

# Murer Consultants, Inc.



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**RECEIVED**

MAR 28 2013

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

March 26, 2013

Mr. Michael Constantino  
Illinois Health Facilities and Services Review Board  
2nd Floor  
525 West Jefferson Street  
Springfield, Illinois 62761

**Re: Annual Progress Report, Palos Hills Surgery Center, Project # 11-095**

Dear Mr. Constantino,

Please accept this letter submitting the Annual Progress Report for Palos Hills Surgery Center (Project 11-095). This submission is made pursuant to 77 Ill. Adm. Code § 1130.760.

Palos Hills Surgery Center's (PHSC) application for permit was approved by the Board on February 28, 2012. It has an obligation date of August 28, 2013 as well as a current completion date at September 15, 2013.

PHSC has proceeded with the project in all due diligence and in good faith. Since its permit renewal request (submitted July 2012) it has received approval of its architectural plans and permits to begin construction. PHSC has begun construction and disbursed about 20% of funds to be spent for modernization. As detailed in this progress report, the project is on schedule to be obligated and completed in keeping with the relevant deadlines.

Thank you for your attention in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cheryl G. Murer'.

Cheryl G. Murer, JD, CRA  
President & CEO, Murer Consultants, Inc.

**CC:**

- Courtney Avery, Administrator, Health Facilities and Services Review Board
- Frank Urso, General Counsel, Health Facilities and Services Review Board
- Gary Kronen, M.D., Authorized Representative and Owner of Palos Hills Surgery Center
- Anton Fakhouri, M.D., Authorized Representative and Owner of Palos Hills Surgery Center
- Tom Hunt, MidAmerica Orthopedics, S.C.
- David Mikos, A.I.A., President & CEO, Anderson Mikos, Ltd.

**Enclosures:**

- Annual Progress Report
- Sworn Statement of Contractor and Subcontractor to Owner and Chicago Title Insurance Company (equivalent to form G702)

# Annual Report

## Palos Hills Surgery Center (Project 11-095)

This status report for project #11-095, which is provided in accordance with 77 Ill. Adm. Code § 1130.760, is being submitted by Murer Consultants on behalf of its client, Palos Hills Surgery Center. The report details (1) the current status of the project; (2) costs incurred to date; (3) methods of financing the project and sources of funds; and (4) the anticipated date of completion. Also included is the equivalent to Application and Certification for Payment for the construction contract.

### Current Status of Project

There have been no changes to the scope or size of the project. Palos Hills Surgery Center (PHSC) has completed steps necessary prior to the start of construction, including approval of the architectural plans by the State and receipt of construction permits. Construction started as of March 4, 2013, and there is now a dividing wall between the ASTC and other, non-ASTC space. It has also agreed to purchase a washer decontaminator, a sterilizer, and surgical lights at a cost of \$67,500. Total equipment costs for the project will be \$481,408.40, as per the CON application.

The various project components and their completion percentage are listed below:

Project Component	Percentage Completed
Pre-Construction (architectural submissions, permits)	100%
Equipment Purchases	14%
Construction	10%
Licensure Survey	0%

Currently, the components of the project to be finished include:

- Construction: This has commenced after receiving the necessary architectural approval and construction permits. It is anticipated that construction will be 90% complete by June 14, 2013, at which time PHSC will begin the licensure and survey process necessary to complete construction by mid-August.
- Equipment Purchase: This is scheduled to happen in line with the schedule for the completion of construction. As noted above, PHSC has already agreed to purchase \$67,500 in equipment, although the money has not yet been disbursed.
- Licensure: PHSC plans to have the licensure process completed in mid-August.

### Costs Incurred to Date

Since the time Applicant requested and received a permit renewal, it has expended an additional \$187,500 as a preconstruction retainer. This brings the total amount expended to \$314,603.29 out of a total use of funds of \$2,421,128.40 for the project.

The table below provides an itemized list of the total current estimated project costs and a comparison of those costs to the approved permit amounts.

	Total Use of Funds per Application (Approved Permit Amounts)	Amount Expended as of March 8, 2014
Modernization Contracts	\$900,000.00	\$187,500.00
Architectural and Engineering Fees	\$90,000.00	\$62,603.29
Consultant and Other Fees	\$67,000.00	\$64,500.00
Contingencies	\$63,000.00	\$0.00
Fair Market Value of Leased Space	\$819,750.00	\$0.00
Movable or Other Equipment	\$481,408.40	\$0.00
<b>TOTAL</b>	<b>\$2,421,128.40</b>	<b>\$314,603.29</b>

Additionally, Palos Hills Surgery Center has signed contracts for equipment, but has not yet disbursed any funds as this would be premature given the current stage of the construction/modification process.

### Methods of Financing and Source of Funds

Neither the methods of financing nor the source of funds for this project have changed since the application was made (October 6, 2011) or since the request for permit renewal (submitted July 16, 2012). This project is being financed with Cash and Lease Payments. *See* page 5 of original application for Certificate of Need.

### Anticipated Date of Completion

The Applicant anticipates having 90% of the necessary construction/modification done by June 14, 2013, at which time we will send all necessary documentation to state authorities for licensure and survey. It is anticipated that this process will take no more than 2 months. Therefore, the facility should be licensed by mid- to late-August, which would complete the project, per the definition found in 77 IAC 1130.140, in advance of the project's listed completion date of September 15, 2013.

**Attachment(s):**

Sworn Statement of Contractor and Subcontractor to Owner and Chicago Title Insurance Company (equivalent to form G702)

REF: PHSC CS 130110 A  
DATE: 05 JANUARY 2013

STATE OF ILLINOIS  
COUNTY OF COOK

1 SS.  
1 SS.

ORDER NO.:  
3rd Floor, West end,  
10330 S. Roberts Rd  
Palos Hills, IL

SWORN STATEMENT OF CONTRACTOR AND SUBCONTRACTOR  
TO DWYNE AND CHICAGO TITLE INSURANCE COMPANY

being that I, Dina Budon, being that duly sworn, on oath depose and say that I am the contractor with Allied Design Build, Inc. (ADB), that has a contract with Palos Hills Surgery Center, LLC (OWNERS) for the buildout/improvements of the project on the following described premises in said County, to wit: 3rd floor, west end, at 10330 S. Roberts Rd, Palos Hills, Illinois. That, for the purposes of said contract, the following persons have been contracted with, and have furnished, or am furnishing and preparing materials for, and have done or are doing labor on said improvement. That there be due and to become due to them, respectively, the amounts set opposite their names for materials or labor, as stated. That this statement be a full, true and complete statement of all such persons, the amounts paid and the amounts due or to become due to each.

ORCT NO.	CONTRACTOR	KIND OF WORK	ORIGINAL CONTRACT SUM	CHANGE ORDERS	CONTRACT SUM TO DATE	TOTAL COMP & STORED TO DATE	RETENTION	EARNED LESS RETAINAGE	LESS PRV CERTIFICATE FOR PAYMENT	PAYMENTS TO DATE	THIS PAYMENT	BALANCE REMAINING AFTER PAYMENT
6.3A	ALLIED DESIGN-BUILD, INC. P.O. BOX 13, HINSDALE, IL 60622	FRAMING	68,963.00		68,963.00	0.00	0.00	0.00	0.00	0.00	0.00	68,963.00
6.3B	ALLIED DESIGN-BUILD, INC. P.O. BOX 13, HINSDALE, IL 60622	INSULATION	5,200.00		5,200.00	0.00	0.00	0.00	0.00	0.00	0.00	5,200.00
6.3C	ALLIED DESIGN-BUILD, INC. P.O. BOX 13, HINSDALE, IL 60622	DRYWALL	21,150.00		21,150.00	0.00	0.00	0.00	0.00	0.00	0.00	21,150.00
6.4	MORILLA 1515 S. 55TH CT, CICERO, IL 60804	CABINETRY, WOODWORK	31,820.00		31,820.00	0.00	0.00	0.00	0.00	0.00	0.00	31,820.00
B.1A	Preferred Window and Door 19716 Burnham Ave., Lynwood, IL 60411	DOORS & HARDWARE	34,548.00		34,548.00	0.00	0.00	0.00	0.00	0.00	0.00	34,548.00
9.2	ALLIED-DESIGN-BUILD, INC. P.O. BOX 13, HINSDALE, IL 60622	FLOORING	46,980.00		46,980.00	0.00	0.00	0.00	0.00	0.00	0.00	46,980.00
9.2A	ALLIED DESIGN-BUILD, INC. P.O. BOX 13, HINSDALE, IL 60622	ACOUSTICAL CEILINGS	36,208.00		36,208.00	0.00	0.00	0.00	0.00	0.00	0.00	36,208.00
9.4	ALLIED DESIGN-BUILD, INC. P.O. BOX 13, HINSDALE, IL 60622	PAINTING & WALL COVERING	32,700.00		32,700.00	0.00	0.00	0.00	0.00	0.00	0.00	32,700.00
12	ELEVEN DEVELOPMENT CORP. 8664 HEATHER DR. SERRA RIDGE, IL 60827	MISC EQUIPMENT	22,806.00		22,806.00	0.00	0.00	0.00	0.00	0.00	0.00	22,806.00
15.1	TEMPERATURE SERVICES, INC. 350 BONNIE LANE, ELK GROVE VILLAGE, IL 60007	MECHANICAL & MED GAS SYSTEM	412,500.00		412,500.00	0.00	0.00	0.00	0.00	0.00	0.00	412,500.00
15.2	ALLIED DESIGN-BUILD, INC. P.O. BOX 13, HINSDALE, IL 60622	PLUMBING	48,500.00		48,500.00	0.00	0.00	0.00	0.00	0.00	0.00	48,500.00
16.1	FORDYCE ELECTRIC 4228 N HONORE ST. SUITE 304, CHICAGO, IL 60613	ELECTRICAL	250,000.00		250,000.00	0.00	0.00	0.00	0.00	0.00	0.00	250,000.00
16.2	ALLIED DESIGN-BUILD, INC. P.O. BOX 13, HINSDALE, IL 60622	LOW VOLTAGE	8,000.00		8,000.00	0.00	0.00	0.00	0.00	0.00	0.00	8,000.00
99.5	ALLIED DESIGN-BUILD, INC. P.O. BOX 13, HINSDALE, IL 60622	GC SUPERVISION & OH	43,125.00		43,125.00	0.00	0.00	0.00	0.00	0.00	0.00	43,125.00
99.6	ALLIED DESIGN-BUILD, INC. P.O. BOX 13, HINSDALE, IL 60622	PRECONSTRUCTION RETAINER	187,500.00		187,500.00	187,500.00	0.00	187,500.00	0.00	0.00	187,500.00	0.00
		TOTAL GC COST	1,250,000.00	0.00	1,250,000.00	187,500.00	0.00	187,500.00	0.00	0.00	187,500.00	1,062,500.00

It is understood that the total amount paid to date plus the amount requested in this application shall not exceed \_\_\_\_\_% of the cost of work completed to date.

I agree to furnish Waikays of Letter all materials under my contract when demanded.

*[Signature]* President

Allied Design-Build, Inc.

Subscribed and sworn to before me this 11th day of January, 2013

*[Signature]* NOTARY PUBLIC

