



VIA Federal Express

June 30, 2015

Ms. Kathryn J. Olson
Chairperson
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd floor
Springfield, IL 62761

RECEIVED

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Re: Permit Renewal Request – Project 14-021
Establishment of a Comprehensive Physical Rehabilitation Service
Northwest Community Hospital (NCH)

Dear Ms. Olson:

I am writing to request a six month extension of the project completion date for Project 14-021. The project was approved on August 27, 2014, with a permit completion date of September 1, 2015. The unit will be newly opened and operating at that time, but additional time is required in order to finalize vendor payments and complete project accounting.

1. Requested Completion Date

NCH requests a six month time extension for Project 14-021, with March 1, 2016 as the new project completion date.

2. Status of the Project

Construction of the 17 bed rehabilitation unit will be completed in August, 2015, allowing the unit to be operational in September. The unit is located on the 7th floor of the North Tower on the NCH campus. The Financial Commitment / Obligation of this project are based on the contract with Leopardo Construction. As of this date, the following are completed: interior demolition, rough room construction, drywall installation, slab penetration for plumbing, HVAC testing and balancing, and electrical systems.

Approximately 55% of total project cost has been expended to date. The project is expected to be completed within the CON-approved budget of \$3,040,000. Remaining work includes: installation of the nurse call system, flooring, low voltage systems, final trim and interior finishes, and purchase and installation of furnishings and equipment. All remaining construction, equipment and furnishings will be completed before September 1, allowing the unit to become operational in September. The requested time extension is necessary to allow time for receipt and payment of all invoices, audit of project capital costs and close out of financial reporting.

3. Why more time is requested

Shortly before the start of the project, NCH installed new leadership in facilities planning and construction, recruiting Al Jensen as Executive Director, Facilities Management in June 2014. Mr. Jensen needed and took appropriate time to become familiar with the range of planned and ongoing capital projects at the hospital campus and its off-campus outpatient facilities. He was instrumental in

suggesting to senior management that the unit should be built on the 7th floor rather than the original plan for the 3rd floor in the north tower. As reported in our December 4, 2014 letter to HFSRB, this change did not adversely affect the scope, size, cost or timing of the project, and improved several operational elements of the project.

4. Why more time is requested

Shortly before the start of the project, NCH installed new leadership in facilities planning and construction, recruiting Al Jensen as Executive Director, Facilities Management in June 2014. Mr. Jensen needed and took appropriate time to become familiar with the range of planned and ongoing capital projects at the hospital campus and its off-campus outpatient facilities. He was instrumental in suggesting to senior management that the unit should be built on the 7th floor rather than the original plan for the 3rd floor in the north tower. As reported in our December 4, 2014 letter to HFSRB, this change did not adversely affect the scope, size, cost or timing of the project, and improved several operational elements of the project.

Two specific factors led to delay in the project: asbestos was found in flooring, leading to remediation tasks; and existing low voltage wiring was found to be insufficient, resulting in the installation of new wiring infrastructure. These items resulted in extensions of the construction schedule. The cost of these activities is being absorbed adequately within the project cost contingency.

5. Assurance regarding project costs and scope

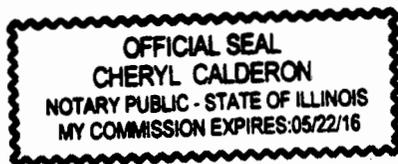
I hereby certify that the total cost and scope of the completed project will be consistent with the permit approved by HFSRB last August. NCH allocated cash and securities to be reserved for this project, and they are sufficient to cover the past, current and remaining costs to complete the project.

If you have any questions, please contact me at 847-618-5020, or Ralph Weber, CON consultant, at 847-791-0830.

Sincerely,



Brad Buxton
Vice President, Strategy & Business Development
Northwest Community Hospital



SUBSCRIBED AND SWORN
to me this 30th day of June, 2015



My commission expires: 5/22/16

Enclosure: \$500 Permit Renewal Fee, payable to the Illinois Department of Public Health

Copy: Wendy L. Rubas, Executive Vice President & General Counsel, NCH
Allen C. Jensen, Executive Director, Facilities Management, NCH
Ralph Weber, CON Consultant