March 8, 2016

Ms. Kathryn Olson
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

RE: Annual Progress Report
Project #14-061
Northwestern Memorial Hospital
259 East Erie Surgical Services Expansion Project

Dear Ms. Olson:

This report summarizes the current status of the 259 East Erie Surgical Services Expansion (11th floor) Project at Northwestern Memorial Hospital (NMH). The project was approved by the HFSRB on March 10, 2015, in the amount of $24,448,432.

Key Milestones

During the past year of the project (from 3/10/15 to date), key accomplishments include the following:

Obligation
- Obligation occurred on July 17, 2015.

Design and Construction Document Phase
- Design and construction documentation is complete.

Construction
- Demolition is complete.
- Infrastructure work is 98% complete.
- 11th floor build-out is 96% complete.
- Construction substantial completion occurred on February 29, 2016.
Equipment
- Planning is complete.
- Equipment procurement is 85% complete.

Key Actions Needed to Be Completed

<table>
<thead>
<tr>
<th>Action/Milestone</th>
<th>Target Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Move-in/Occupancy (City of Chicago)</td>
<td>March 14, 2016</td>
</tr>
<tr>
<td>Equipment Procurement</td>
<td>May 15, 2016</td>
</tr>
<tr>
<td>Project Close-out</td>
<td>December 31, 2016</td>
</tr>
</tbody>
</table>

Sources and Uses of Funds
Attached is a schedule of project expenditures to date. Approximately $7,595,645 has been expended of the $24,448,432 allocated for the project and has been entirely funded from cash and securities. This represents approximately 31.1% of the budget.

Contractual Commitments
NMH has executed contracts for this project. Current total project commitments are $19,273,097. Additionally, a copy of the most recent Application for Payment for the construction contract has been included.

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

Sincerely,

Bridget S. Orth
Director, Regulatory Planning

cc:  Glen Rasmussen, Project Manager, Facility Planning & Construction
     Jan Peterson, Project Manager, Finance
     Simon Jin, Project Accountant, Finance
## Category

### USE OF FUNDS

<table>
<thead>
<tr>
<th>Category</th>
<th>CON Approved Budget</th>
<th>Project-To-Date Expenditures As of 1/31/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 SITE SURVEY AND SOIL INVESTIGATION</td>
<td>$12,539,156</td>
<td>$5,851,866</td>
</tr>
<tr>
<td>3 SITE PREPARATION</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 OFF SITE WORK</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 NEW CONSTRUCTION CONTRACTS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 MODERNIZATION CONTRACTS</td>
<td>$12,539,156</td>
<td>$5,851,866</td>
</tr>
<tr>
<td>7 CONTINGENCIES</td>
<td>$1,253,916</td>
<td>$ -</td>
</tr>
<tr>
<td>8 ARCHITECTURAL/ENGINEERING FEES</td>
<td>$670,349</td>
<td>$603,814</td>
</tr>
<tr>
<td>9 CONSULTING &amp; OTHER FEES</td>
<td>$454,621</td>
<td>$200,164</td>
</tr>
<tr>
<td>10 MOVABLE CAPITAL EQUIPMENT (not in construction contracts)</td>
<td>$7,987,695</td>
<td>$869,464</td>
</tr>
<tr>
<td>11 BOND ISSUANCE EXPENSE (project related)</td>
<td>$316,000</td>
<td>$ -</td>
</tr>
<tr>
<td>12 NET INTEREST EXPENSE DURING CONSTRUCTION (project related)</td>
<td>$1,138,500</td>
<td>$ -</td>
</tr>
<tr>
<td>14 OTHER COSTS WHICH ARE TO BE CAPITALIZED</td>
<td>$94,195</td>
<td>$70,337</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>$24,448,432</strong></td>
<td><strong>$7,595,645</strong></td>
</tr>
</tbody>
</table>

### SOURCE OF FUNDS

<table>
<thead>
<tr>
<th>Category</th>
<th>CON Approved Budget</th>
<th>Project-To-Date Expenditures As of 1/31/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 GIFTS &amp; BEQUESTS</td>
<td></td>
<td>$ -</td>
</tr>
<tr>
<td>16 CASH &amp; SECURITIES</td>
<td>$3,748,432</td>
<td>$7,595,645</td>
</tr>
<tr>
<td>17 BOND ISSUES (project related)</td>
<td>$20,700,000</td>
<td>$ -</td>
</tr>
<tr>
<td>25 TOTAL FUNDS</td>
<td><strong>$24,448,432</strong></td>
<td><strong>$7,595,645</strong></td>
</tr>
<tr>
<td>CON PERMIT AMOUNT</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

% COMPLETE 31.1%
**APPLICATION AND CERTIFICATE FOR PAYMENT**

**To Owner:** Northwestern Memorial Hospital  
251 East Huron  
Chicago, IL 60611

**From Contractor:** Berglund Construction  
8410 S South Chicago Avenue  
Chicago, IL 60617

**Contract For:** General Construction

**Project:** 515028- NMH 1st Floor Ambulatory Surgery Fleet

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**APPLICATION FOR PAYMENT**

Application is made for payment, as shown below, in connection with the Contract. Certification Sheet is attached.

1. Original Contract Sum .................................. $12,682,779.00  
2. Net Change By Change Order ......................... $75,153.00  
3. Contract Sum To Date ................................ $12,657,932.00  
4. Total Completed and Stored To Date ............... $8,442,027.00  
5. Retainage:  
   a. 91.1% of Completed Work $588,460.00  
   b. 10.00% of Stored Material $1,700.00  
   Total Retainage ....................................... $590,160.00  
6. Total Earned Less Retainage ......................... $5,857,772.00  
7. Less Previous Certificates For Payments .......... $4,037,932.00  
8. Current Payment Due ................................ $1,819,839.00  
9. Balance To Finish, Plus Retainage ................. $6,800,065.00

**CHANGE ORDER SUMMARY**

<table>
<thead>
<tr>
<th>Change Order Summary</th>
<th>Additions</th>
<th>Deductions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Changes Approved in Previous Months by Owner</td>
<td>$31,011.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Total Approved this Month</td>
<td>$44,142.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>$75,153.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

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:** Berglund Construction  
**By:** [Signature]  
**Date:** 12/3/2015

**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 on the prestained and in accordance with the Contract Documents, and the Work is entitled to payment of the AMOUNT CERTIFIED.

**ARCHITECT:** [Signature]  
**Date:** 12/03/15

**AMOUNT CERTIFIED:** $1,753,935.00

(Applied explanation if amount certified differs from the amount applied. See the Certification Sheet and on the Construction Sheet that are changed in conformity with the amount certified.)

**ARCHITECT:** [Signature]  
**Date:** 12/03/15

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 the Contract.