UNIVERSITY OF CALIFORNIA | MERCED 2020 PROJECT

PROJECT PERFORMANCE MONTHLY REPORT 22.0

PERIOD ENDING: 30 April 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

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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

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1. EXECUTIVE SUMMARY

PROJECT EXECUTIVE'S SUMMARY

The Project is currently tracking 2 months out from First Delivery handover, and all efforts continued to focus on meeting Occupancy Readiness deadlines. Commissioning activities are currently underway, and the University is working closely with Johnson Controls to ensure that all necessary procedures are in place for the Operation & Maintenance of the first three buildings released under the Project. News outlets continue to profile the progress of construction and the site was visited by Congressman Jim Costa in the lead up to First Delivery.

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, O&M

Design activities for site infrastructure and landscaping are significantly complete and structural design for buildings 3A, 3C and 3D are complete. Design work for the competition and recreation fields are complete and the 3K competition pool is currently in CD design phase as are buildings 3H and 3M.

From a total of three hundred and seventy-nine (379) Requests for Information (RFI) / Owner Questions, twenty (20) were received during the month, and nine (9) new design submittals were reviewed by the Project Team.

At the time of writing this report, construction progress for First Delivery Buildings stands at 1D 88%, 1B 84%, and 1A 82% complete.

Activities in preparation for the operation and maintenance of First Delivery buildings continued to increase throughout the month. Multiple coordination meetings took place, as did the submission of several operational handbooks and plans from Johnson Controls (JCI) for the University's review. Most activities focused on planning for the Customer Service Center, Interconnection with existing campus facilities and staffing.

PROJECT CONTROLS

Schedule

The Project continues to track well towards the revised First Delivery dates with Johnson Controls submitting a number of plans for University review outlining processed and protocols for the Operations & Maintenance of First Delivery Buildings. Commissioning activities are also well underway with a new Commissioning Agent joining the project during the month.

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 $19.06 million (12.8%) 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

To date, fifty-nine (59) Preliminary Change Orders (PCO) have been issued. Forty-five (45) Change Orders, forty-six (46) Unilateral Change Orders (UCO) have also been issued to date. Nine (9) Developer Change Proposals (DCP) have been approved to date with one (1) during the period.

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, five (5) Unilateral Change Orders and one (1) Change Order. The project safety record is still tracking well with three (3) First Aid events. No instances of contractual, inspection or environmental non-compliance were recorded during the period.

Nesting bird activity picked up in April with a total of 13 nests recorded on the Project site. Of the 13 nests, three nests were found to be complete in April (and as a result their environmental sensitive areas buffers were removed) bringing the total down to 10. One of the nests discovered was a Swainson's hawk nest. The male and female Swainson's hawk pair were located in a tree approximately 700 feet southeast of Loop Road Bridge. The University's Incidental Take Permit, Condition of Compliance 7.15 and 7.16, prohibits any construction-related activities from occurring within 500 feet of the nest. It also allows a Designated Biologist to determine an appropriate no-disturbance buffer between 501 feet to 0.5 miles around the active nest. Currently, the 700-foot buffer established should not impact 2018 construction activities, but the Designated Biologists do have the authority to change the buffer-distance, should the need arise.

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. *1D Dining Progress 4th April 2018*

Progress Photo 2. *1D Dining Metal Siding 11th April 2018*

Progress Photo 3. *1D Dining Aerial 19th April 2018*

Progress Photo 4. *1D Dining Stair Casting 26th April 2018*

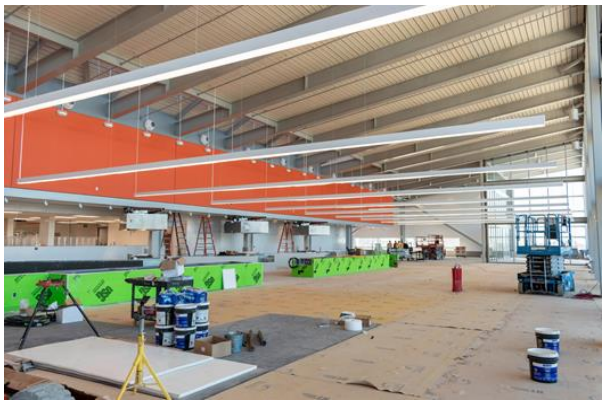
Progress Photo 5. *1D Dining Interior Finishes 11th April 2018*

Progress Photo 6. *1D Dining Equipment, 11th*

Progress Photo 7. *1D Dining Equipment, 11th April 2018*

Progress Photo 8. *1D Dining Dishwashing Room 11th April 2018*

Progress Photo 9. *1D Dining Freezer, 18th April 2018*



Progress Photo 10. *1D Dining Interior, 19th April 2018*

Progress Photo 11. *1D Dining Restrooms, 26th April 2018*

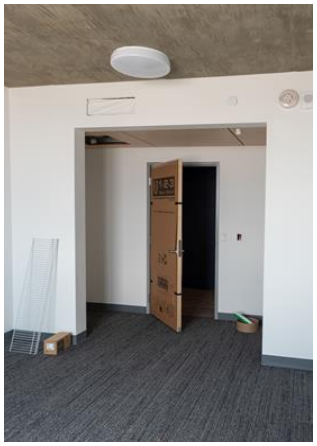
Progress Photo 12. *1B Housing Exterior, 11th April 2018*

Progress Photo 13. *1B Housing Exterior, 11th April 2018*

Progress Photo 14. *1B Housing Restroom, 11th April 2018*

Progress Photo 15. *1B Housing Restroom, 26th April 2018*

Progress Photo 16. *1B Housing Bedroom, 11th April 2018*



Progress Photo 17. *1B Housing Bedroom, 19th April 2018*

Progress Photo 18. *Lab 2A Framing, 19th April 2018*

Progress Photo 19. *Lab 2A Basement, 19th April 2018*

Progress Photo 20. *3C Housing Structural, 11th April 2018*

Progress Photo 21. *3C Housing Structural, 19th April 2018*

Progress Photo 22. *3B Housing Exterior, 11th April 2018*

Progress Photo 23. *1A Finishes, 26th April 2018*

2. PROJECT HEALTH DASHBOARD

No concerns Unable to comment Monitoring required Immediate action required

Schedule	The project continues to track well towards the revised First Delivery dates with commissioning activities and transition to Operation & Maintenance in full swing. No issues occurred during the month that would cause the schedule for First Delivery buildings to slip.

	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 2019	None	On target
Final Delivery	3 Jan 2017	1 Jun 2020	1 Jun 2019	None	On target

Cost	The Project Budget continues to be further developed by the Project Team and Financial Analyst. To date, fifty-nine (59) Preliminary Change Orders (PCO) have been issued. Forty-five (45) Change Orders, forty-six (46) Unilateral Change Orders (UCO) have also been issued to date. Nine (9) Developer Change Proposals (DCP) have been approved to date with one (1) during the period. The cumulative potential impact of all authorized changes (also known as Unilateral Change Orders) is in the order of $8,87m. Amounts shown in table are in millions ($MM).

	Regents Approval	Transfers	Adjusted Budget	Expenditure to Date	Pending Committed Costs	Remaining Budget
(A)Project Operations	$90.22	(-$2.15)	$88.07	$13.12	$0.00	$74.95
(B) Campus Integration	$22.00	$2.15	$24.15	$5.24	$0.00	$18.91
(C) Construction Contingency	$35.90	$0.00	$35.90	$0.00	$12.60	$23.30
(D) Construction Credits	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
(E) Total	**$148.13**	**$0.00**	**$148.13**	**$19.06**	**$12.60**	**$117.15**

Scope	April 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.)	45	46	59
Aggregate Cost ($k)	EST $3.73	EST $8.88	$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 – 3 Lost Time Injuries - 0 From January 1, 2017 through to April 23rd 2018 69 First Aids and 7 Recordable injuries were documented.
Community Engagement	The project subcontractor Webcor participated in Earth Month activities in April and on April 24th a Senior Sustainability Manager participated in a UC Merced student led panel discussion about careers in sustainability. On April 28th, a Rebuild Together event also took place where labor and materials were provided to the Boys and Girls Club.
Communication	During the month the project site was visited by the New York Times, the UC's Office of the President, ABC-30 (Fresno) and multiple prospective donors. Congressman Jim Costa and his team also toured the site.
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 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.