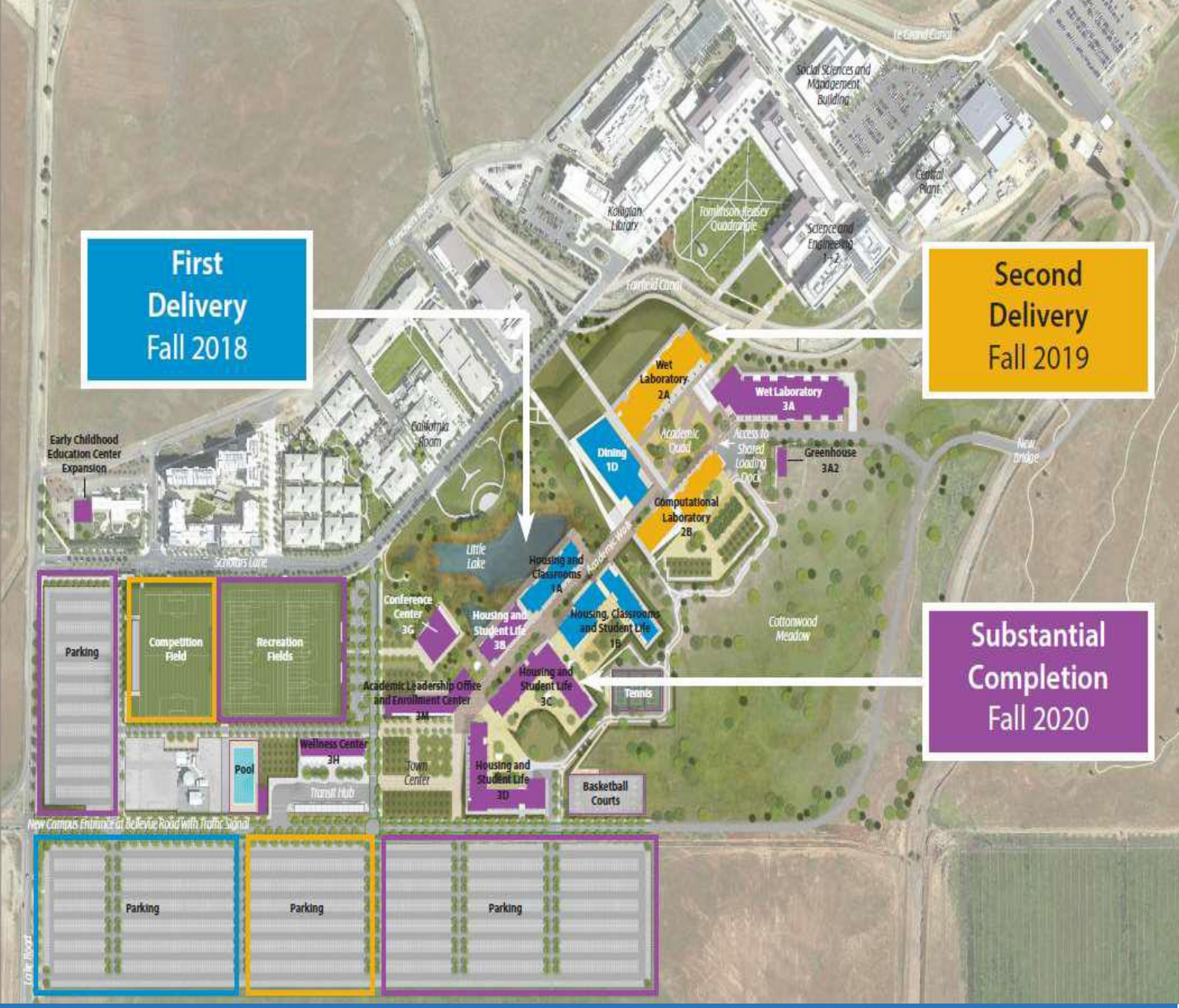
UNIVERSITY OF CALIFORNIA | MERCED 2020 PROJECT

PROJECT PERFORMANCE MONTHLY REPORT 31.0

PERIOD ENDING: 31 January 2019



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
- October 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 7

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 31.0				
Doc ID	2020 Project Performance Report 31 January 2019 (Campus)			Project Ref	Z830PUA026
Client	University of California, Merced				
Box Link					
Rev	Date	Details	Author	Verifier	Approver
	3/11/2019	Draft Report	RW	PM	MJM

1. EXECUTIVE SUMMARY

PROJECT EXECUTIVE'S SUMMARY

The 2020 Project entered a new year this month and has now officially been underway with construction for 16 months and is tracking 5 months out from the contractual delivery of new Laboratory Buildings 2A and 2B.

Construction and design activities steamed ahead during the month and significant efforts were placed on continuing the work needed to support the smooth transition of research faculty from existing campus laboratories, into the new 2A and 2B Buildings.

Januaries efforts also saw 2020 Project Team meet with Fire Life and Safety to discuss chemical inventories for their new buildings, and Athletics & Health departments to discuss the latest 3M Wellness Center drawings.

GOVERNANCE & OVERSIGHT

The Project Team continues to liaise with the Governance Board and Office of General Council (OGC) on project issues. Two (2) Governance Board meetings were held during the period.

DESIGN, CONSTRUCTION, O&M

Design & Construct

During January, the small group of remaining design activities progressed with the Competition Pool and Buildings 3H and 3M nearing design completion. Buildings 3A2 (Greenhouse) and 3P (Hazmat) are now in design phase and Buildings 1H, 2A, 2B, 3A, 3C and 3D are all now well into construction. Lastly, buildings 3G, 3H, 3K and 3M are now in early phases of construction.

A total of three hundred and fifty-five (355) design submittals have been received since the Project's inception. During the period, the DRT received four (4) new design submittals (Table 4.2) for review from the Developer on behalf of the University.

From a total of five hundred and two (502) Requests for Information (RFI) / Owner Questions received from the Developer, fifteen (15) were received during the month of January with a closeout rate of 97%. To date, the University has submitted thirty-seven (37) Owner RFI's to the Developer for response.

O&M

In the month of January 2019 there were 112 project related work requests generated in QFM. There were (15) for power issues and (1) relating to a leak in Granite Pass housing building. All work requests carried over from December 2018 were completed within the allowable Cure Periods.

Additionally:

- There were 153 Planned Maintenance work orders and all were completed.
- There are 176 Planned Maintenance work orders for the next six-week period.
- Zero non-compliance instances occurred during the month.

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 $39.35 million (26.50%) 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 Project Budget continues to be further developed by the Project Team and Financial Analyst. To date, fifty-four (54) Preliminary Change Orders (PCO) have been issued. Sixty-one (61) Change Orders and sixty (60) Unilateral Change Orders (UCO) have also been issued to date. No additions to the thirteen (13) Developer Change Proposals (DCP) have been approved to date. The cumulative potential impact of all authorized changes is in the order of $26.98 million. Amounts shown in table are in millions ($MM).

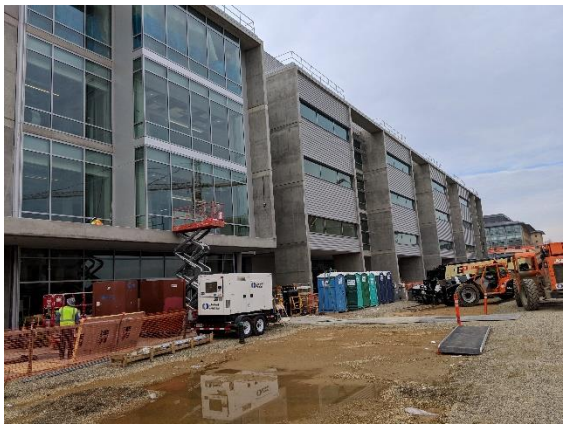
Throughout January, biologists on the 2020 Project site continued to work with construction personnel to ensure adherence to conditions of the University's environmental permits and documents. No threatened and/or endangered species were seen on the 2020 project site in the month of January. As required per the UC Merced's Incidental Take Permit (ITP) Condition of Compliance #6.6, the 2018 ITP Annual Status Report was submitted to the California Department Fish of Wildlife.

The Annual Status Report included: (1) a summary of all ITP Monthly Compliance Reports (2) a general description of the status of the Project Area and Covered Activities, (3) a copy of the Mitigation and Monitoring Reporting Program table with notes showing the current implementation status of each ITP mitigation measure; (4) an assessment of the effectiveness of each completed or partially completed mitigation measure in minimizing and mitigating Project impacts; and (5) all available information about Project-related take of state-listed threatened and/or endangered species.

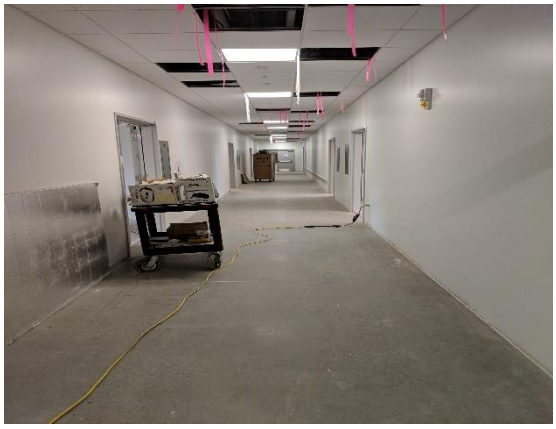
OPERATIONS

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. *Lab 2A Exterior January 2019*



Progress Photo 2. *Lab 2A Interior Hallway January 2019*

Progress Photo 3. *Lab 2A Fume Hoods January 2019*

Progress Photo 4. *Lab 2B Exterior January 2019*

Progress Photo 5. *Housing 3D Exterior January 2019*

Progress Photo 6. *Housing 3C Exterior January 2019*

2. PROJECT HEALTH DASHBOARD

No concerns | Unable to comment | Monitoring required | Immediate action required

Schedule	The Project continues to remain on track with a consistent schedule review process in place each month. Second Delivery facilities are still on track to be handed over to the University in June 2019.

	Start	Contractual Finish	Potential Finish	Delivery	Status
First Delivery	20 Jun 2016	6th Aug 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 2020	None	On target

Cost	The Project Budget continues to be further developed by the Project Team and Financial Analyst. To date, fifty-four (54) Preliminary Change Orders (PCO) have been issued. Sixty-one (61) Change Orders and sixty (60) Unilateral Change Orders (UCO) have also been issued to date. No additions to the thirteen (13) Developer Change Proposals (DCP) have been approved to date. The cumulative potential impact of all authorized changes is in the order of $26.98 million. Amounts shown in table are in millions ($MM).

	Regents Approval	Transfers	Adjusted Budget	Expenditure to Date	Pending Committed Costs	Remaining Budget
(A)Project Operations	$90.22	($6.00)	$84.22	$23.68	$0.00	$60.54
(B) Campus Integration	$22.00	$3.00	$28.00	$8.48	$0.00	$19.52
(C) Construction Contingency	$35.90	$0.00	$35.90	$7.19	$26.98	$1.73
(D) Construction Credits	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
(E) Total	**$148.13**	**$0.00**	**$148.13**	**$39.35**	**$26.98**	**$84.79**

Scope	One (1) new item was issued to final agreed Change Order during the month. 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.)	61	60	54
Aggregate Cost ($k)	EST $9.91	EST $17.06	$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 – 1 First Aid – 3 Lost Time Injuries - 0 From January 1, 2017 through to January 19th, 2019, 143 First Aids and 13 Recordable injuries were documented.		
Community Engagement	The Developer's team is currently planning community engagement activities for the coming year and details will follow in subsequent reports.		
Communication	Please refer to Section 9 for all external communication activities, site visits and social media activity for the month.		
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 twenty-two (22) meetings were held. No (0) shoulder to shoulder design meeting were 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, having delivered the first two buildings earlier than the revised delivery dates. However, Campus continues to proactively undertake contingency planning should schedule slippages occur.		