



Institute for
Human
Reproduction

Theresa Vella, Assistant General Counsel
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January 30, 2024

Via Federal Express 7749-9274-4174

Mr. John Kniery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761

Mr. Michael Constantino
Chief, Project Review
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761

RECEIVED

JAN 31 2024

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Re: Project Number: #22-025
Facility Name: Surgical Center for Human Reproduction (SCHR), LLC
Facility Address: 680 N. Lakeshore Drive, Chicago, Illinois
Applicants: Surgical Center for Human Reproduction (SCHR), LLC; IVF Consulting, LLC; Pinnacle Fertility, Inc.
Licensee/Operating: Surgical Center for Human Reproduction (SCHR), LLC
Project Description: Establish an Assistive Reproductive Technology Ambulatory Surgery Treatment Center (ASTC)
Permit Amount: \$12,188,227
Permit Conditions: None
Financial Commitment Date: December 1, 2024
Project Completion Date: December 1, 2024
Annual Progress Report Due Date: December 1, 2024

Dear Mr. Kniery and Mr. Constantino:

Project 22-025, the establishment of an Assisted Reproductive Technology Ambulatory Surgical Treatment Center located at 680 N. Lakeshore Drive (the "Project"), was approved by the Illinois Health Facilities and Services Review Board on January 31, 2023. This letter constitutes the first annual progress report consistent with 77 Ill. Adm. Code 1130.760.

Pre-construction design milestones have successfully progressed, including programming the space, finalizing the schematic design, and design development. Please note that the pre-construction design process was delayed due to a late discovery by the Project engineers that the area originally designated in the lease to house the HVAC and emergency power systems was insufficient. Project architects, in coordination with the landlord and engineering team, redesigned a portion of the Project's floorplan to accommodate the HVAC system, emergency power system, and the medical gas manifold room. This matter is now resolved, and the new layout is now appropriately reflected in the Project plans.

Mortensen Company has been engaged as the General Contractor on the Project. The Mortensen team is involved in the design and preconstruction planning with the goal of initiating the construction phase of the project as soon as possible. With the resolution to the redesign, Mortenson is in the process of compiling the initial GMP and options for early release of long lead equipment required for the Project. As of yet, the landlord is still completing its work required under the lease and we have not taken possession of the premises. The delay of completion of the landlord work has in turn prolonged the preconstruction process.

The full set of construction documents and related drawings are progressing towards finalization for eventual submittal to the city for permitting and to the Illinois Department of Public Health for design and document review. While no medical equipment has been purchased or ordered to date, a medical equipment planner has been engaged and is actively collaborating with the design team and



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engineering team to ensure that the equipment will have sufficient clearances, power, and ventilation.

The lead times for acquiring certain equipment essential to the project extend significantly beyond the initial project schedule, due mostly to industry-wide shortages and supply-chain issues. Accordingly, delays are anticipated to apply to the acquisition of the new boilers, electrical panels, air handling units, emergency generator, automatic transfer switch and doors. The Project team is working diligently to ensure this equipment is on site at the start of construction in order to maximize installation and construction scheduling efficiencies, but recognize the possibility that these shortages and supply-chain issues may result in construction delays. In the event these issues impact the Project timeline, Illinois Health Facilities and Services Review Board will be notified accordingly.

Project payments to date total \$99,353.21. Additional financial commitment for the Project, by way of contracts with the general contractor, architect and project manager, respectively currently totals \$342,630.87. There has been no change in size or scope of the Project.

If you have any questions, please contact me, Theresa Vella, Assistant General Counsel, at 602.616.9105.

Sincerely,

A handwritten signature in black ink that reads 'Theresa Vella'. The signature is written in a cursive, flowing style.

Theresa Vella
Assistant General Counsel