CAPITAL EXPENDITURES TO FEMALE-OWNED, MINORITY-OWNED, VETERAN-OWNED, AND SMALL BUSINESS ENTERPRISES

Under the provisions of the Illinois Health Facilities Planning Act (20 ILCS 3960/5.3 (b) (2)), **any hospital having more than 100 authorized beds, and having any capital expenditures in excess of $350,000 for the erection, building, alteration, reconstruction, modernization, improvement, extension, or demolition of or by the hospital,** is required to complete this section of the annual hospital questionnaire (items A through J). The hospital may include capital expenditures below the $350,000 threshold, if desired.

A health care system may develop a system-wide annual report that includes all hospitals to comply with this requirement. If the health care system chooses to report in this manner, please indicate it as the reporting entity. The health care system shall use as much State-specific data as possible in this report. If State-specific data is not available, the health care system shall include national data and explain why State-specific data is not available, and what steps the system will take to provide State-specific data in future reports.

If information about the open-ended questions in this section is currently available for the hospital or health care system online, the hospital or health care system may provide the online reference for the pertinent information.

Hospital or Health Care System*	Northwestern Memorial Healthcare
Contact Person for this Section	Monika Farkas-Loewes
Contact Telephone	(312) 694-2221
Contact E-Mail	monika.farkasloewes@nm.org

* If the reported information is for a Health Care System, please indicate in the space below the hospitals included in the Health Care System.

If the reporting entity cannot provide all State-specific data, explain why State-specific data is not available, and what steps will be taken to provide State-specific data in future reports:

The reported data is a consolidated report for the entire Northwestern Memorial Healthcare enterprise and includes the following hospitals:

NM - Northwestern Memorial Hospital
NM - Prentice Women's Hospital
NM - Lake Forest Hospital
NM - Huntley Hospital
NM - Woodstock Hospital
NM - McHenry Hospital
NM - Central DuPage Hospital
NM - Delnor Hospital
NM - Kish Hospital
NM - Valley West Hospital
NM - Palos Hospital

Please provide the following information based on your hospital or health system's most recently completed fiscal year.

For this section, **Qualifying capital expenditures** include "only expenditures ... for the erection, building, alteration, reconstruction, modernization, improvement, extension, or demolition of or by a hospital" [20 ILCS 3960/5.3(b)(1)].

A. What was your organization's goal for qualifying capital expenditures to the following categories of businesses?

	Percentage
Female-Owned Businesses	6.0 %
Minority-Owned Businesses	10.0 %
Veteran-Owned Businesses	0.5 %
Small Business Enterprises	0.5 %

B. What was the amount of your organization's total qualifying capital expenditures for the reporting period? **If your organization had no qualifying capital expenditures, proceed to question D.**

Total Qualifying Capital Expenditures for the Reporting Period (Dollars)	$ 431,205,498.00

C. What amount of your organization's qualifying capital expenditures actually were to the following types of businesses?

	Actual Amount Expended (Dollars)	Percentage of Total (Calculated)
Female-Owned Businesses	$ 37,000,827.00	8.58 %
Minority-Owned Businesses	$ 77,844,741.00	18.05 %
Veteran-Owned Businesses	$ 689,333.00	0.16 %
Small Business Enterprises	$ 1,272,971.00	0.30 %

D. For what type or types of qualifying capital expenditures is/are your organization actively seeking supplier diversity?

Northwestern Medicine is actively seeking qualifying capital expenditures for new construction, renovation and improvement projects across our Construction, Real Estate and Facilities portfolio. This includes qualified providers in construction, architecture, engineering, consulting, equipment and services, and technology.

Major construction projects are of particular focus, as these projects typically offer the greatest opportunity for diverse spend.

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E. What is your organization's plan for alerting and encouraging enterprises of your efforts to promote supplier diversity in your planned qualifying capital expenditures?

NM consistently articulates our supplier diversity goals and expectations to maximize MBE/WBE/VBE/DBE participation to all of our contractors and professional service firms through our RFP process and contract agreements. NMHC is committed to the development of MBE/WBE/VBE/DBE Enterprises and increasing the amount of business placed with such enterprises.

During FY24, the Planning & Construction department pre-qualified 7 new diverse vendors which is 35% of newly pre-qualified firms. NM assesses vendor qualification applications of diverse vendors in great detail to ensure that the requirements of our pre-qualification process are not a barrier for access to our project opportunities by any firm.

NM is actively involved with the Chicago Chapter of Professional Women in Construction and has been the host site for a series called "Candid Conversations" which is a meeting series focused on increasing awareness to key topics surrounding diversity, equity and inclusion in the design and construction industry. We hosted 2 of 11 events in 2024.

We engaged with diverse construction management consulting firms to provide supplemental project management and 3rd party project management support for multiple projects, including our largest system project.
These relationships help develop these diverse firms in their abilities to manage high level, highly complex healthcare construction projects

F. What challenges has your organization encountered in its efforts to promote and encourage supplier diversity?

One of our greatest challenges continues to be in retaining qualified vendors who have the skill and scale required to participate in healthcare related construction projects. For construction specifically, there are requirements for infection prevention and safety that are critically important to patient care. In some instances, we continue to experience certified vendors not having the capacity to be competitive in their bids compared to other qualified vendors.

More recently, we are experiencing that there is a finite number of certified, diverse vendors, specialized in construction in the Chicago market. Many of these vendors are very busy and have limited capacity to take on additional work which limits our ability expand our program. As in past years, we continue to work with our GC partners in helping to support

G. What could the Illinois Health Facilities and Services Review Board do to assist your efforts to increase supplier diversity?

Continue to connect Provider organizations with diverse suppliers in our local and regional communities and recommend forums in which we may engage directly with prospective vendors about potential opportunities.

Similarly, connect major General Contractors (GC's) to diverse suppliers, as GC's play a central role in sourcing qualified suppliers. Continue to provide guidance and information related to the new reporting legislation.

H. What certifications does your organization recognize in the recruitment of diverse-owned vendors/suppliers?

The following certifications/ certifying agencies are recognized by NM:
Chicago Transit Authority - DBE, SBE;
City of Chicago - BEPD, DBE, MBE, VBE, WBE;
Cook County - PDBE, WBE;
State of Illinois Central Management Services - PBE, SDVOSB, VOSB, WBE, WMBE;
Business Enterprises owned by People w/Disabilities - BEPD;
Disabled Owned Business Enterprise - DSBE;
Minority/Women Business Enterprise - MWBE;
Persons w/Disabilities Business Enterprise - PDBE;

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I. How should a potential vendor/supplier contact your organization (point of contact)?

A potential vendor may direct inquires to the NM Vendor Team at vendorteam@nm.org. The vendor team can address questions related to the Northwestern Medicine Supplier Management Portal.

For all construction and renovation work, we have a dedicated business function to support vendor pre-qualification and supplier diversity reporting within our Real Estate and Construction Division. This is a prerequisite step prior to registering in the NM Supplier Management Portal. Inquiries for construction related work may be directed to the Construction Project Office at cpo@nm.org.

J. How would a vendor/supplier enroll with your organization to be recognized as a vendor/supplier of diversity ownership?

All vendor/supplier enrollment requests for Planning & Construction are required to complete the Vendor pre-qualification application through the Northwestern Medicine Supplier Management Portal. Once the application has been completed it will be reviewed and voted on for approval through our P&C Vendor Pre-Qual Committe. Once approved, NM vendor management staff will direct them through the official on-boarding process of becoming an approved NM Vendor, which includes submission of documentation such as Government and Diversity Certifications, among other requirements.

K. Do you have particular examples of successful recruitment of diverse-owned vendors/suppliers which could be instructive to other organizations to emulate in their efforts to recruit diverse vendors/suppliers?

Northwestern Memorial Healthcare encourages more established general contractors to cultivate mentorship relationships with smaller, diverse GC firms in order to establish a training ground for working in a healthcare construction setting. These mentorships can be in the form of a joint venture arrangement or a mentor/protege agreement. These partnerships help develop diverse firms in learning and understanding the field specifications for safety, infection prevention, and healthcare related terminology. They also help train and support these firms in learning healthcare industry compliance standards and associated documentation necessary to work in this environment.