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MAR 11 2013

HEALTH FACILITIES &
SERVICES REVIEW BOARD

March 4, 2013

Ms. Courtney Avery
Illinois Health and Facilities Planning Board
525 West Jefferson Street
Springfield, IL 62761

Re: Obligation Letter
Project Number 12-090
SAH Dialysis Clinic at 26th Street

Dear Ms. Avery:

Please allow this correspondence to obligate the above-cited project as provided in 77 Ill. Adm. Code 1130.730. Enclosed, please find copies of the pertinent parts of the Construction Contract for this project which has been duly executed. We anticipate commencement of construction on or before June 1, 2013.

Further, pursuant to Section 1130.720(d), I am an authorized representative who attests that the financial resources to fund the project are available and that the project's cost, scope, design, square footage and number of beds or stations is in compliance with that which HFPPB has approved.

Please feel free to contact me should you need anything further.

Very truly yours,



Aileen K. Brooks
Vice President General Counsel

Enclosure

WORKING DRAFT 10-2-12
AGREEMENT BETWEEN OWNER AND CONTRACTOR
AIA DOCUMENT A102 - 2007

Standard Form of Agreement Between Owner and Contractor Where the Basis of Payment
is the Cost of the Work Plus a Fee with a Negotiated Guaranteed Maximum Price

AGREEMENT made as of the 25th day of September in the year 2012
(In words, indicate day, month and year.)

BETWEEN the Owner:
(Name, legal status, address and other information)

Saint Anthony Hospital
2375 West 19th Street
Chicago, IL 60623
Telephone Number: (773) 484-4436
Email: sahuso@saintanthonyhospital.org

and the Contractor:
(Name, legal status, address and other information)

DEN Construction Management, LLC (DENCO)
360 W. Washington Boulevard, Suite 310
Chicago, IL 60661
Telephone Number: (312) 258-9300
Fax Number: (312) 735-3679
Email: r.perez@dencochicago.com

for the following Project:
(Name, location and detailed description)

Saint Anthony Hospital
Little Village Clinic
3057-59 West 26th Street
Chicago, IL 60623

The Architect:
(Name, legal status, address and other information)

Perkins + Will
330 North Wabash Ave.
Chicago, IL 60611
Telephone Number: (312) 755-0770
Fax Number: (312) 755-0775

The Owner and Contractor agree as follows.



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ARTICLE 2 THE WORK OF THIS CONTRACT

The Contractor shall fully execute the Work described in the Contract Documents or as reasonably inferable by the Contractor to produce the results intended by the Contract Documents, except as specifically indicated in the Contract Documents to be the responsibility of others.

ARTICLE 3 RELATIONSHIP OF THE PARTIES

The Contractor accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to fully cooperate with the Owner and the Architect and exercise the Contractor's best skills, efforts and judgment in furthering the interests of the Owner; to furnish efficient business administration and supervision; to furnish at all times an adequate supply of workers and materials necessary to fully complete the Work on a timely basis in accordance with the Project's schedule; and to perform the Work in an expeditious and economical manner consistent with the Owner's interests. The Owner agrees to furnish and approve, in a timely manner, information required by the Contractor and to make payments to the Contractor in accordance with the requirements of the Contract Documents.

ARTICLE 4 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 4.1 The date of commencement of the Work shall be the date of this Agreement unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.

Preconstruction services to begin September 25th, 2012 per attached Note To Proceed.

If, prior to commencement of the Work, the Owner requires time to file mortgages and other security interests, the Owner's time requirement shall be as follows:

None

§ 4.2 The Contract Time shall be measured from the date of commencement.

§ 4.3 The Contractor will cooperate in completing and submitting the application for the Building Permit and other permits as required. The Contractor shall achieve Substantial Completion of the entire Work not later than:

Portion of Work	Substantial Completion date
Phasing Plan	Based upon phasing plan, see attached exhibit

subject to adjustments of this Contract Time as provided in the Contract Documents. The Work will be considered Substantially Complete upon the issuance of a Certificate by the Architect that the Work is Substantially Complete.

§ 4.4 The Contractor shall maintain cost accounting records in such form as is customary in the industry or as otherwise reasonably directed by the Owner. The Contract shall achieve Final Completion of the entire Work not later than 30 (thirty) days from the date of Substantial Completion.

ARTICLE 5 CONTRACT SUM

§ 5.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum is the Cost of the Work as defined in Article 7 plus the Contractor's Fee.

§ 5.1.1 The Contractor's Fee and terms:
(Per approved revised proposal dated 9/21/12)



Pre-Construction Phase Fee (6 weeks)	\$7,000
General Conditions (9 months)	\$232,921 (per breakdown dated 9/21/12 attached)
Construction Phase Base Fee at GMP	1.90% of overall costs
G.C. Insurance	0.345% of total GMP value

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§ 5.2.3 Allowances included in the Guaranteed Maximum Price, if any:
(Identify allowance and state exclusions, if any, from the allowance price.)

Item	Price
Per Exhibit B - GMP Proposal / Schedule / Scope Clarifications	

§ 5.2.4 Assumptions, if any, on which the Guaranteed Maximum Price is based:

Per Exhibit B - GMP Proposal / Schedule / Scope Clarifications

§ 5.2.5 To the extent that the Drawings and Specifications are anticipated to require further development by the Architect, the Contractor has provided in the Guaranteed Maximum Price for such further development consistent with the Contract Documents and reasonably inferable therefrom. Such further development does not include such things as changes in scope, systems, kinds and quality of materials, finishes or equipment, all of which, if required, shall be incorporated by Change Order.

§ 5.2.6 The Contractor shall include a Construction Contingency within the GMP of at least 5.0%. The Construction Contingency shall be established by the Contractor to manage the financial risk necessary to complete the Project within the GMP. The Construction Contingency is specifically designated to carry out construction within the scope of this Agreement, for costs defined by Article 7, Cost of the Work. The Construction Contingency is not for design errors, omissions, unforeseen conditions, inclement weather or project scope changes.

The Construction Contingency shall be used for, but not limited to:

1. Variance from cost estimates and/or market conditions.
2. Contract default in payment or performance by a Subcontractor or supplier.
3. Any other conditions which result in an increase of the Cost of Work, without increasing the Construction GMP.

A construction budget status report showing the Construction Contingency shall be reviewed on a monthly basis with the Application for Payment.

Any unused contingency upon Final Completion shall be considered at the Owner's sole discretion as a performance bonus to the Contractor.

ARTICLE 6 CHANGES IN THE WORK

§ 6.1 Adjustments to the Guaranteed Maximum Price on account of changes in the Work may be determined by any of the methods listed in Section 7.3.3 of the General Conditions or as otherwise agreed in writing by the Owner and the Contractor.

§ 6.2 In calculating adjustments to subcontracts (except as otherwise provided in the Contract Documents and except those awarded with the Owner's prior consent on the basis of cost plus a fee), the terms "cost" and "fee" as used in Section 7.3.3.3 of the General Conditions and the term "costs" as used in Section 7.3.7 of General Conditions shall have the meanings assigned to them in the General Conditions and shall not be modified by Articles 5, 7 and 8 of this Agreement. Adjustments to subcontracts awarded with the Owner's prior consent on the basis of cost plus a fee shall be calculated in accordance with the terms of those subcontracts.

§ 6.3 In calculating adjustments to the Guaranteed Maximum Price, the terms "cost" and "costs" as used in the above-referenced provisions of the General Conditions shall mean the Cost of the Work as defined in Article 7 of this Agreement and the term "fee" shall mean the Contractor's Fee as defined in Section 5.1.1 of this Agreement.

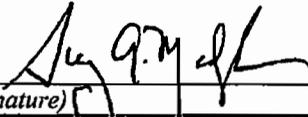
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law, it is the intent of the parties hereto to provide the Owner with the right to terminate this Agreement in accordance with the remaining provisions of this Article 18, or such additional termination rights as are provided in this Agreement.

This Agreement entered into as of the day and year first written above.

OWNER

SAINT ANTHONY HOSPITAL

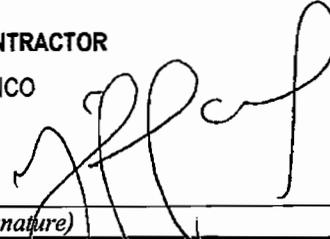


(Signature)
Guy A. McLaughlin, President And Chief Executive
Officer

(Printed name and title)

CONTRACTOR

DENCO



(Signature)
Rodrigo Perez, President

(Printed name and title)

