

August 24, 2016

Ms. Kathryn Olson
Chair
Illinois 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 #14-051
Northwestern Medicine Central DuPage Hospital
Pediatrics/NICU Expansion Project

Dear Ms. Olson:

Northwestern Medicine Central DuPage Hospital (CDH) requests a renewal of the permit for Project #14-051 for the expansion of the pediatric unit and the NICU unit. The project was approved by the HFSRB on December 16, 2014 in the amount of \$14,213,951. The original project completion date is December 31, 2016. The requested new project completion date is **September 30, 2017**. This is the first renewal request for this project.

Status of the Project

The new pediatrics unit opened in March, 2016 and NICU construction began immediately after.

The NICU portion of the project was split into 2 phases:

- Phase 1 of the NICU construction was substantially completed in July, 2016 and IDPH Pre-Occupancy Submission was made on July 28, 2016.

- Phase 2 of the NICU construction will begin after IDPH approval of Phase 1, anticipated in September, 2016.

Key Actions to Be Completed

Substantial Completion of Final Project Phase: Anticipated March, 2017

Final Completion: Anticipated no later than May 15, 2017

Final Completion documentation focuses on stabilization, financial close and lessons learned. This includes review and finalization of project documents.

Final Financial & CON Closeout: Anticipated no later than September 30, 2017

All documentation is in order and final payment of all invoices.

Project Budget

Attached is a schedule of project expenditures to date.

Approximately \$9,565,475 has been expended of the \$14,213,951 allocated for the project (all from cash and securities). This represents approximately 67.3% of the budget.

Reasons for Renewal Request

The project was originally planned to be completed in two phases. Phase 1 would be the build-out of the main pediatrics unit on the 4th floor and Phase 2 would be the modernization/expansion of the NICU which would begin once the pediatrics space on the 1st floor was vacated.

Because of logistical and operational issues due to high NICU volumes, the project was split into four phases:

- Phase 1 – 80% of the pediatrics unit
- Phase 2 – 20% of the Pediatrics Unit and all non-clinical areas (i.e. satellite pharmacy, access corridor for PICU, etc.)
- Phase 3 – 50% of NICU
- Phase 4 – 50 % of NICU

Splitting the NICU portion of the project into two phases allowed for part of the NICU to remain open during the construction.

The additional nine months are requested to proceed diligently through the last phase of construction, project stabilization, and completion processes. CDH is confident that all of the activities outlined above can be completed by September 30, 2017.

Assurances

The project's costs and scope are in compliance with the approved HFSRB project. Additionally, there are sufficient financial resources available to complete the project.

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

Sincerely,



Brian Lemon
President
Northwestern Medicine Central DuPage Hospital

Attachment

cc: Bridget Orth, Director, Regulatory Planning, NMHC

**Pediatrics/NICU Expansion Project
Project # 14-051**

**ANNUAL COST REPORT
to the
Illinois Health Facilities and Services Review Board
Central DuPage Hospital Permit Project Expenditures
Progress Report: August 12, 2016**

<u>Category</u>	CON Approved Budget	Project to Date
<u>USE OF FUNDS</u>		
1 PREPLANNING COSTS	\$ 250,000	\$ -
2 SITE SURVEY AND SOIL INVESTIGATION	\$ -	\$ -
3 SITE PREPARATION	\$ -	\$ -
4 OFF SITE WORK	\$ -	\$ -
6 MODERNIZATION CONTRACTS	\$ 9,049,046	\$ 7,493,438
7 CONTINGENCIES	\$ 904,905	\$ -
8 ARCHITECTURAL/ENGINEERING FEES	\$ 960,000	\$ 338,355
9 CONSULTING & OTHER FEES	\$ 450,000	\$ 64,848
10 MOVABLE CAPITAL EQUIPMENT (not in construction contracts)	\$ 2,600,000	\$ 1,668,834
11 BOND ISSUANCE EXPENSE (project related)	\$ -	\$ -
12 NET INTEREST EXPENSE DURING CONSTRUCTION (project related)	\$ -	\$ -
14 OTHER COSTS WHICH ARE TO BE CAPITALIZED	\$ -	
GRAND TOTAL	\$ 14,213,951	\$ 9,565,475
<u>SOURCE OF FUNDS</u>		
16 CASH & SECURITIES	\$ 14,213,951	\$ 9,565,475
18 GIFTS & BEQUESTS	\$ -	\$ -
19 BOND ISSUES (project related)	\$ -	\$ -
25 TOTAL FUNDS	\$ 14,213,951	\$ 9,565,475
CON PERMIT AMOUNT	\$ 14,213,951	\$ 9,565,475
 % COMPLETE	 67.3%	