buildings 1A Housing, 1B Housing and 1D Dining are expected to remain on track.

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 currently stands at $18.25 million (12%) of the 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 period. The following change management items were also delivered to the Developer during the month: one (1) Preliminary Change Orders, four (4) Unilateral Change Orders and one (1) Change Order. Six (6) 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 six (6) of the seventeen (17) days allocated in the Schedule.

The project safety record is still tracking well with nine (9) First Aid event. No instances of contractual, inspection or environmental non-compliance were recorded during the period.

Nesting bird activity increased on the site during the period and by the end of the month three birds were observed sitting on eggs within the project limits. The Developer continues to ensure all federal and state laws that prohibit the take of nesting birds are followed with the help of avian biologists 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.

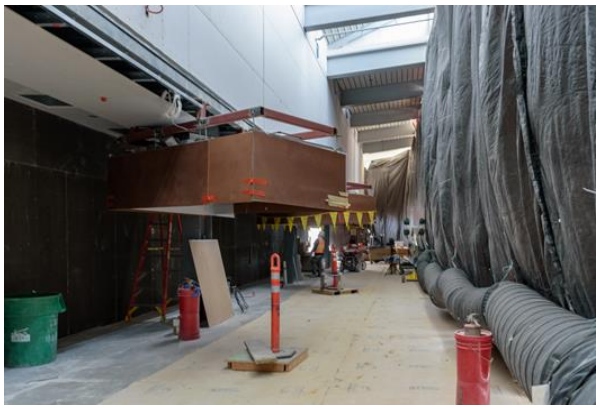
PROJECT PROGRESS PHOTOS

Progress Photo 1. *1B Housing Hardscape 8th March 2018*

Progress Photo 2. *1B Housing Bathroom 14th March 2018*

Progress Photo 3. *1D Dining Back of House 8th March 2018*

Progress Photo 4. *1D Dining Private Dining 8th March 2018*



Progress Photo 5. *1D Dining Fume Hoods 8th March 2018*

Progress Photo 6. *1D Dining Access Road 8th March 2018*

Progress Photo 7. *3A Lab Footing 8th March 2018*

Progress Photo 8. *3A Lab Footing 14th March 2018*

Progress Photo 9. *2A Lab Framing 8th March 2018*

Progress Photo 10. *Temporary Loading Dock 14th March 2018*

Progress Photo 11. *2B Footing 14th March 2018*

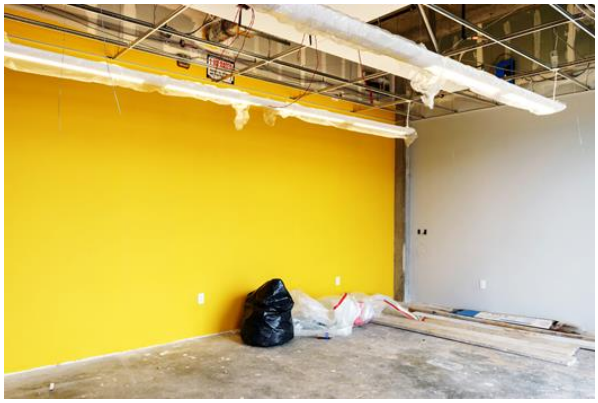
Progress Photo 12. *Lab Fume Hood Mockup 28th March 2018*

Progress Photo 13. *Loop Road Bridge 7th March 2018*

Progress Photo 14. *Loop Road Bridge 29th March 2018*

Progress Photo 15. *3C Housing Footing 14th March 2018*

Progress Photo 16. *Housing Structural Formwork 28th March 2018*



Progress Photo 17. *1B Housing Classroom 14th March 2018*

Progress Photo 18. *1A Housing Classrooms 28th March 2018*

2. PROJECT HEALTH DASHBOARD

No concerns Unable to comment Monitoring required Immediate action required

Schedule	The project is tracking well towards the revised First Delivery dates. If final fit-off to mechanical, inspection works, and pre-commissioning activities occur early enough to mitigate any fault-finding downtime then the delivery of Buildings 1A Housing, 1B Housing and 1D Dining.

	Start	Contractual Finish	Potential Finish	Slippage	Status
First Delivery	20 Jun 2016	1 July 2018	6 Aug 2018	36 Days	On target
1A - Housing	20 Jun 2016	1 July 2018	6 Aug 2018	36 Days	On target
1B - Housing	20 Jun 2016	1 July 2018	25 July 2018	24 Days	On target
1D - Dining	20 Jun 2016	1 July 2018	1 July 2018	Nil	On target
Second Delivery	15 Aug 2016	1 Jun 2019	1 Jun 19	None	On target
Final Delivery	3 Jan 2017	1 Jun 2020	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-five (55) Preliminary Change Orders (PCO) have been issued, thirteen (13) of which were cancelled and one (1) remaining on hold pending alternative design solutions. Forty-four (44) Change Orders, forty-one (41) Unilateral Change Orders (UCO) have also been issued to date. One (1) Developer Change Proposals (DCP) has been approved. The cumulative potential impact of all authorized changes (also known as Unilateral Change Orders) is in the order of $9.17m. Amounts shown in table are in millions ($MM).

	Regents Approval	Transfers	Adjusted Budget	Expenditure to Date	Pending Committed Costs	Remaining Budget
(A)Project Operations	$90.22	(-$2.15)	$88.07	$13.05	$0.00	$75.02
(B) Campus Integration	$22.00	$2.15	$24.15	$5.18	$0.00	$18.97
(C) Construction Contingency	$35.90	$0.00	$35.90	$0.00	$12.62	$23.28
(D) Construction Credits	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
(E) Total	**$148.13**	**$0.00**	**$148.13**	**$18.23**	**$12.62**	**$117.28**

Scope	March saw one (1) item issued 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.)	44	41	55
Aggregate Cost ($k)	EST $3.45	EST $9.17	$TBD
Time Impact (days)	Nil	Nil	Nil

Developer Compliance	No formal non-compliance issues were raised for the period.
Contract Notices	None from the Developer in the period.
Labor Compliance	No issues to report for the period.
Health & Safety	In the period: Recordable Injuries – 0 First Aid – 9 Lost Time Injuries - 0 From January 1, 2017 through to March 21, 2018 67 First Aids and 6 Recordable injuries were documented.
Community Engagement	The following community engagement activities occurred during the period: - 2020 Project contractor Webcor coordinated a "Meet the CFO" event with the UC Merced School of Business on March 6th. - A group of women from Webcor, JCI, and SOM Architects were guest speakers at the Society of Women Engineers on March 10th for 400 middle and high school girls. - Webcor's Compliance Manager represented at the quarterly Career Technology Education Advisory Board meeting at Merced Unified High School District. - Planning was underway for labor and materials to be provided to the Merced Boys and Girls Club in April.
Communication	The site was visited by the New York Times and Chronicle of Higher Education media outlets and ECEC stakeholders were provided information on project dust mitigation measures.
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 seventeen (17) stakeholder meetings held during the period.
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.