

Constantino, Mike

From: Dave Connolly [dconnolly@hammesco.com]
Sent: Friday, June 03, 2011 3:43 PM
To: Avery, Courtney; Constantino, Mike
Subject: FW: Centegra Hospital - Huntley No 10-090
Attachments: Avery, Courtney Health Fac Board 6.3.2011_ms.doc

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Dear Ms Avery,

Attached please find our correspondence in support of the Centegra Hospital – Huntley, Project No. 10-090.

Thank you,

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June 3, 2011

Courtney R. Avery
HEALTH FACILITIES AND SERVICES REVIEW BOARD
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

RE: *Centegra Hospital-Huntley*
Project No. 10-090

Dear Ms. Avery,

Hammes Company is the project manager for the proposed Centegra Hospital Huntley. We are also the Project Manager for two Illinois projects currently under construction: the Elmhurst Memorial Hospital in Elmhurst, Illinois and the Little Company of Mary Hospital Expansion in Evergreen Park, Illinois. I am also very familiar with recent replacement hospitals, including Silver Cross Hospital, Sherman Hospital and Adventist Hospital - Bolingbrook. Hammes Company has completed over 25 projects in Illinois over the past 17 years, but more importantly, we have lead the effort in preparing both the budgets and schedules for these projects, which were included in the Certificate of Need Application. We have the first hand experience as to what it takes to navigate the complexities inherent to large healthcare projects in Illinois. Based on this experience we have confidence that the project schedule proposed for the Centegra Hospital - Huntley is not only realistic and appropriate, but it is also financially prudent. The total timeline is slightly over 5 years which is consistent to the previously referenced projects above. Again, based on our experience in leading large complex healthcare projects in Illinois, this is a responsible timeline

In regards to planning, design and construction of a new state of the art hospital, there are many considerations including allowing appropriate time for local public approvals, state approvals, environmental studies, traffic studies and geotechnical investigations. In addition to these planning considerations there is the additional task of designing and engineering a hospital for the future, which is innovative, efficient and flexible for changing healthcare needs. All of this is necessary prior to the start of construction. Construction itself has to be planned to allow for market changes - how will contractor services be procured, especially in the unique economic conditions we are faced with at present. In addition, the local labor market supply of skilled craftsmen and the regular labor contract negotiations which must be navigated.

The schedule presented for the new Centegra Hospital - Huntley is based on our extensive experience in the local and national market. The total project schedule includes 18 months of Architectural & Engineering Planning and Design. Many projects advance the design to a design development stage prior to receipt of a Certificate of Need. We have completed schematic design, but have not progressed to a design development level as a prudent steward of capital resources. During these 18 months we will also procure all public approvals - we expect this to be rather straight forward due to the fact that our site is properly zoned for a hospital use. Additionally, bidding and award of construction will take place during this time. The market conditions will weigh heavy in our procurement strategy. Our construction schedule of 30 months is based not only on our experience but also in consultation with several leading construction management firms in the greater Chicagoland area.

The close-out, commissioning of systems, IDPH final inspect and approval and training will require three (3) months based our experience, which will relate to a 'first patient' in December 2015. Our application has included an additional 10 months to completely close out the projects financials, close contracts and warranty issues as well as any public approval commitments.

In summary this total schedule of 5 years to complete this project is consistent with the other project mentioned in this letter: Adventist Bolingbrook (5 years), Sherman Hospital (5 years) and Elmhurst Hospital (6 years - which does not include the 1.5 years prior to CON submission).

Hammes Company is consistently the top ranked program manager, based on volume of work, in the country. The schedule presented is based on our experience for the project scope, design status and current market conditions

Best Regards,

HAMMES COMPANY

A handwritten signature in black ink, appearing to read 'D. Connolly', with a vertical line separating the first and last names.

David J. Connolly
Vice President

cc: Mike Constantino