

MONTHLY STATUS REPORT No.19



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

MAR 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 –May/June 2018

Design

Two Way Communication Systems

The team was notified by the Fire Marshal that a two-way communication system will be required at only the west elevator lobby's floors 1-6. 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. This is a significant cost impact in the 50K range and we have recently received the design of this system from the Smith Group. The team plans on starting

work the third week of April and hopes to have completed by May 17th, 2018. WE have received 2 bids for this work currently.

Window Blinds

The original window blinds specified do not allow enough natural light into the residential units, which is a concern to the district. We have been provided an alternate price to change this to a louvered blind and have bid out for pricing. These may or may not be installed by the grand opening and will be in the 125K range.

No other design issues outstanding at this time.

Furniture, Fixtures, & Equipment (FF&E)

March 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 May/June time frame. Pivot Interiors has released all interior furnishings and currently scheduled for a late May 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 the second week of May time frame.

Construction

Work Completed or in progress in the month of February 2018

- Main drive isle to site was paved.
- New sidewalk on Trousdale has been placed
- Pavers in courtyard was completed
- Exterior lighting being installed
- All exterior skin finishes complete
- Landscape irrigation and planting started with an early May completion date
- Floor 1 millwork started and is underway
- Floors 5&6 painting complete
- Floors 2,3 and 4 all finishes complete
- HVAC start up of all units
- Roofing Punch list created and work underway
- Floors 2,3,4 and 5 ceiling tile installed
- Kitchen punch list performed

Scheduled activities for the month of March 2018

- Exterior building stone at base of building begins installation – This was delayed for no reason
- Exterior planting around site to be completed
- Exterior Balcony railings complete along with Epoxy coating of Balcony slabs
- Exterior Tile at main entry
- Completion of all site work
- Floor 5 and 6 kitchen casework complete
- Floor 1 interior finishes near completion
- Fire Alarm systems underway and near completion
- All Building electrical and Mechanical systems continue near completion
- Installation of all lighting fixtures in floor 1.
- Complete food service equipment on Floor 1 café and floor 3.

• 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.

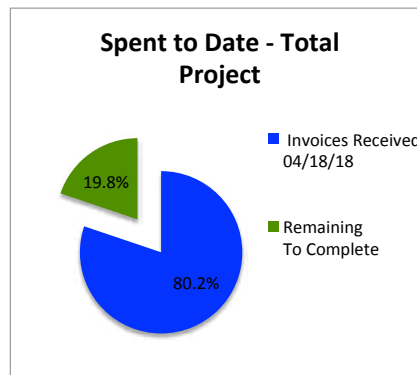
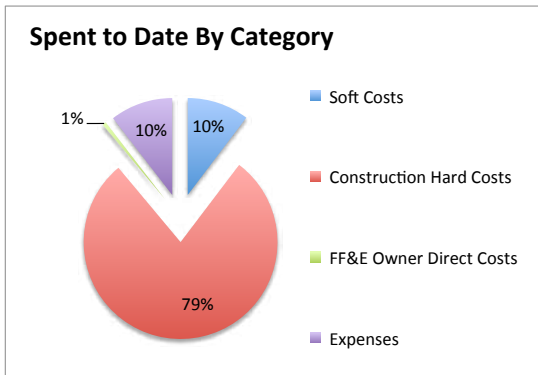
In late February 2016 the board approved the overall project budget of \$77.6M. This includes all project soft and hard costs, which are summarized below. Budget concerns are listed below under budget risks. None are anticipated at this time.

Total project spending through March 2018 is \$62,042,927, dollars, +/-80% of the total project budget.



PHCD Trousdale Assisted Living and Memory Care Center
 1600 Trousdale Drive, Burlingame
Project Dashboard
 4/1/18

Budget Line Description	Approved Budget 2/23/16	Change Orders And Budget Reallocations	Current Forecast	Invoices Received 04/18/18	Remaining To Complete	Percent Complete
Soft Costs	6,721,174	229,285	6,950,459	6,408,922	541,537	92.2%
Construction Hard Costs	57,300,462	(350,848)	56,949,614	48,756,248	8,193,365	85.6%
FF&E Owner Direct Costs	1,514,960	(106,078)	1,408,882	393,587	1,015,295	27.9%
Project Subtotal (Before Expenses)	65,536,595	(227,641)	65,308,954	55,558,757	9,750,197	85.1%
Expenses	9,895,381	1,868,692	11,764,073	6,484,170	5,279,903	55.1%
PHCD Contingency	2,150,900	(1,854,000)	296,900	-	296,900	0.0%
Total Project Costs	77,582,876	(212,949)	77,369,927	62,042,927	15,327,000	80.2%



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 March the team approved a total of 8 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 \$52,932,878. In the month of March, three (3) new change orders were added to the log with an estimated cost in the 22K 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 10 months old and is slowly catching up. We are currently forecasting approximately 777K 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 continues to meet 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.

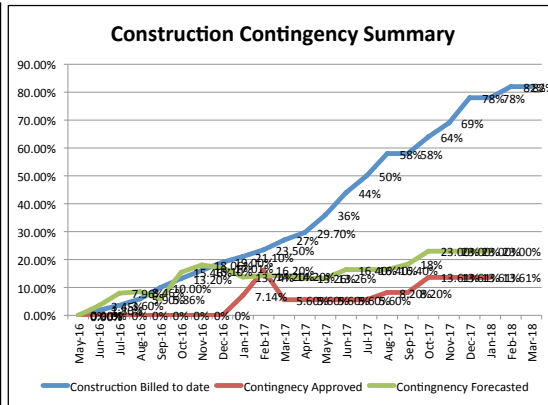
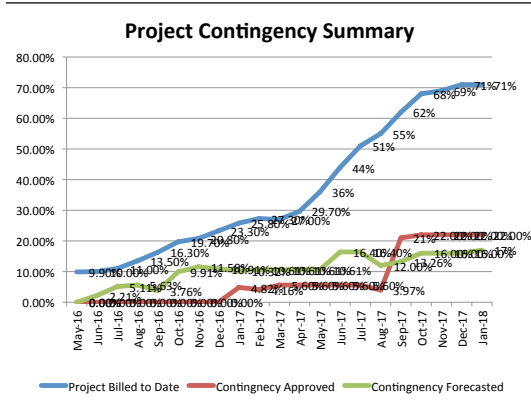
Contingency Summary Recap

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
 4/1/18

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	498,878	600,321	777,782	2,367,498	20.71%
FF&E Contingency	225,000	225,000	-	-	-	100.00%
Total Project Contingency:	4,469,479	723,878	600,321	777,782	2,367,498	14.64%
Owner Contingency	2,150,900	(1,000,000)	-	100,000	1,050,900	51.14%
Overall Total Project Contingency:	6,620,379	(276,122)	600,321	877,782	3,418,398	26.50%



During this period 3 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 \$777K 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 three (3) new change orders being created during this period with an estimated value of 32K, with much of these costs being funded from the contractor's contingency. There currently remains approximately 3.5 million dollars in project contingency un-spent. However, we do anticipate over the upcoming months to use significant contingency funds to help fund these changes, reducing the overall remaining contingency amount. The team is currently reviewing 600K 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 1.5million dollar range.

Future large change orders expected in the Month of March:

1. 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 75K range. This change order has not been received yet.
2. Costs associated with pipe insulation changes – All hot water piping insulation size needed to be changed due to incorrect specifications by the Smith Group. Per code, insulation size was to be 2” and specifications called for 1-1/2. This work is now complete and is estimated in the 90-100K range. SJA may ask for additional time as well.
3. Installation of 2 way communication systems. This is estimated in the 50K range and will be installed in the early May time frame.

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. We are told Fire Life safety systems will be signed off on May 17th 2018. 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 and expect several others that will total in the 1.5 million dollar range. 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 April 2018 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.

SJA has been produced a completion schedule that was issued on 3/1/18 that shows a May 17th, 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 will be seeking liquidated damages on this project as a result of their 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 March 2018 which indicated a second week of May 2018 substantial completion date significantly beyond their 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.

Interior and exterior building finishes are in full force and the SJA subcontractors are working overtime on a regular basis. All interior painting is now complete as of the second week of April. Interior construction continues to be accelerated to help mitigate current delays but SJA continues to not meet scheduled dates. The Kitchen area is now complete awaiting final clean up and ceiling tiles being installed. All interior casework is installed with the exception of floor 6 and the first floor, which is underway.

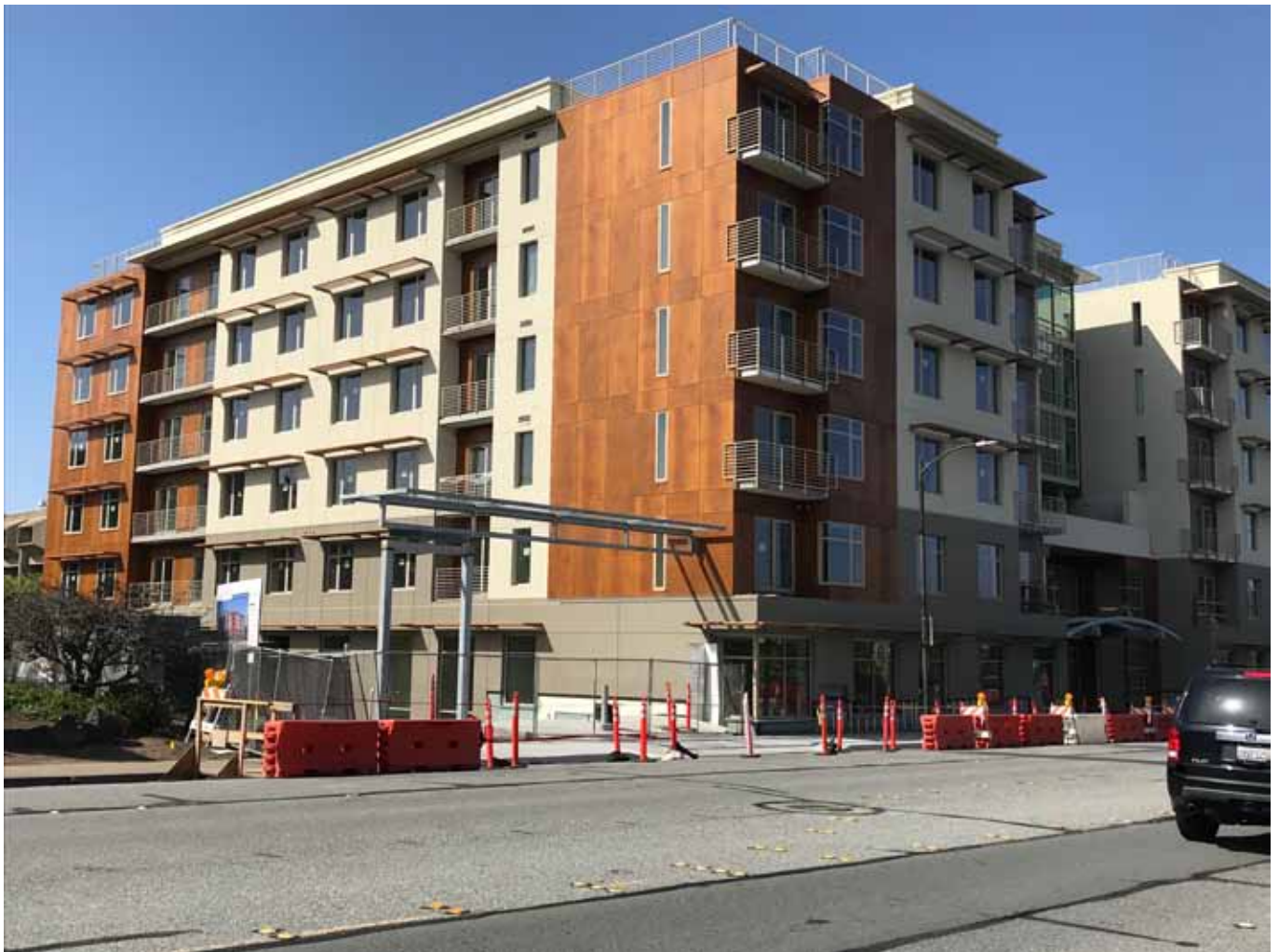
Based on current progress we anticipate the project to be substantially complete in late May 2018 with final completion end of June 2018. However, that will need to be evaluated on a day-by-day basis as they continually miss dates. We remain extremely concerned with SJA's in-ability to manage subcontractors 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	3/21/18	-70
CO-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



West Elevation Complete awaiting final canopy wood cladding



Basement ramp poured out with garage gates installed awaiting final planting



Front Entry completed awaiting wood door install. Stone flooring underway



South elevation near completion



Courtyard planting underway

End Of Report

Distribution:

Cheryl Fama, CEO, Peninsula Health Care District