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HEALTH FACILITIES &  
SERVICES REVIEW BOARD

February 24, 2014

Ms. Courtney Avery  
Administrator  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street, 2<sup>nd</sup> 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 2/28/13 to date), key accomplishments include the following:

**Design and Construction Document Phase**

- Construction documents for the D&T services floor and surgical services floor were completed.

**Construction**

- Core and Shell construction is 83% complete.
- D&T floor construction is 60% complete.
- Surgical Services floor construction is 60% complete.

**Equipment**

- Purchases have been committed for 65% of medical and non-medical equipment.

**Key Actions Needed to Be Completed**

| <b>Action/Milestone</b>                                       | <b>Target Completion Date</b> |
|---|-------------------------------|
| Equipment Procurement Completion                              | June 2014                     |
| Shell and Core Construction Substantial Completion            | June 2014                     |
| Surgical Svcs Floor and D&T Svcs Floor Substantial Completion | August 2014                   |
| Move-in/Occupancy   | October 2014                  |
| Project Close-Out   | March 30, 2015                |

**Sources and Uses of Funds**

Attached is a schedule of project expenditures through December 31, 2013. Approximately \$149,145,072 has been expended of the \$322,826,935 allocated for the project and has been entirely funded from cash and securities. This represents approximately 46.2% of the budget.

**Contractual Commitments**

NMH has executed contracts for this project. Current total project commitments are \$237,565,080. Additionally, copies of the most recent Application for Payment for the construction contracts have been included.

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

Sincerely,



Bridget S. Orth  
Director, Regulatory Facility Planning

cc: Jim Mladucky, Director, Facility Planning and Construction  
Jan Peterson, Finance Manager, Capital Budget and Projects  
Nick Wojciechowski, Project Manager, Facility Planning and Construction

**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, 2014**

| <u>Category</u>   | CON Approved Budget | Project to Date |
|---|---------------------|-----------------|
| <b><u>USE OF FUNDS</u></b>                                  |                     |                 |
| 2 SITE SURVEY AND SOIL INVESTIGATION                        | \$ 352,786          | \$ 250,410      |
| 3 SITE PREPARATION  | \$ 2,865,020        | \$ 1,904,156    |
| 4 OFF SITE WORK   | \$ 1,764,235        | \$ 1,043,370    |
| 5 NEW CONSTRUCTION CONTRACTS                                | \$ 219,117,153      | \$ 121,467,613  |
| 7 CONTINGENCIES   | \$ 21,911,716       | \$ -            |
| 8 ARCHITECTURAL/ENGINEERING FEES                            | \$ 8,310,429        | \$ 8,957,862    |
| 9 CONSULTING & OTHER FEES                                   | \$ 16,321,677       | \$ 10,442,785   |
| 10 MOVABLE CAPITAL EQUIPMENT(not in construction contracts) | \$ 25,928,100       | \$ 444,844      |
| 11 BOND ISSUANCE EXPENSE (project related)                  | \$ 3,026,000        | \$ -            |
| 12 NET INTEREST EXPENSE DURING CONSTRUCTION(project relat   | \$ 7,291,000        | \$ -            |
| 14 OTHER COSTS WHICH ARE TO BE CAPITALIZED                  | \$ 15,938,819       | \$ 4,634,032    |
| <b>GRAND TOTAL</b>  | \$ 322,826,935      | \$ 149,145,072  |
| <b><u>SOURCE OF FUNDS</u></b>                               |                     |                 |
| 16 CASH & SECURITIES  | \$ 166,564,935      | \$ 149,145,072  |
| 18 GIFTS & BEQUESTS   | \$ -                | \$ -            |
| 19 BOND ISSUES (project related)                            | \$ 156,262,000      | \$ -            |
| 25 TOTAL FUNDS  | \$ 322,826,935      | \$ 149,145,072  |
| CON PERMIT AMOUNT   | \$ 322,826,935      | \$ 149,145,072  |
| <br>% COMPLETE  | <br>46.2%           |                 |

**APPLICATION AND CERTIFICATE OF PAYMENT DOCUMENT G702**

PROJECT: 52091803  
 Northwestern Memorial Hospital  
 Outpatient Care Pavilion  
 259 E. Erie Street, Chicago, IL  
 Purchase order # 3001055341

APPLICATION NO: 19  
 PERIOD TO: 10/31/13

Distribution to:  
 OWNER  
 ARCHITECT  
 CONTRACTOR

FROM (CONTRACTOR):  
 Lend Lease, Inc & The Pepper Construction Companies, Inc.  
 A Joint Venture  
 One North Wacker, Ste 850  
 Chicago, IL 60606  
 CONTRACT FOR: Core & Shell

VIA (ARCHITECT):  
 OWP&P/Cannon Design Inc  
 111 W. Washington Suite 2100  
 Chicago, IL 60602  
 Project #3508.00

ARCHITECTS

PROJECT NO:

CONTRACT DATE:

**CONTRACTOR'S APPLICATION FOR PAYMENT**

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

| CHANGE ORDER SUMMARY   |               | ADDITIONS    | DEDUCTIONS   |
|--|---------------|--------------|--------------|
| Change Orders approved in previous months by Owner - 1 through 4 |               | 1,840,089.00 |              |
| TOTAL  |               | 1,840,089.00 |              |
| Approved this Month  | Date Approved |              |              |
| Number   |               |              |              |
| TOTALS   |               | 1,840,089.00 | 1,840,089.00 |
| Net Change by Change Orders                                      |               | 1,840,089.00 |              |

1. ORIGINAL CONTRACT SUM \$ 175,623,312.00
2. Net Change by Change Orders \$ 1,840,089.00
3. CONTRACT SUM TO DATE (Line 1+2) \$ 177,463,401.00
4. TOTAL COMPLETED & STORED TO DATE \$ 131,219,297.00  
(Column G on G703)

5. RETAINAGE:
  - a. 7% of Completed Work \$ 9,172,833.00  
(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) \$ 9,172,833.00
6. TOTAL EARNED LESS RETAINAGE \$ 122,046,464.00  
(Line 4 less line 5 Total)
  7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 112,377,704.00
  8. CURRENT PAYMENT DUE \$ 9,668,760.00
  9. BALANCE TO FINISH, PLUS RETAINAGE \$ 55,416,937.00  
(Line 3 less Line 6)

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  
 James E. Harding  
 Vice President



State of: Illinois County of: Cook  
 Subscribed and sworn to before me this November 8, 2013  
 Notary Public:



My Commission expires: 08/31/14

AMOUNT CERTIFIED \$ 9,668,760.00

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

**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.

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.

**APPLICATION AND CERTIFICATE OF PAYMENT DOCUMENT G702**

TO (OWNER):  
 Northwestern Memorial Hospital  
 251 E. Huron Street  
 Chicago, IL 60611

PROJECT:  
 Northwestern Memorial Hospital  
 Outpatient Care Pavilion  
 259 E. Erie Street, Chicago, IL  
 Purchase order #300118096

APPLICATION NO: PB #4  
 PERIOD TO: 10/04/13  
 ARCHITECT'S  
 PROJECT NO:  
 CONTRACT DATE:

Distribution to:  
 OWNER  
 ARCHITECT  
 CONTRACTOR

FROM (CONTRACTOR):  
 Lend Lease, Inc & The Pepper Construction Companies, Inc.  
 A Joint Venture  
 One North Wacker, Ste 850  
 Chicago, IL 60606  
 CONTRACT FOR: Tenant Improvement  
 Project #3508.00

VIA (ARCHITECT):  
 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 - 0 through 0 |               |           |            |
| TOTAL  |               | -         |            |
| Approved this Month  | Date Approved |           |            |
| Number   |               |           |            |
| TOTALS   |               | -         | -          |
| Net Change by Change Orders                                      |               |           |            |

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

1. ORIGINAL CONTRACT SUM ..... \$ 11,352,020.00
  2. Net Change by Change Orders ..... \$ -
  3. CONTRACT SUM TO DATE (Line 1+2) ..... \$ 11,352,020.00
  4. TOTAL COMPLETED & STORED TO DATE ..... \$ 1,591,211.00  
 (Column G on G703)
  5. RETAINAGE:
    - a. 7% of Completed Work \$ 109,326.00  
 (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) ..... \$ 109,326.00
6. TOTAL EARNED LESS RETAINAGE ..... \$ 1,481,885.00  
 (Line 4 less line 5 Total)
  7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) ..... \$ 823,599.00
  8. CURRENT PAYMENT DUE ..... \$ 658,286.00
  9. BALANCE TO FINISH, PLUS RETAINAGE ..... \$ 9,870,135.00  
 (Line 3 less Line 6)

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  
 Isaura Zavala  
 Authorized Signer

By: *Isaura Zavala* October 4, 2013

State of Illinois County of: Cook  
 Subscribed and sworn to before me this October 4, 2013  
 Notary Public: *Juan Carlos Rojas*  
 My Commission expires: 08/14/16



AMOUNT CERTIFIED ..... \$ 658,286.00  
 (Attach explanation if amount certified differs from the amount applied for):  
 ARCHITECT: ##  
 By: ## Date: ##

**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.

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.

**APPLICATION AND CERTIFICATE OF PAYMENT DOCUMENT G702**

TO (OWNER): Northwestern Memorial Hospital  
 251 E. Huron Street  
 Chicago, IL 60611

PROJECT: Northwestern Memorial Hospital  
 Outpatient Care Pavilion  
 259 E. Erie Street, Chicago, IL  
 Purchase order #3001118096

APPLICATION NO: PB #4

PERIOD TO: 10/04/13

Distribution to:  
 OWNER  
 ARCHITECT  
 CONTRACTOR

FROM (CONTRACTOR): Lend Lease, Inc & The Pepper Construction Companies, Inc.  
 A Joint Venture  
 One North Wacker, Ste 850  
 Chicago, IL 60606

VIA (ARCHITECT): OWP&P/Cannon Design Inc  
 225 N Michigan Ave  
 Chicago, IL 60601

CONTRACT FOR: Tenant Improvement Project #22067


ARCHITECT'S PROJECT NO:  
 CONTRACT DATE: 1

**CONTRACTOR'S APPLICATION FOR PAYMENT**

| CHANGE ORDER SUMMARY   |               | ADDITIONS | DEDUCTIONS |
|--|---------------|-----------|------------|
| Change Orders approved in previous months by Owner - 0 through 0 |               |           |            |
| 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  
 Isaura Zavala  
 Authorized Signer

By:  October 4, 2013

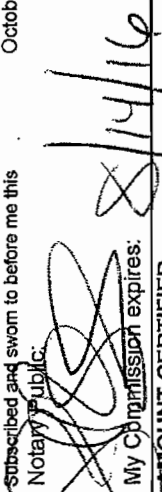
**ARCHITECT'S CERTIFICATE FOR PAYMENT**

1590.000

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.

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

1. ORIGINAL CONTRACT SUM. \$ 7,206,518.00
2. Net Change by Change Orders \$ -
3. CONTRACT SUM TO DATE (Line 1+2) \$ 7,206,518.00
4. TOTAL COMPLETED & STORED TO DATE. \$ 594,241.00  
 (Column G on G703)
5. RETAINAGE:
  - a. 5% of Completed Work \$ 31,579.00  
 (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) \$ 31,579.00
6. TOTAL EARNED LESS RETAINAGE \$ 662,662.00  
 (Line 4 less line 5 Total)
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 423,460.00
8. CURRENT PAYMENT DUE \$ 139,202.00
9. BALANCE TO FINISH, PLUS RETAINAGE \$ 6,643,856.00  
 (Line 3 less Line 6)

State of Illinois County of Cook  
 Subscribed and sworn to before me this October 4, 2013  
 Notary Public:  8/14/16

"OFFICIAL SEAL"  
 Juan Carlos Rojas  
 NOTARY PUBLIC, STATE OF ILLINOIS  
 My Commission Expires 08/14/16

My Commission expires: \$ 139,202.00

AMOUNT CERTIFIED \$ 139,202.00

(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.