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HEALTH FACILITIES &
SERVICES REVIEW BOARD

February 18, 2013

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

**RE: Annual Progress Report
Project #11-107
Northwestern Memorial Hospital
Outpatient Care Pavilion (OCP) Project**

Dear Ms. Avery:

This report summarizes the current status of the Outpatient Care Pavilion (OCP) project at Northwestern Memorial Hospital (NMH). The project was approved by the HFSRB on February 28, 2012, in the amount of \$322,826,935.

Key Milestones

During the past year of the project (from 2/28/12 to date), key accomplishments include the following:

Design and Construction Document Phase

- Design and construction documentation is complete for the shell and core.
- Construction documents for the D&T services floor and surgical services floor will be complete April, 2013.

Construction

- Site Preparation is 100% complete.
- Utility Infrastructure Service work is 90% complete.
- Foundation Concrete work is 95% complete.
- Concrete Core through level 10 is 100% complete.
- Interior Fit-out work for shell and core will commence in Q2 2013.

Equipment

- Equipment planning began in Q1 2012.
- Equipment procurement will begin in Q2 2013.

Key Actions Needed to Be Completed

Action/Milestone	Target Completion Date
Equipment Procurement Begins	April 2013
Interior Fit-out Begins for Surgical Svcs and D&T Svcs Floors	September 2013
Shell and Core Construction Substantial Completion	June 2014
Surgical Svcs Floor and D&T Svcs Floor Substantial Completion	August 2014
Move-in/Occupancy	Fall 2014
Project Close-Out	March 30, 2015

Sources and Uses of Funds


Attached is a schedule of project expenditures through December 31, 2012. Approximately \$37,560,494 has been expended of the \$322,826,935 allocated for the project and has been entirely funded from cash and securities. This represents approximately 11.6% of the budget.

Contractual Commitments

NMH has executed contracts for this project. Current total project commitments are \$223,525,336. Additionally, a copy of the Application for Payment for the construction contract, related to reported project expenditures, has been included.

If you have any questions, please feel free to contact me at (312) 926-8650.

Sincerely,



Bridget S. Orth
Regulatory Facility Planning

cc: Jim Mladucky, Director, Design and Construction
Jan Peterson, Project Manager, Finance
Kelly McDermott, Project Manager
Joe Kucharz, Project Executive

**Outpatient Care Pavilion (OCP) Project
Project # 11-107**

**ANNUAL COST REPORT
to the
Illinois Health Facilities and Services Review Board**

Northwestern Memorial Hospital Permit Project Expenditures

Progress Report: February 28, 2013

<u>Category</u>	CON Approved Budget	Project to Date
<u>USE OF FUNDS</u>		
2 SITE SURVEY AND SOIL INVESTIGATION	\$ 352,786	\$ 243,584
3 SITE PREPARATION	\$ 2,865,020	\$ 1,138,716
4 OFF SITE WORK	\$ 1,764,235	\$ 836,939
5 NEW CONSTRUCTION CONTRACTS	\$ 219,117,153	\$ 17,477,755
7 CONTINGENCIES	\$ 21,911,716	\$ -
8 ARCHITECTURAL/ENGINEERING FEES	\$ 8,310,429	\$ 6,525,492
9 CONSULTING & OTHER FEES	\$ 16,321,677	\$ 8,013,659
10 MOVABLE CAPITAL EQUIPMENT (not in construction contracts)	\$ 25,928,100	\$ -
11 BOND ISSUANCE EXPENSE (project related)	\$ 3,026,000	\$ -
12 NET INTEREST EXPENSE DURING CONSTRUCTION (project rela	\$ 7,291,000	\$ -
14 OTHER COSTS WHICH ARE TO BE CAPITALIZED	\$ 15,938,819	\$ 3,324,349
GRAND TOTAL	\$ 322,826,935	\$ 37,560,494
<u>SOURCE OF FUNDS</u>		
16 CASH & SECURITIES	\$ 166,564,935	\$ 37,560,494
18 GIFTS & BEQUESTS	\$ -	\$ -
19 BOND ISSUES (project related)	\$ 156,262,000	\$ -
25 TOTAL FUNDS	\$ 322,826,935	\$ 37,560,494
CON PERMIT AMOUNT	\$ 322,826,935	\$ 37,560,494
 % COMPLETE	 11.6%	

APPLICATION AND CERTIFICATE OF PAYMENT DOCUMENT G702

TO (OWNER): PROJECT: 52091803 DOCUMENT G702
 Northwestern Memorial Hospital
 Outpatient Care Pavilion
 259 E. Erie Street, Chicago, IL
 Purchase order # 3001055341

APPLICATION NO: 7 Distribution to:
 OWNER
 ARCHITECT
 CONTRACTOR

FROM (CONTRACTOR): VIA (ARCHITECT):
 Lend Lease, Inc & The Pepper Construction Companies, Inc.
 A Joint Venture
 One North Wacker, Ste 850
 Chicago, IL 60606
 CONTRACT FOR: Core & Shell
 OWP&P/Cannon Design Inc
 111 W. Washington Suite 2100
 Chicago, IL 60602
 Project #3508.00

CONTRACTOR'S APPLICATION FOR PAYMENT

CHANGE ORDER SUMMARY		ADDITIONS	DEDUCTIONS
Change Orders approved in previous months by Owner - 1 through 1		0.00	
TOTAL			
Approved this Month	Date Approved		
Number			
TOTALS			
Net Change by Change Orders			

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief, the work covered by this application for payment has been completed in accordance with the contract documents, that all amounts have been paid by the Contractor for work for which previous certificates for payment were issued and payments received from the Owner, and that current payment shown herein is now due.

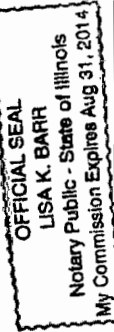
Contractor Lend Lease, Inc & The Pepper Construction Companies, Inc. A Joint Venture
 Paul James
 Senior Vice President

By: *[Signature]* November 2, 2012

Application is made for Payment, as shown below, in connection with the Contract Continuation Sheet, Document G703, is attached.

- 1. ORIGINAL CONTRACT SUM \$ 175,623,312.00
 - 2. Net Change by Change Orders \$ -
 - 3. CONTRACT SUM TO DATE (Line 1+2) \$ 175,623,312.00
 - 4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 20,736,898.00
 - 5. RETAINAGE:
 - a. 7% of Completed Work \$ 1,384,345.00
(Column D+E on G703)
 - b. of Stored Material (Column F on G703)
- Total Retainage (Line 5a+5b or Total in Column I of G703) \$ 1,384,345.00
- 6. TOTAL EARNED LESS RETAINAGE (Line 4 less line 5 Total) \$ 19,352,553.00
 - 7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 15,381,121.00
 - 8. CURRENT PAYMENT DUE \$ 3,971,432.00
 - 9. BALANCE TO FINISH, PLUS RETAINAGE (Line 3 less Line 6) \$ 156,270,759.00

State of Illinois County of Cook
 Subscribed and sworn to before me this November 2, 2012
 Notary Public:



My Commission expires: \$ 3,971,432.00
AMOUNT CERTIFIED

(Attach explanation if amount certified differs from the amount applied for).
 ARCHITECT:

By: _____ Date: _____

This certificate is not negotiable. The amount certified is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this contract.

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the contract documents, based on on-site observations and the data comprising the above application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the work has progressed as indicated, the quality of the work is in accordance with the contract documents, and the Contractor is entitled to payment of the amount certified.