UNIVERSITY OF CALIFORNIA | MERCED 2020 PROJECT

PROJECT PERFORMANCE MONTHLY REPORT 24.0

PERIOD ENDING: 30 June 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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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

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1. EXECUTIVE SUMMARY

PROJECT EXECUTIVE'S SUMMARY

It's with great excitement that the 2020 Project Team can confirm that the first building is on track to be granted occupancy by the University the day after this reporting period on July 1st, 2018. The Project Team, Developer and all Sub-Contractors have been working tirelessly as a team to ensure all contractual requirements are met and that the Dining Facility will be handed over on time for the Dining Team to begin preparations for opening in early August 2018.

While anticipation grows for the occupancy of the new Dining Facility, work continues to progress the finalization remaining buildings. 9,000 yards of concrete poured for the 3A mat slab alone (achieved in 5 separate pours) and a total of 1,072,587 labor hours used on the project to remain on track for scheduled completion.

GOVERNANCE & OVERSIGHT

The Project Team continues to liaise with the Governance Board and Office of General Council (OGC) on project issues. Two 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 & Construct

Design activities for all First Delivery Buildings, site infrastructure and landscaping are complete. Design work for athletic fields are complete and the competition pool is currently in Construction Design phase. Overall design for the 2D Research Server and 3D Housing is complete and the Structural Design for 2A and 2B Labs, and 3A Lab and 3C Housing is now complete. CD Design Phase work for Building 3G Conference Center, 3H ALO and 3M Wellness is progressing, and designers will begin SD design for Building 3A2 Greenhouse now that a project group visited the UC Davis Campus for design input.

From a total of four hundred and ten (410) Requests for Information (RFI) / Owner Questions, eleven (11) were received during the month of June with a closeout rate of 98%.

O&M

Announcements and coordination with JCI were completed for Developer's call center roll out. A few issues with the phone center not being ready to accept calls led to non-compliance report but were self-reported and resolved. Weekly interaction meetings are continuing with JCI and UCM to form cooperative relationships for the operation and maintenance (O&M) interface of First Delivery Buildings. JCI has obtained their UCM access cards and are preparing to perform background checks for their personnel. Cleaning equipment and supplies have also been ordered and deliveries are on schedule.

Lastly, the University is assembling information to bid for O&M services for Little Lake, coordinating with Developer on points of access and awaiting Authority to Construct (ATC) / Permit to Operate (PTO) from California Department of Fish & Wildlife (CDFW) in order to begin O&M services.

PROJECT CONTROLS

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 and the 1D Dining Facility is on track to open one day after this reporting period

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 $21.85 million (14.7%) 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-eight (58) Preliminary Change Orders (PCO) have been issued. Fifty-one (51) Change Orders, forty-five (45) Unilateral Change Orders (UCO) have also been issued to date. Thirteen (13) Developer Change Proposals (DCP) have been approved to date with none issued during this period.

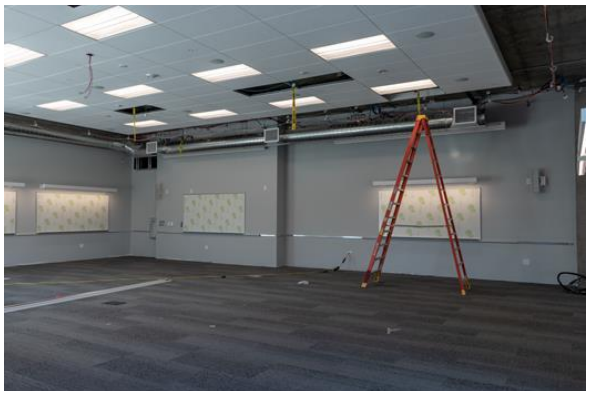
By the end of June, 11 bird nests were active on the construction site, which is 22 less nests than a month ago. There was no take of nesting birds in the month of June. Additionally, the applicable take avoidance and minimization measures in the University's environmental permits were successfully implemented on the 2020 site and non-compliance issues were fixed in a prompt manner.

OPERATIONS

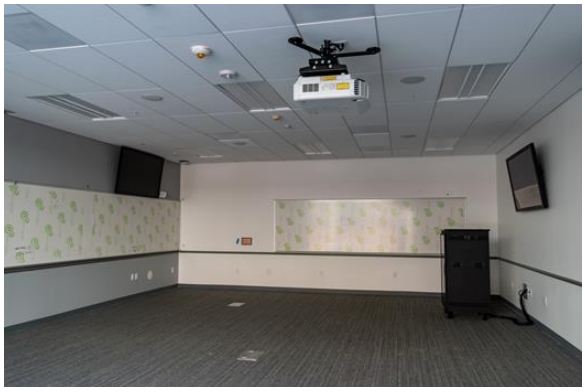
The primary focus for Project Operations in the period continued to be schedule management, budgeting, and forecasting each of the key contracts to enable proactive budget management of the constrained Project funds. Operations of the project will continue to evolve over time, particularly with the transition to Operate and Maintain phase of Building 1D now that it is turned over to the University to occupy. The University's Facility Team and JCI will now take a lead role in coordinating any operational activities taking place in this building moving forward.

PROJECT PROGRESS PHOTOS

Progress Photo 1. *1B Courtyard, Tennis Court Grading and 3C Housing 7th June 2018*

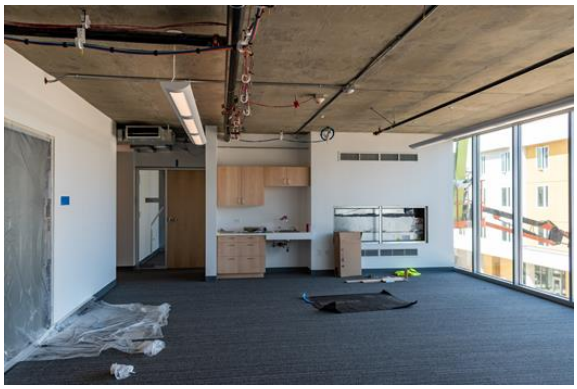


Progress Photo 2. 1A/3B 90 Seat Classroom *20th June 2018*



Progress Photo 3. *1B 24 Seat Classroom 28th June 2018*

Progress Photo 4. *1B Hallway 7th June 2018*



Progress Photo 5. *1B Study Lounge 7th June 2018*

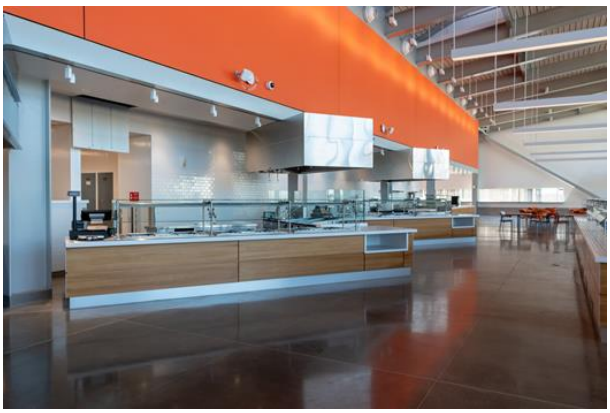
Progress Photo 6. *Staff Apartments 28th June 2018*

Progress Photo 7. *1B Courtyard 28th June 2018*

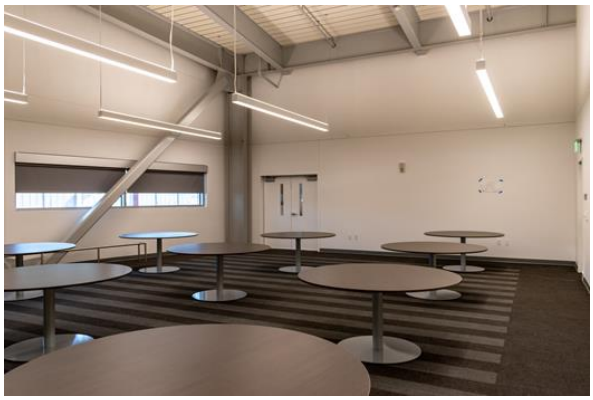
Progress Photo 8. *Housing & Tennis 20th June 2018*

Progress Photo 9. *Tennis Courts 28th June 2018*

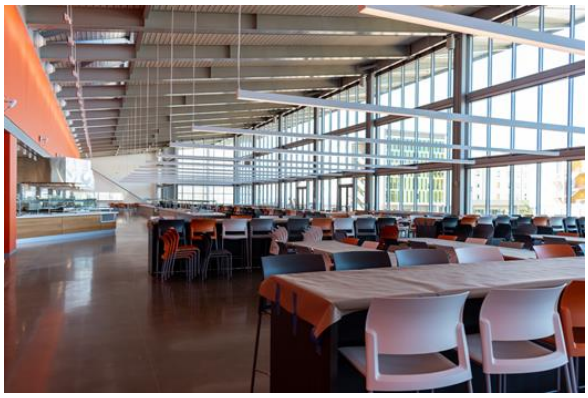
Progress Photo 10. *1D Dining 7th June 2018*



Progress Photo 11. *1D Dining Serving 13th June*



Progress Photo 12. *Private Dining 7th June 2018*



Progress Photo 13. *1D Dining 7th June 2018*

Progress Photo 14. *1D Dining 7th June 2018*

Progress Photo 15. *3C Housing 7th June 2018*

Progress Photo 16. *2A Lab 7th June 2018*

Progress Photo 17. *2A Lab 7th June 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 and the 1D Dining Facility is on track to open one day after this reporting period

	Start	Contractual Finish	Potential Finish	Slippage	Status
First Delivery	20 Jun 2016	6th August 2018	6 Aug 2018	36 Days	On target
1A - Housing	20 Jun 2016	6th August 2018	6 Aug 2018	36 Days	On target
1B - Housing	20 Jun 2016	25th July 2018	25 July 2018	24 Days	On target
1D - Dining	20 Jun 2016	1st July 2018	Complete	Nil	Completed on time
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-eight (58) Preliminary Change Orders (PCO) have been issued. Fifty-one (51) Change Orders, forty-five (45) Unilateral Change Orders (UCO) have also been issued to date. Thirteen (13) Developer Change Proposals (DCP) have been approved to date. None were issued during the period. The cumulative potential impact of all authorized changes (also known as Unilateral Change Orders) is in the order of $11.71m. Amounts shown in table are in millions ($MM).

	Regents Approval	Transfers	Adjusted Budget	Expenditure to Date	Pending Committed Costs	Remaining Budget
(A)Project Operations	$90.22	(-$2.15)	$88.07	$15.87	$0.00	$70.34
(B) Campus Integration	$22.00	$2.15	$24.15	$5.28	$0.00	$20.72
(C) Construction Contingency	$35.90	$0.00	$35.90	$0.69	$19.16	$16.05
(D) Construction Credits	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
(E) Total	**$148.13**	**$0.00**	**$148.13**	**$21.85**	**$19.16**	**$107.11**

Scope	June saw two (2) items 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.)	51	45	58
Aggregate Cost ($k)	EST $7.44	EST $11.71	$TBD
Time Impact (days)	Nil	Nil	Nil

Developer Compliance	No non-compliance notices were issued to the Developer during 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 – 6 Lost Time Injuries - 0 From January 1, 2017 through to June 18th 2018, 83 First Aids and 9 Recordable injuries were documented.
Community Engagement	The Builder's team attended a community event on June 13th sponsored by the Merced Chamber of Commerce supporting SBE and DVBE in the 2020 Project.
Communication	During the month the final set of full construction site tours were completed including UCOP space planning representatives and the new gateway entrance concept was posted to social media
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 and occupancy of the Dining Facility. Each case has been addressed and will be brought to a close imminently. Fourteen (14) Stakeholder meetings were held and one (1) shoulder to shoulder design meeting was held this month.
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.