

MONTHLY STATUS REPORT No.18



The Trousdale – Assisted Living
and Memory Care Center
Burlingame, CA

Feb 2018

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Company Info

Since being founded in 1947, Peninsula Health Care District (PHCD) has retained an unwavering commitment to the health and well-being of those who live and work within its boundaries.

Accountable to residents, taxpayers, and community partners, the District now encompasses the cities of San Bruno, Millbrae, Burlingame, Hillsborough, San Mateo, and Foster City. As these communities have changed and evolved, the District has expanded and enhanced its range of services and programs to ensure the health of its communities. Part of the District's mission is to provide both immediate and long-term community needs, providing support to non-profit providers offering effective and innovative solutions. Through this mission the District Board elected to approve funding to build The Trousdale.

Project Team

Owner:
Peninsula Health Care District
 Cheryl Fama

Development Consultant:
Pacific Union Development Company
 Joel Roos

Construction Manager:
Nova Partners, Inc.
 David Marks

Architect:
Smithgroup JJR
 Gabriel Fonseca
 Richard Kirr
 Jackie Lee

General Contactor:
SJ Amoroso
 Mike Chambers
 Jennifer Erskine
 Mark Green

Operator:
Eskaton
 Sheri Pfeifer
 Erin Scherer

1. Executive Summary

The Trousdale Assisted Living and Memory Care Center

The Peninsula Health Care District is proud to support initiatives and programs that promote health, wellness and access to needed services for seniors in our communities. The Trousdale Assisted Living and Memory Care Center is the first ground up project being built by the Peninsula Health Care District since 1954. The project will house 124 apartments comprised of studio, one, and two bedroom floor plan options with kitchenettes. This six-story, 140,000 SF facility includes both assisted living and memory care units.

The new Assisting Living and Memory Care Community will include:

- Accommodating design with nationally acclaimed Livable Design Features built to 2013 Green Building Code Standards
- Full service restaurant and fresh-express bistro
- Fitness Center
- Salon
- Library & Learning Center
- Activity Center
- 44 parking spaces, including 31 below grade.
- Independently controlled heating and cooling per unit.

The overall project budget is \$77.6M including SJ Amoroso's construction cost of \$52.4M. The project is scheduled for a spring of 2018 Completion and will be opening in Mid 2018.

2. Project Update

Permitting

All permits have been obtained for the construction of the project.

Upcoming Permits:

- Elevators - November 2017
- Site Work - December 2017
- Certificate of Occupancy – ~~January 2018~~ May 2018

Design

Traffic Signal Relocation

Traffic Signal relocation work at the corner of Trousdale and Magnolia has been delayed from a November completion date to an early February completion date. This work is currently underway with demolition of the existing corner at Trousdale and Magnolia, with cabling scheduled to be pulled the weekend of January 27th.

February Update: Concrete sidewalks have been poured with the exception of the corner which was delayed due to rain and SJA scheduling conflicts. Currently re-scheduled to be poured second week of March. At that time the Traffic light will be relocated.

Two Way Communication Systems

The team was notified by the Fire Marshal that a two way communication system will be required at all elevator lobbies. This allows tenants at the upper floors during an emergency to go to the elevator lobby and push an intercom to inform security they need help. This was not part of the initial design drawings and the Smith Group is looking into to verify this is required by code. This is a significant cost impact in the 100K range and is currently under investigation.

No other design issues outstanding at this time.

Furniture, Fixtures, & Equipment (FF&E)

February 2018 Update:

Furnishings were currently scheduled to be installed in the January 2018 time frame shortly after the completion of construction, but this has changed due to the delay in construction and will now be installed in the April/May time frame. Pivot Interiors has released all interior furnishings and currently Scheduled for a March install date. The team has commenced with the procurement of all building artwork and fitness equipment and other ancillary equipment and accessories throughout the building. When completed, the overall FF&E costs will be slightly under the budgeted +/- 1 Million dollars.

All purchase orders for the Nurse quiet care systems and the Wanderguard system for the memory care units have been issued and ready for installation. These systems will be installed in the March time frame or as soon as floors are ready.

Construction

Work Completed or in progress in the month of February 2018

- Exterior EIFS systems - Complete 100%.
- Exterior Wood Panels 95 % Complete – Southeast corner only area remaining
- Exterior balcony railings continue to be installed and painted
- Main Building Entry canopy installed with near completion
- Courtyard pavers begin with completion in March
- Carpeting in units complete on floors 2 and 3
- Floors 2, 3 and 4 residential units near 100% completion
- Floors 5 &6 residential unit drywall 100% complete
- Floor 1 Drywall 100% complete
- HVAC units start up continues with heat in at floors 2 &3
- Kitchen complete
- Floor 1 restrooms underway

Scheduled activities for the month of March 2018

- Exterior building stone at base of building begins installation – This was delayed for no reason
- Main drive isle to site is underway with completion in March
- Trousdale new sidewalk begins with demo of old
- Pavers in courtyard continue with completion end of March
- Stone on planter walls begin
- Exterior lighting being installed
- All exterior skin finishes complete
- Landscape irrigation begins with planting to follow.
- Floor 1 millwork begins
- Floors 5&6 painting complete
- Floors 2,3 and 4 all finishes complete
- HVAC start up of all units

• Project Budget

Bids were accepted for the construction of the Trousdale Project on 2/23/16 and SJ Amoroso was the low Bidder in the amount of \$52,434,000 for which a contract was issued.

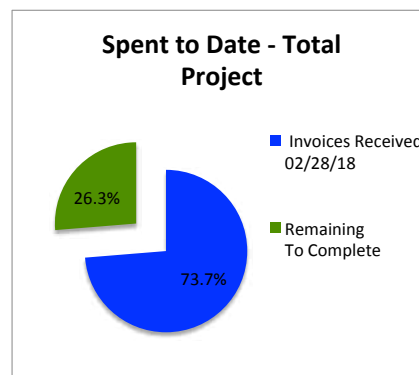
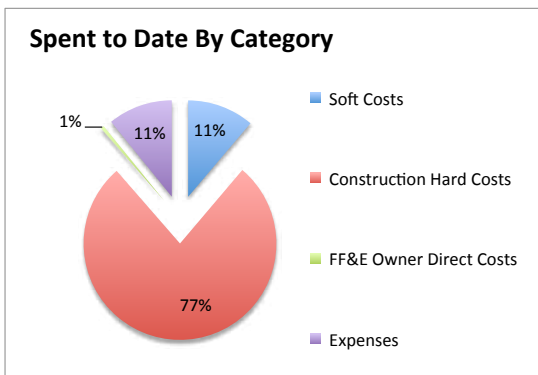
In late February 2016 the board approved the overall project budget of \$77.6M. This includes all project soft and hard costs, which are summarized below. Budget concerns are listed below under budget risks. None are anticipated at this time.

Total project spending through February 2018 is \$57,154,779, dollars, +/-74% of the total project budget.



PHCD Trousdale Assisted Living and Memory Care Center
 1600 Trousdale Drive, Burlingame
 Project Dashboard
 2/28/18

Budget Line Description	Approved Budget 2/23/16	Change Orders And Budget Reallocations	Current Forecast	Invoices Received 02/28/18	Remaining To Complete	Percent Complete
Soft Costs	6,721,174	252,375	6,973,549	6,400,786	572,762	91.8%
Construction Hard Costs	57,300,462	46,234	57,346,696	44,229,853	13,116,843	77.1%
FF&E Owner Direct Costs	1,514,960	(65,151)	1,449,809	330,540	1,119,269	22.8%
Project Subtotal (Before Expenses)	65,536,595	233,458	65,770,053	50,961,179	14,808,874	77.5%
Expenses	9,895,381	1,578,122	11,473,503	6,193,600	5,279,903	54.0%
PHCD Contingency	2,150,900	(1,854,000)	296,900	-	296,900	0.0%
Total Project Costs	77,582,876	(42,420)	77,540,456	57,154,779	20,385,677	73.7%



SJ Amoroso Contract

SJ Amoroso’s contract was fully executed on 3/17/16 in the amount of \$52,434,000. During the month of February the team approved a total of 19 new change orders all of these costs coming from the SJA contingency resulting in no new increase to there contract. Amoroso’s contract value currently remains at \$52,935,796. In the month of February, Eleven (11) new change orders were added to the log with an estimated cost in the 77K range, which will all be funded from the SJA Construction contingency allowance within their contract. SJA continues to fall way behind with the issuance of change orders but has issued numerous change orders that were over 12 months old and is slowly catching up. We are

currently forecasting approximately 822K in outstanding change orders with many of these changes still over 6-7 months old since inception. The team continues to reach out to SJA upper management to inform them of our concerns. The team is now meeting once a week with SJA to review change orders and this is helping. The team has informed SJA that performing changes without formal approval is at their risk and this has been getting better.

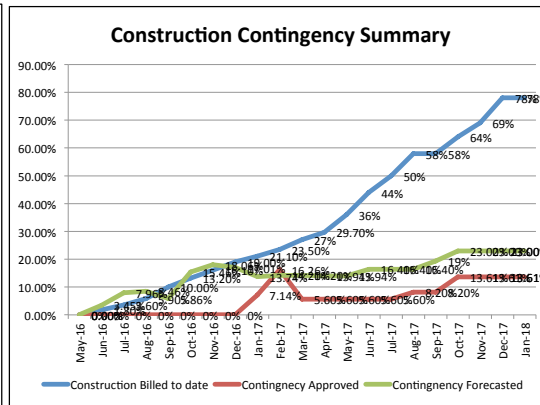
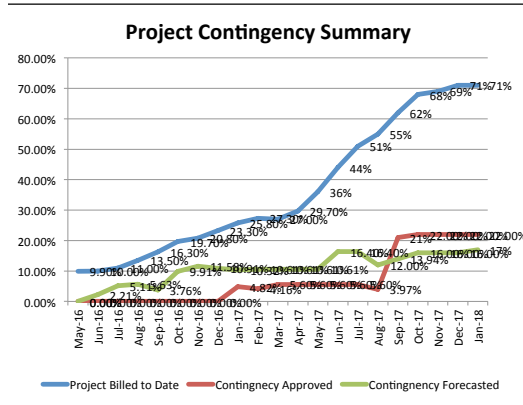
Contingency Summary Recap

Below please find a recap of the total project contingency and the contingency trend vs. spent to date.



PHCD Trousdale Assisted Living and Memory Care Center
 1600 Trousdale Drive, Burlingame
 Project Contingency Recap
 2/28/18

Budget Line Description	Approved Budget 2/23/16	Approved Change Orders	Submitted	Forecasted	Remaining	Percent Complete
Soft Cost Contingency	-	-	-	-	-	0.00%
Construction Contingency	4,244,479	501,796	606,732	822,782	2,313,169	21.86%
FF&E Contingency	225,000	225,000	-	-	-	100.00%
Total Project Contingency:	4,469,479	726,796	606,732	822,782	2,313,169	15.72%
Owner Contingency	2,150,900	(1,000,000)	-	100,000	1,050,900	51.14%
Overall Total Project Contingency:	6,620,379	(273,204)	606,732	922,782	3,364,069	27.23%



During this period 11 new change orders have been submitted. Change orders when received will be taken from the SJA contingency first currently within their contract and will not change their current contract value until all contingencies are expended. There are currently \$822 K of forecasted anticipated change orders that will be submitted over the upcoming months. There have been very few unexpected changes issued over the last month, with eleven (11) new change orders being created during this period with an estimated value of 88K, with much of these costs being funded from the contractor's contingency. There currently remains approximately 3.3 million dollars in project contingency un-spent. However, we do anticipate over the upcoming months to use contingency funds to help fund these changes, reducing the overall remaining contingency amount. The team is currently reviewing 606K of recently submitted change orders that have been forecasted and expect approval over the upcoming weeks.

At this point in time, the team is anticipating an overall project savings as previously reported. We do anticipate an overall project savings in the one million dollar range; however, this may change if additional funds are required to continue to expedite the project schedule and settle SJA delay issues. SJA General Conditions are depleted as of December 2017. As the project will be extended another 5 months we expect they will seek additional funds to cover these costs. These delays are clearly a result of SJA delays and these costs will be disputed and have now been submitted in the 1.2million dollar range.

Future large change orders expected in the Month of February:

1. Traffic Light Conduit relocation at the corner of Magnolia and Trousdale – Upon Demolition of the asphalt roadway for the new corner extension, SJA discovered two existing unforeseen conduits that will need to be lowered. We have worked out the details with the City, and the work will be begin immediately. Anticipated costs in the 25K range are anticipated. This was not received in February as anticipated but work is complete
2. Exterior Building Skin Changes – Final costs associated with the Exterior skin systems changes were submitted in late February in the anticipated cost of 200K. Original change order for skin changes was initially submitted for 300K back in June of 2017 and the team worked to re-design certain elements with the hope of reducing costs. We are currently reviewing this change order with the design team and hope to have resolved shortly.
4. Soft Soils in Courtyard – During excavation in the courtyard SJA could not get the required 90% compaction levels required for future paver installation. Therefore, over excavation of area was required to achieve this compaction with an anticipated cost in the 50K range. This change order has not been received yet.

Budget Risks

SJ Amoroso Schedule Delays

SJA continues to be significantly behind schedule. Contractual final project completion date was December 23,2017 and now is anticipated in the May/June 2018 time frame. The majority of these delays continue to be a direct result of SJA's inability to schedule the project effectively along with subcontractor performance and failure to meet their contractual completion dates. This has been acknowledged by SJA, but they have recently submitted a 1.2 million dollar delay claim for additional General conditions. This represents 5 months of added costs to which they claim is a result of exterior skin design errors which will be disputed. The team is currently reviewing this and will respond in the March Time frame. The team continues to meet with the Owners of SJA and they claim that the amount of RFI's and quality of drawings has impacted their schedule but have offered no further explanation on which items. They continue to be little help. SJA continues to miss all scheduled dates and continues to miss key milestone dates. The Nova team continues to meet with SJA upper management along with Key subcontractor trades to help progress the work as much as possible.

SJA has been produced a completion schedule that was issued on 1/31/18 that shows a second week of May 2018 substantial completion date. Many of these dates have now been missed due to no District changes. The District will pursue liquidated damages to offset any of these claims and that has been

discussed with both SJA and the building committee. Both the District and Nova have met again with SJA and their owners to express our concerns on the timing of completion and have asked for these dates to be moved up. Additionally, as a result of these delays, the project budget will incur several hundred thousand dollars in additional management fees by both Nova and Eskaton. These additional fee are currently being forecasted in the overall project budget. The District and Nova have informed SJA that they maybe seeking liquidated damages on this project as a result of there financial impacts.

4. Schedule

Schedule

The project broke ground on May 2nd 2016 and is now tracking to be completed in the May/June 2018 time frame, 6 months behind schedule.

The last monthly schedule update that has been submitted by SJA was in January 2018 which indicated a second week of May 2018 substantial completion date significantly beyond there contract date. The schedule was initially extended by 30 calendar days related to the un-anticipated hazardous soil off-haul at the on-set of the project. No additional delays have been formally approved by the District or requested by SJA as of this report.

The exterior skin is anticipated to be completed now in the March time frame based on current progress. Numerous meetings have been held with all of the building envelope contractors to expedite their installations and resolve issues in real time. All subs are working 10-hour days and weekend overtime at the expense of SJA. We believe at this time SJA will meet this date.

Interior and exterior framing is in full force and the SJA subcontractors are working overtime on a regular basis. All interior drywall is now complete as of the first week of March. Interior construction continues to be accelerated to help mitigate current delays but SJA continues to not meet scheduled dates. Painting is underway on floors 1, 2, 3 and 4 moving up the building. The Kitchen area is now complete awaiting final clean up and ceiling tiles being installed.

Based on current progress we anticipate the project to be complete in late May 2018. However, that will need to be evaluated on a day-by-day basis as they continually miss dates. The Nova team is meeting with the SJA subcontractors on a weekly basis to help resolve SJA issues with their subs and get more visibility on the scheduling of the work. We remain extremely concerned with SJA's in-ability to mange subcontractors effectively and efficiently and that is becoming more apparent when we meet with them and their subcontractors. Every day we meet they continue to have excuses and miss key dates which is very concerning. The Nova team will continue to update the District on status and is coordinating all time frames with the Eskaton team for proper planning and timing of building opening.

Below are milestone dates we are tracking:

Activity No.	Description	Baseline Date	June 2017 Update	Actual Date	Variance/ Trend (cal days)
EX-0045	Exterior mock-up	11/8/16	5/9/17	6/17/17	-152
L2B-1025	Floor 2 Slab East	11/14/16	2/1/17	2/4/17	-52
L1A-4000	Start of Exterior Framing	11/18/16	5/11/17	5/11/17	-144
L3A-1025	Floor 3 Slab West	12/8/16	2/10/17	2/23/17	-34
L3B-1025	Floor 3 Slab East	12/16/16	3/8/17	3/11/17	-52

L4A-1025	Floor 4 Slab West	1/6/17	3/16/17	3/25/17	-39
L4B-1025	Floor 4 slab East	1/18/17	4/6/17	4/5/17	-48
L1B-4045	Start of Window Installation	1/18/17	6/12/17	7/21/17	-115
L5A-1025	Floor 5 Slab West	2/3/17	4/14/17	4/27/17	-40
L0-3025	Start of First Drywall	2/10/17	4/27/17	6/21/17	-46
L5B-1025	Floor 5 Slab East	2/16/17	5/4/17	5/4/17	-47
L6A-1025	Floor 6 Slab West	3/3/17	5/12/17	5/27/17	-40
L6B-1025	Floor 6 Slab East	3/17/17	6/2/17	6/2/17	-47
L1A-6090	Start Casework	4/29/17	7/20/17	12/14/17	-134
L0-3090	Infrastructure for Permanent Power	5/1/17	6/20/17	8/2/17	-20
EL3-2045	Structure Complete	5/16/17	7/20/17	7/6/17	-35
L6A-6060	Roof Weather tight	5/25/17	7/31/17	8/28/17	-37
ELE-0000	Exterior Envelope Complete	6/11/17	9/19/17		-70
C0-0030	Fire Marshal Acceptance	8/31/17	11/15/17		-46
M-0001	Substantial Completion	9/30/17	11/28/17		-29
M-0002	Final Completion	10/30/17	12/29/17	5/14/18*	-136
	Calendar Days Behind		136		
	* Current forecast completion date				

5. Project Photos



Front Entry exterior skin complete



Courtyard Pavers being installed. Exterior skin complete



Roof top HVAC unit start up underway



Kitchen complete waiting ceiling installation



Level 1 Bathroom tile being installed



Floor 2 Residential unit entry

End Of Report

Distribution:

Cheryl Fama, CEO, Peninsula Health Care District