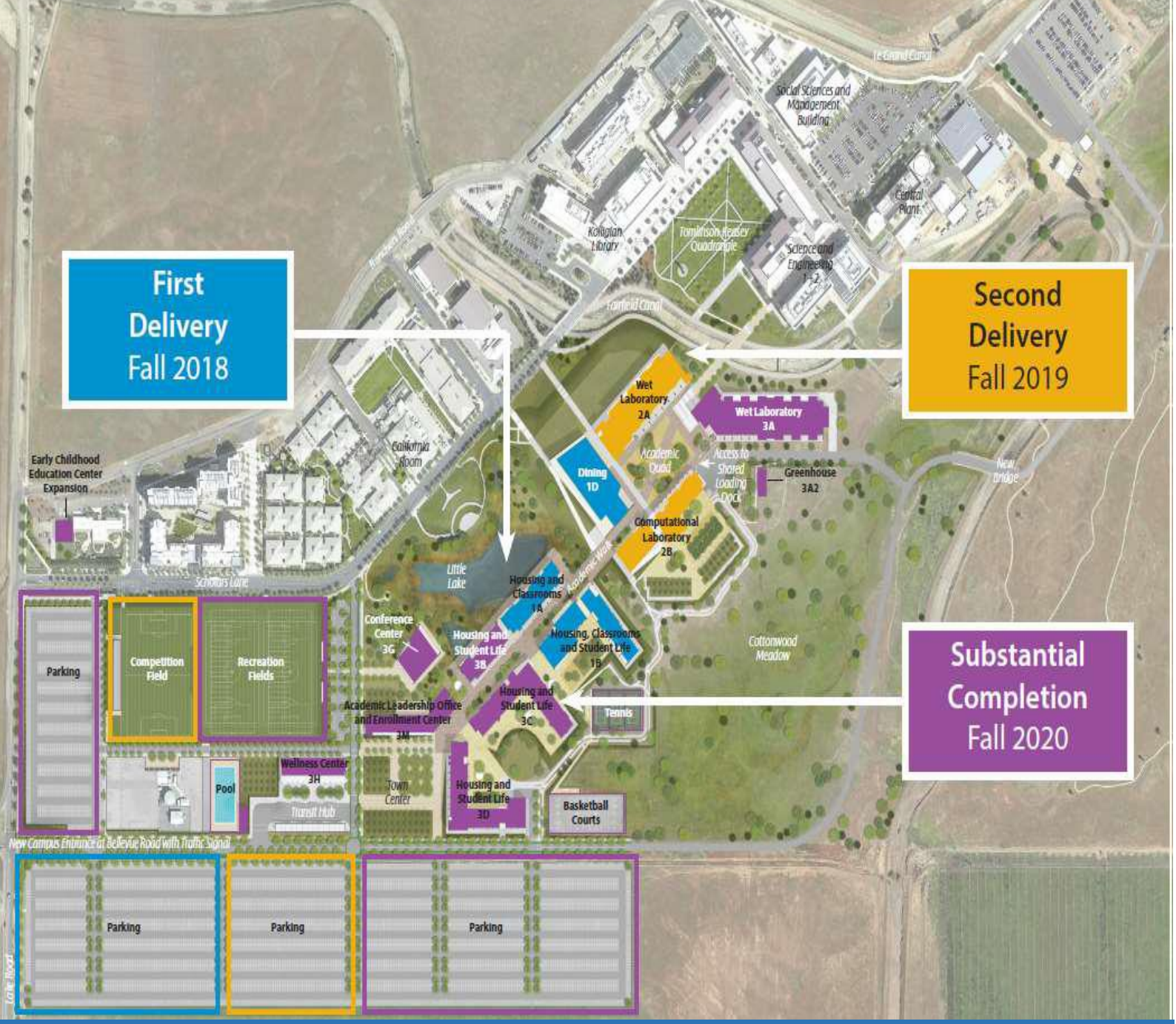
UNIVERSITY OF CALIFORNIA | MERCED 2020 PROJECT

PROJECT PERFORMANCE MONTHLY REPORT 27.0

PERIOD ENDING: 30 September 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 (Achieved)

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 8
3. GOVERNANCE & OVERSIGHT 10
4. DESIGN .....**Error! Bookmark not defined.**
5. CONSTRUCTION.....**Error! Bookmark not defined.**
6. PROJECT CONTROLS.....**Error! Bookmark not defined.**
7. CONTRACT MANAGEMENT.....**Error! Bookmark not defined.**
8. PROJECT OPERATIONS .....**Error! Bookmark not defined.**

Appendices

Appendix A – PPM Monthly Report, September 2018

Appendix B – RFI Status Log, September 2018

Appendix C – Submittal Status Interim Report, September 2018

Appendix D – Preliminary Change Order Log, September 2018

Appendix E – Unilateral Change Order Log, September 2018

Appendix F – Change Order Log, September 2018

Appendix G – Incomplete Notice, September 2018

Appendix H– CTS Relocation Report, September 2018

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 27.0				
Doc ID	2020 Project Performance Report 27 September 2018 (Campus)			Project Ref	Z830PUA026
Client	University of California, Merced				
Box Link					
Rev	Date	Details	Author	Verifier	Approver
	10/25/2018	Draft Report	RW	PM	MJM

1. EXECUTIVE SUMMARY

PROJECT EXECUTIVE'S SUMMARY

Following the success of First Delivery, attention has now refocused on the remaining facilities to be turned over in Second Delivery. Namely the 2D Research Server, 1H Loading Dock, 2A Wet/Dry Laboratory and 2B Computational Laboratory. External groups have toured the UCM campus since the opening of First Delivery buildings to see the successful Project outputs first hand. The next month will see the Project Team work with the Developer to resolve any outstanding issues related to the First Delivery buildings in an effort to ensure the successful 'Final Handover' of each Facility is completed.

GOVERNANCE & OVERSIGHT

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

DESIGN, CONSTRUCTION, O&M

Design & Construct

Building activities during the period included the completion of building 2A interior framing and roof with the exterior skin installation also underway. Two floors of interior framing were also completed in Building 2B with Building 3A vertical structure now in place up to the third level.
Building 3C structure is now up to the fifth level with interior and exterior framing underway along with two structural levels completed for Building 3D.

A total of three hundred and thirty-six (336) design submittals have now been received since the Project's inception.

From a total of four hundred and fifty-three (453) Requests for Information (RFI) / Owner Questions received from the Developer, ten (10) were received during the month of September with a closeout rate of 93.7%. To date, the University has submitted thirty-three (33) Owner RFI's to the Developer for response.

O&M

Work continues improving the customer interface of the Developers Work Request System with typical problems including closing work orders that are not corrected, lack of feedback to the customer or insufficient information provided in transferring the work for the University systems to respond to.

The University is also working with the Developer to support stakeholder work requests submittals for buildings that are now operational through the online work request system (QFM). Lastly, the processes and signage have been finalised and installed for the direct delivery of post and package deliveries to newly operational First Delivery housing buildings. This will ensure faster delivery of items to students.

Commissioning activities ramped down with the finalisation of First Delivery and work has begun for Second Delivery commissioning plans and activities.

PROJECT CONTROLS

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 $30.02 million (20.27%) 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, forty-seven (47) Preliminary Change Orders (PCO) have been issued. Fifty-eight (58) Change Orders and fifty-seven (57) 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.

In regard to environmental compliance, biologists continued to work with construction personnel to ensure adherence to conditions of the University's environmental permits and documents. Prior to the grading of Loop Road, a preconstruction survey was conducted in which all burrows were identified with a pin flag or pink spray paint. All burrows identified within the project limits of Loop Road were slowly excavated with a backhoe under the direct supervision of a biologist. A single adult California Tiger Salamander (CTS), a federal and state listed threatened species, was found within a burrow (Figure 8.2). The CTS was relocated to the Merced Vernal Pools and Grassland Reserve in accordance with the United States Fish and Wildlife Service and California Department of Fish and Wildlife (CDFW) approved CTS Relocation Plan.

OPERATIONS

The primary focus for Project Operations in the period continued to cover 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 First Delivery buildings now turned over to the University to occupy. The University's Facility Management Team and JCI will continue to take a lead role in coordinating operational activities taking place in this building moving forward.

PROJECT PROGRESS PHOTOS

Progress Photo 1. *3A Lab 6th September 2018*

Progress Photo 2. *3A Lab 26th September 2018*

Progress Photo 3. *2A Lab Southern Façade 20th September 2018*

Progress Photo 4. *2A Lab Ductwork 6th September 2018*

Progress Photo 5. *2B Lab North Façade 6th September 2018*

Progress Photo 6. *2B Lab Framing 6th September 2018*

Progress Photo 7. *3A Lab 13th September 2018*

Progress Photo 8. *3C Housing 20th September 2018*

Progress Photo 9. *Wellness / Pool Grading 26th September 2018*

Progress Photo 10. *Loop Road Bridge 6th September 2018*

2. PROJECT HEALTH DASHBOARD

No concerns Unable to comment Monitoring required Immediate action required

Schedule	The Project continues to remain on track with all First Delivery Facilities successfully delivered ahead of the revised agreed contract dates. The transition to Operate and Maintain phase of First Delivery Facilities has now taken place with Faculty and Students successfully occupying each facility. The schedule will continue to be monitored as the Project moves towards Second Delivery.

	Start	Contractual Finish	Potential Finish	Delivery	Status
First Delivery	20 Jun 2016	6th August 2018	Complete	None	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, forty-seven (47) Preliminary Change Orders (PCO) have been issued. Fifty-eight (58) Change Orders and fifty-seven (57) 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 is in the order of $26.98million. Amounts shown in table are in millions ($MM).

	Regents Approval	Transfers	Adjusted Budget	Expenditure to Date	Pending Committed Costs	Remaining Budget
(A)Project Operations	$90.22	(-$4.00)	$86.22	$20.90	$0.00	$65.31
(B) Campus Integration	$22.00	$4.00	$26.00	$5.98	$0.00	$20.01
(C) Construction Contingency	$35.90	$0.00	$35.90	$3.13	$26.98	$5.79
(D) Construction Credits	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
(E) Total	**$148.13**	**$0.00**	**$148.13**	**$30.02**	**$26.98**	**$91.12**

Scope	September saw three (3) 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.)	58	57	47
Aggregate Cost ($k)	EST $8.16	EST $18.82	$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 – 9 Lost Time Injuries - 0 From January 1, 2017 through to September 19th, 2018, 109 First Aids and 10 Recordable injuries were documented.
Community Engagement	Webcor Project Team members will participate in a panel discussion on October 24th with the UC Merced School of Engineering regarding preparation for the Engineer in Training (EIT) exam. Planning is also underway with the UC Merced Business School for a Business Development as a Career panel discussion on October 25th.
Communication	The Communications strategy is designed to promote awareness, transparency and involve campus and external constituents. During the month the Chancellor presented on the 2020 Project at the University of Business Magazine conference in Dallas, Texas and Bloomberg published a Q&A with the Chancellor on the Project (https://bloom.bg/2EFn9W3)
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. During the period five (5) meetings were held. No shoulder to shoulder design meetings were held.

	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, having delivered the first two buildings earlier than the revised delivery dates. However, Campus continues to proactively undertake contingency planning should schedule slippages occur.