

Lutheran Home
800 West Oakton Street
Arlington Heights, Illinois 60004
(847) 368-7400
www.LutheranHome.org



August 10, 2016

AUG 11 2016

HEALTH FACILITIES &
SERVICES REVIEW BOARD

VIA FED EX AND VIA E-MAIL: COURTNEY.AVERY@ILLINOIS.GOV

Ms. Courtney R. Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Alteration Request for Project #12-025

Dear Ms. Avery:

Lutheran Home for the Aged, Inc., (“Lutheran Home”), along with Lutheran Home and Services for the Aged, Inc., Lutheran Life Ministries, and Lutheran Foundation for the Aged, Inc., is seeking an alteration to its Certificate of Need Permit for Project #12-025 (the “Project”) due to an increase in the total Project cost. Lutheran Home has not previously requested a permit alteration.

Status of the Project

Lutheran Home is a long term care facility located in Arlington Heights, Illinois. The Health Facilities and Services Review Board (the “Board”) approved the Project and issued a Certificate of Need Permit on July 23, 2012 (the “Permit”) for the modernization of Lutheran Home’s 331-bed long-term-care facility located at 800 West Oakton Street, Arlington Heights, Illinois. The Permit was granted for \$78,798,596.

During construction, in 2016, the Illinois Department of Public Health (“IDPH”) conducted an Annual Life Safety Survey at Lutheran Home and found that the design and construction of certain vertical openings between floors of Olson Pavilion – Building A, Olson Pavilion Building B, and MyRehab Building do not to meet the one-hour fire rating as required by the NFPA Life Safety Code. Lutheran Home submitted a plan of correction to IDPH pursuant to which Lutheran Home is required to correct the issue identified by IDPH, such that the vertical openings between floors meet the one-hour fire resistance rating in accordance with the NFPA Life Safety Code requirements.

Lutheran Home reviewed the issue with the Project architect, Hoffman, LLC and Hoffman Planning, Design & Construction, Inc. (collectively referred to here as “Architect”) and the Architect has agreed to pay for all corrective work. The total cost to correct the issue identified by IDPH is \$859,931.

Accordingly, Lutheran Home hereby requests an increase in the total Project cost by \$859,931, which is one and eight-hundredths percent (1.08%) of the approved total Project cost of \$78,798,596. The proposed new total Project cost is \$79,658,527. There is no change in the scope or the size of the Project.

Application Review Criteria

1. Availability of Funds

The Architect has agreed to pay the \$859,931 needed to correct the deficiency identified by IDPH, through a combination of its own funds and insurance proceeds.

2. Financial Viability

The one and eight-hundredths percent (1.08%) increase in Project cost does not affect the Project when analyzed using the financial viability criterion, because all costs will be paid for by the Architect as described above. Because Lutheran Home is not incurring any expense associated with the increase in Project cost, the one and eight-hundredths percent (1.08%) increase in total Project cost does not impact the financial viability of Lutheran Home.

3. Reasonableness of Project Cost

The sole change requested in this permit alteration request is to increase the total Project cost by one and eight-hundredths percent (1.08%). The contractor for the Project, Walsh Construction Company II, LLC, has submitted a change order for the additional work to correct the vertical floor openings. The cost to repair the vertical floor openings will be \$843,681. Attached please find a copy of the change order. Additionally, Lutheran Home will incur resident relocation expenses and resident room cleaning and refurbishment expenses totaling \$16,250 during the ongoing construction.

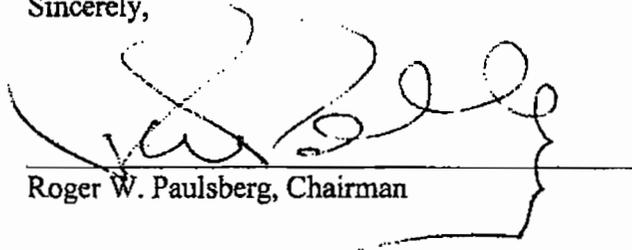
Attached please also find the following revised pages of the application to reflect the increased costs:

1. Revised page 9 – Project Costs and Sources of Funds.
2. Revised p. 25 – Availability of Funds.
3. Revised pp. 41-42 – Attachment 7, Use of Funds Itemization.
4. Revised p. 44 – Attachment 9, Non-Clinical Project Scope of Work.
5. Revised p. 292 – Attachment 42, Non-Clinical Project Modernization Cost per DGSE Breakdown

Ms. Courtney R. Avery, Administrator
Page 3

Please do not hesitate to contact me directly with any questions in regard to this alteration request. Thank you for your assistance.

Sincerely,



Roger W. Paulsberg, Chairman

RWP/kb

Enclosures

C H A N G E I T E M R E Q U E S T



Walsh Construction Company II, LLC

Main Office:

929 W. Adams Street
Chicago, IL 60607
PH: 312-563-5400 FX: 312-492-0601

Jobsite:

849 West Concordia Lane
Arlington Heights IL 60004
PH: 847-398-1791 FX: 847-398-1767

Project Name: Olson Pavillon at Lutheran Home
Contractor Project No.: 212130
Owner Contract No.:
From:
To: Lutheran Life Communities -

PCI No.: 6001
Revision No.: 0
OCO No.:
Date:
cc: PCI File

Contractor proposes to complete the work as described below in accordance with its Contract Agreement. It is estimated that the described work shall necessitate 83 calendar days be added to the current project schedule. The Requested Total Dollars is for the direct cost associated with this Change Item Request (unless specifically noted otherwise).

A response is requested by end of day _____

Scope Of Work:

Modifications to duct enclosures phase 1 and ductwork in phases 2 and 3.: Ph 1 - modify enclosures on second floor only (11 locations) per Hoffman drawing dated 2.2.16. Ph 2/3 - modify ductwork on first and second floors (total of 89 locations) per Hoffman drawings dated 2.11.16 and 3.1.16. This work will be done on T&M with an estimated value of \$843,681. See enclosed backup. This change order is an estimate and the final amount will be based on all costs associated with T&M work. Subcontractor labor rates are enclosed. Work will be billed in three separate billings after each phase of work is completed. See attached Qualifications.

REQUESTED TOTAL DAYS: 83 REQUESTED TOTAL DOLLARS: ADD \$843,681.00

Impacted Sub-Contractor(s):

Qualifications:

- 1. Unless specifically noted otherwise in the detailed breakdown, the following items are excluded:
a. Costs associated with Winter Conditions.
b. Costs for Permits.
c. Costs for Testing (identified in Contract as by Owner).
d. Premium Time Labor, Acceleration, and Extended General Conditions.
e. Costs for Indirect and Impacted scope.
2. A timely response is requested by the date noted above. Lack of a timely response may cause this REQUEST to be voided (whereby Contractor shall proceed with Base Contract scope) or REQUEST may be subject to re-pricing and re-evaluation of schedule impact.
3. "UNITS", "QTY", and "UNIT COST" noted in the detailed cost breakdown are for estimating purposes only and shall not imply a T&M proposal. Proposals, or portions thereof, which have been submitted or approved as T&M, shall be specifically noted as such.

Attachments: Subcontractor Supporting Documentation (if not attached, available upon request)

Provide direction below and execute for the above scope of work and corresponding estimate for cost and schedule impact.

NO WORK SHALL PROCEED UNTIL DIRECTION IS PROVIDED AND REQUEST EXECUTED.

Prepared By: [Signature]
Walsh Construction Company II, LLC -

Reviewed By: [Signature]
Walsh Construction Company II, LLC - Kevin Varone

Response (check one):
1 PROCEED as quoted
2 DO NOT PROCEED and void PCI
3 REVISE & RE-SUBMIT as noted. Do not proceed.

Responded By: X

Lutheran Life Communities

DATE:

C H A N G E I T E M R E Q U E S T

Project Name: **Olson Pavilion at Lutheran Home**
 Contractor Project No.: **212130**
 Owner Contract No.:

PCI No.:
 Revision No.:
 OCO No.:

6001
0

D E T A I L E D C O S T B R E A K D O W N

ITEM DESCRIPTION	UNITS	QTY.	UNIT COST	EXTEND	TOTALS
<u>SUBCONTRACTED</u>					
Subcontractor or Vendor Not Selected					
Estimated costs for phase 1 work	LS	0.00	\$0.00	\$113,123.00	
Estimated costs for phases 2 and 3 work	LS	0.00	\$0.00	\$730,558.00	
Subcontracted Subtotal				\$843,681.00	
 PCI Subtotal				\$843,681.00	
 PCI GRAND TOTAL				\$843,681.00	

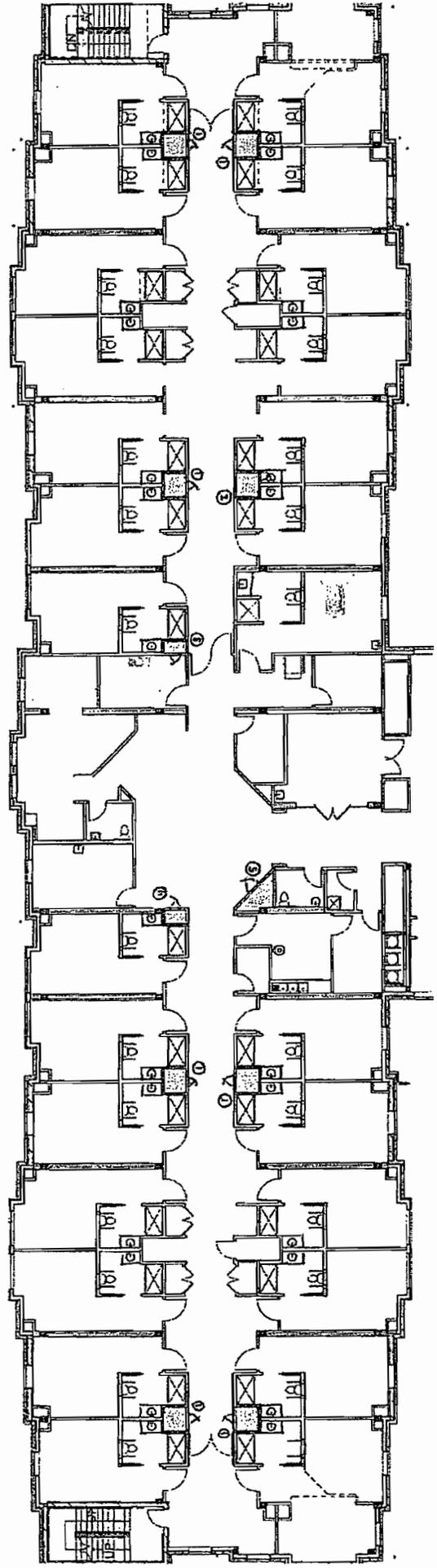
Modifications to duct enclosures

Qualifications

1. Painting will be touch ups as required. We are not repainting entire rooms.
2. Due to limited space, the new fire dampers might have to be installed in the horizontal duct off the vertical riser above the acoustical ceiling. Non-rated flex duct would be installed from fire damper to the diffuser which would be installed at the ceiling.
3. Payments for this work shall be gross (no retainage).
4. The 83 day time extension for this change order work is an estimate only and the completion of the work of this change order has no impact to the substantial completion of the project.

Phase 1 - work

- ① - Install new 1-hour rated access door.
 - Install 5/8" Type X GYP. board at top of corridor side of shaft wall and entire inside shaft face of corridor wall. Tape and mud all joints and screw heads.
 - Fire caulk top and bottom of all four walls inside shaft.
 - Apply intumescent coating on three interior faces of shaft (exclude corridor wall).
- ② - Install new 1-hour rated access door under bath sink.
 - Install 5/8" Type X GYP. board at top of corridor side of shaft wall and entire inside shaft face of corridor wall. Tape and mud all joints and screw heads.
 - Fire caulk top and bottom of all four walls inside shaft.
 - Apply intumescent coating on all four interior faces of shaft.
- ③ - Cut opening in corridor wall to expose interior of shaft.
 - Install 5/8" Type X GYP. board on west and north inside faces of shaft. Tape and mud all joints and screw heads.
 - Fire caulk top and bottom of all three walls inside shaft.
 - Apply intumescent coating on all west and north inside faces of shaft.
 - Install 1-hour rated shaft wall along corridor. Tape and mud all joints and screw heads. Paint and reinstall corridor finishes.
 - Install new 1-hour rated access door in base cabinet.
- ④ - Install new 1-hour rated access door.
 - Install 5/8" Type X GYP. board on west and south inside faces of shaft. Tape and mud all joints and screw heads.
 - Fire caulk top and bottom of all four walls inside shaft.
 - Apply intumescent coating on all west and south interior faces of shaft.



1 FIRST FLOOR PLAN
 SCALE 1/16" = 1'-0"



Walsh Construction Company II, LLC
 847 W. Concordia Lane
 Arlington Heights IL 60005
 Tel: 847-398-1791 Fax: 847-398-1767

Olson Pavilion at Lutheran Home
 800 W. Oakton St.
 Arlington Heights IL 60005

Page 1 of : 5

Date of Proposal: 2/25/16
 Prepared By: KV

Bulletin #: _____ RFI#: _____ Other: _____

DESCRIPTION OF WORK:
Rough Estimate to modify 11 duct enclosures in phase 1 on second floor only.

COST CATEGORY:		AMOUNT
Walsh Direct Labor	\$23,400	
Walsh Material/Equipment	\$13,200	
Walsh Sub-Total		\$36,600
Subcontractor Costs		\$71,600
Insurance/Bond/Fee		\$4,923
Total This Change		\$113,123

WALSH CONSTRUCTION PROPOSED CONTRACT CHANGE ORDER

RE:
 Proposal Date:
 Prepared By:

Olson Pavilion at Lutheran Home
 800 W. Oakton St.
 Arlington Heights IL 60005

MATERIAL AND EQUIPMENT COST SUMMARY

MATERIALS (INCLUDING DELIVERY COSTS)				
Material/Equipment	Quantity	Unit	Unit Price	Total
Misc Material - masonite, ceiling grid/panels, wall protect				\$ 2,500
2 Enclosure Systems with Air Filtration Machines				\$ 10,000
Dumpsters	2		\$ 350	\$ 700
Total Walsh Material/Equipment:				\$ 13,200

INCIDENTAL EXPENSES				
Description	Quantity	Unit	Unit Cost	Total
Total Walsh Incidental Expenses:				\$ -

MORFIN CONSTRUCTION CO.
1553 N. MANNHEIM RD.
STONE PARK, ILLINOIS 60165
OFF. 708.345.0672 FAX 708.345.4593 **MBE CERTIFIED**

REQUEST FOR CHANGE ORDER

2-16-2016

To: Walsh Group
929 W Adams
Chicago, IL 60607

RE: Olson Pavilion - 1st Floor Shaftwalls
Chicago, IL

*- Includes Fire Rated Access
& Fire Curtains*

Dear Sir,

Please consider this communication as Morfin Construction's request for change order for the above mentioned job. Includes opening and closing 11 shaftwall enclosures to complete necessary work inside.

Pricing:

Labor(84/hr x 480hrs + 10%)	\$	44,814.00
Material	\$	5,100.00

Total	\$	49,914.00
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Respectfully submitted,

Jonathan Swanson
Estimator/Sales
Morfin Construction

Varrone, Kevin

From: George Foukas <georgefoukas@msn.com>
Sent: Wednesday, February 24, 2016 3:30 PM
To: Varrone, Kevin
Subject: RE: Lutheran Home Phase 1

Kevin

Per recommendation of Shield Industries, Inc. we have to apply 2 coats at 11-12 mills wet to achieve the 10 mill dry per spec

Applying ForceField FireGuard E-84
Material for ForceField FireGuard E-84 = \$3,000.00
Labor \$15,000.00

Not sure if we need to paint anything in corridor but maybe add 24-32 hours X \$100 = \$2400 - \$3200 Labor
And material maybe \$300 - \$500

Total ball park
\$21,700

George Foukas | Vice President | *Demos Painting & Decorating Inc.*

1730 W. Belmont Ave. Chicago, IL 60657

Office: 773-248-5364 | Fax: 773-248-8364 | Mobile: 773-447-2380 | georgefoukas@msn.com

Please consider the environment before printing this e-mail

This email (including any attachments) is confidential. If you are not the intended recipient you must not copy, use, disclose, distribute or rely on the information contained in it. If you have received this email in error, please notify the sender immediately by reply email and delete the email from your system. Confidentiality and legal privilege attached to this communication are not waived or lost by reason of mistaken delivery to you. Demos Painting & Decorating Inc. does not guarantee that this email or the attachment(s) are unaffected by computer virus, corruption or other defects.

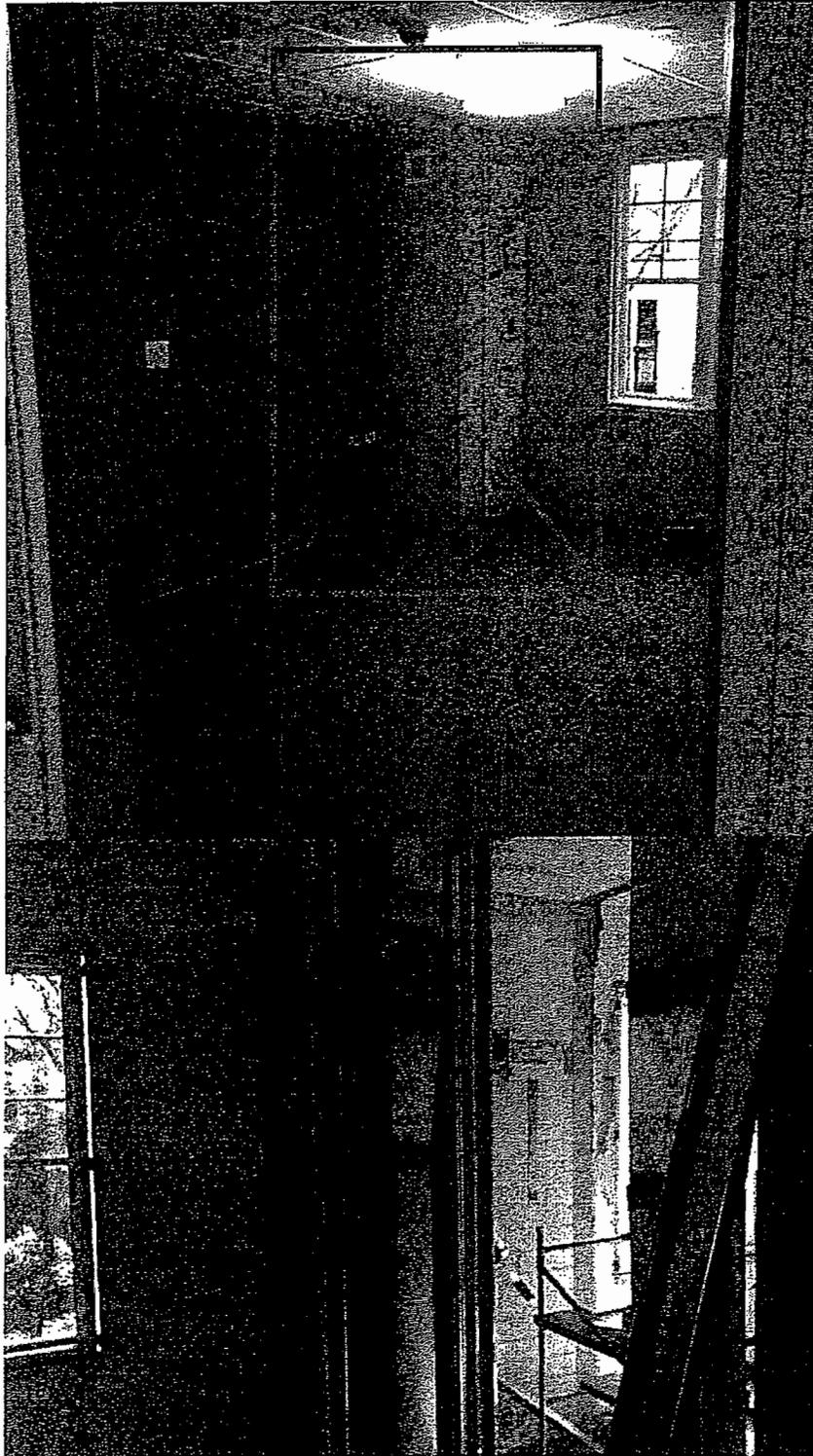
From: kvarrone@walshgroup.com
To: georgefoukas@msn.com
Subject: RE: Lutheran Home Phase 1
Date: Wed, 24 Feb 2016 17:05:21 +0000

Phase 2 & 3 Duct Modification Narratives

Tuesday, March 01, 2016 2:55 PM

Option 1: Fire Rated Duct

1.

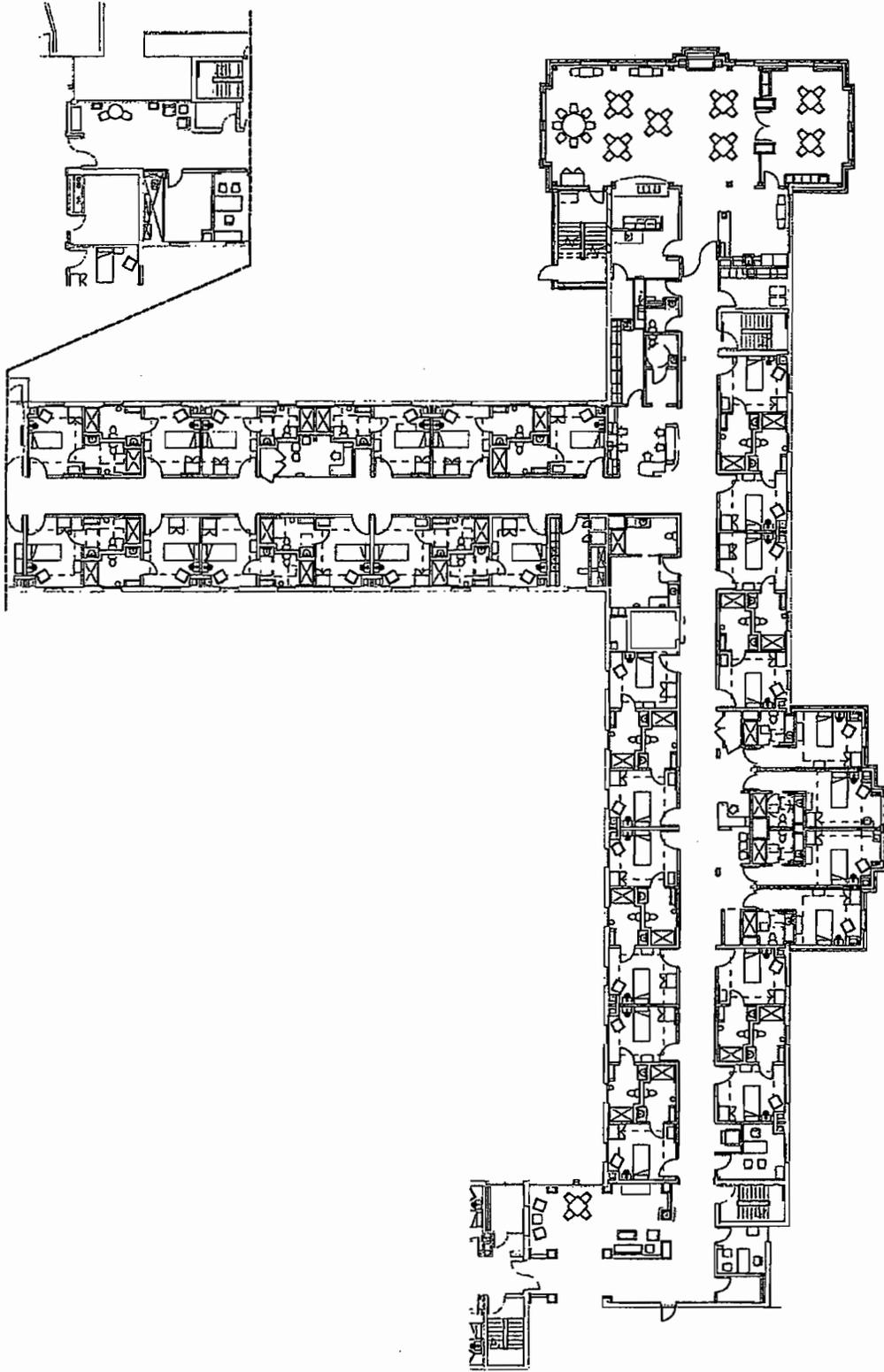


2. Remove ceiling grid and tiles around the FCU enclosure.
3. Remove the drywall to expose the duct on the 2nd floor
4. Remove existing duct from the floor damper to the ceiling damper
5. Install new fire rated duct and fire damper at the supply grill shown.
6. Reinstall the drywall, tape, finish and paint.

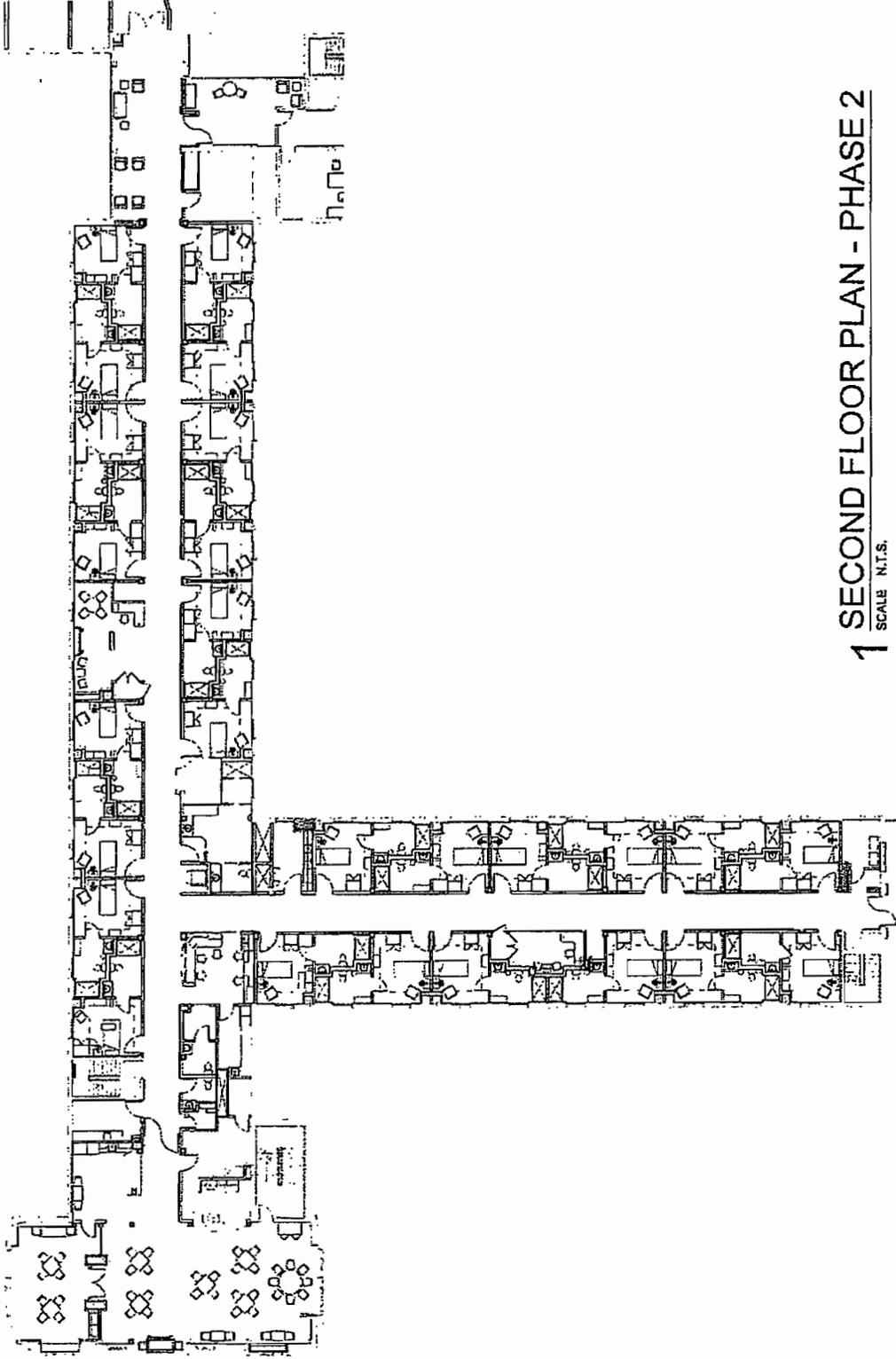
At the Exhaust Location in the Bathrooms

1. Remove ceiling grid and tiles around the area of the duct on the 2nd floor.
2. Remove the drywall to expose the duct on the 2nd floor.
3. Remove existing duct from the floor damper to the ceiling damper
4. Install new fire rated duct and fire damper at the Exhaust take off for both sides.
5. Reinstall the drywall, tape, finish and paint.

Also we need to review all risers that extend multiple floors, i.e. at the locker room exhaust. Any ducts that extend through 4 stories will need to have the middle two floors retrofitted with the fire rated duct. Any ducts that extend through 3 floors will need to have the middle floor retrofitted with the fire rated duct.



1 FIRST FLOOR PLAN - PHASE 3
SCALE N.T.S.



1 SECOND FLOOR PLAN - PHASE 2
SCALE N.T.S.

 **Hoffman**
Planning, Design & Construction, Inc.
603.334.4270 www.hoffman.com

COMPILED BY: JONATHAN AMOR, DESIGN CONSTRUCTION INC.

2/16/2010 10:55:52 AM C:\proj\user\byrnes\NY\Draw\work\2nd floor\12_2.dwg



Walsh Construction Company II, LLC
 847 W. Concordia Lane
 Arlington Heights IL 60005
 Tel: 847-398-1791 Fax: 847-398-1767

Olson Pavilion at Lutheran Home
 800 W. Oakton St.
 Arlington Heights IL 60005

Page 1 of: 1

Date of Proposal: 3.15.16
 Prepared By: KV

Bulletin #: ADD RFI#: ADD Other: ADD

DESCRIPTION OF WORK:
SEE ATTACHED LABOR & MATERIAL BREAKDOWN SHEETS.
Estimate for phase 2 and 3 duct modifications per Hoffman sketches dated 2.11.16 and narrative.
Note: pricing might change based on unit availability in phase 2. If workers cannot work full days price will need to be adjusted.

COST CATEGORY:	Quantity	Unit Price	AMOUNT
Walsh Estimate			\$169,983
Great Lakes/Air Design Estimate			\$379,050
Morfin Estimate			\$84,176
Demos Estimate			\$40,224
Sharlen Estimate			\$10,000
Final Clean			\$16,000
Sub-Total			\$699,433
Insurance/Bond/Fee			\$31,125
Total This Change			\$730,558



Walsh Construction Company II, LLC
 847 W. Concordia Lane
 Arlington Heights IL 60005
 Tel: 847-398-1791 Fax: 847-398-1767

Olson Pavilion at Lutheran Home
 800 W. Oakton St.
 Arlington Heights IL 60005

Page 1 of : 2

Date of Proposal: 3.15.16
 Prepared By: KV

Bulletin #: ADD RFI#: ADD Other: ADD

DESCRIPTION OF WORK:
SEE ATTACHED LABOR & MATERIAL BREAKDOWN SHEETS.
Duct modifications based on drawings dated 2/11/16 issued by Hoffman

COST CATEGORY:	Quantity	Unit Price	AMOUNT
Walsh Direct Labor	1.00	\$140,230	\$140,230
Walsh Material	1.00	\$24,630	\$24,630
Walsh Sub-Total			\$164,860
Fee on Self Performed			\$5,123
Total This Change			\$169,983

WALSH CONSTRUCTION PROPOSED CONTRACT CHANGE ORDER

RE: HVAC Modifications
 Proposal Date: 3.15.16
 Prepared By: KV

Olson Pavilion at Lutheran Home
 800 W. Oakton St.
 Arlington Heights IL 60005

MATERIAL AND EQUIPMENT COST SUMMARY

MATERIALS (INCLUDING DELIVERY COSTS)				
Material/Equipment	Quantity	Unit	Unit Price	Total
Dumpsters	23	ea	\$ 400.00	\$ 9,200
Trash cans with lids	2	ea	\$1,200.00	\$ 2,400
Masonite and plastic	89	ea	\$ 70.00	\$ 6,230
Temp fence	150	lf	\$ 15.00	\$ 2,250
Replace wood wrap at columns				\$ 1,500
Misc materials - wall protection/base				\$ 2,000
Temp toilets	3	mo	\$ 350.00	\$ 1,050
Total Walsh Material/Equipment:				\$ 24,630

INCIDENTAL EXPENSES				
Description	Quantity	Unit	Unit Cost	Total
				\$ -
Total Walsh Incidental Expenses:				\$ -

MORFIN CONSTRUCTION CO.
1553 N. MANNHEIM RD.
STONE PARK, ILLINOIS 60165
OFF. 708.345.0672 FAX 708.345.4593 **MBE CERTIFIED**

REQUEST FOR CHANGE ORDER

3-14-2016

To: Walsh Group
929 W Adams
Chicago, IL 60607

RE: Olson Pavilion – Duct install patching
Chicago, IL

Dear Sir,

Please consider this communication as Morfin Construction's request for change order for the above mentioned job. Includes repairing the drywall for the installation of rated mechanical ducts. Does not include new framing, or changing of the current wall.

Pricing:

Labor(104/hr x 744hrs)	\$	77,376.00
Material	\$	6,800.00

Total	\$	84,176.00
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Respectfully submitted,

Jonathan Swanson
Estimator/Sales
Morfin Construction

Demos Painting & Decorating Inc.

Phone : (773) 248-5364
 Fax : (773) 248-8364
 1730 W. Belmont Ave. STE 1

PROPOSAL

Date	Proposal #
3/15/2016	2454

Name / Address
WALSH CONSTRUCTION Co.II LLC 849 W. Concordia Lane Arlington Heights, IL 60004

P.O. No.	Project
	Olson PavilianPhase 2&3 Duct Modification

Description	Qty	Cost	Total
RE: Olsen Pavilian Phase 2 & 3 Duct Modification			
After other remove and replace drywall at rework duct work locations we will prime and repaint walls as following. All worked is base on straight time M-F 7am to 3pm.			
Phase 2 First Floor: 3 locations only (Assumed occupied units) Materials for above mentioned	13.5	99.80 240.00	1,347.30 240.00
Phase 2 Second Floor: 43 Locations (Assumed occupied units) Materials for the above mentioned	172	99.80 3,440.00	17,165.60 3,440.00
Phase 3 Second Floor: 42 Locations only (Assumed unoccupied units) Materials for the mentioned above	147	99.80 3,360.00	14,670.60 3,360.00

Total	\$40,223.50
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Signature _____

AIRDESIGNSYSTEMS
 INNOVATION. QUALITY. SAFETY.

Fire Dampers and Rated Duct Changes, based on sketches provided by Chad Ulman

11-Mar-16

ITEM	DESCRIPTION	ROM Value
Labor	Demo, install fireduct, fire dampers, gilles, material handling	292,000.00
Fire Rated Duct/Fire Dampers	Materials, Cartage	66,000.00
	<i>If Required</i>	
Test & Balance	Additional Balancing costs	3,000.00

~~Fire Damper Changes 261,000.00~~

Great
 LATES 5% 19,050

 329,050

88 locations
 LABOR = 3,318 / location
 29 hrs / location

ATTACHMENT 1

Morfin Carpenter Rates

June 1, 2015 thru May 31, 2016

Chicago, Illinois

Labor/Craft/Trade: Morfin (Non-OCIP)	Straight Time Carpenter	Premium Time Carpenter	Double Time Carpenter
Base Wage	\$44.77	\$67.16	\$89.54
Fringe Benefits	29.67	32.10	35.44
Payroll Taxes (FICA, FUTA, etc.)	9.30	12.42	14.67
Workmen's Compensation	6.70	7.20	8.40
Insurance (C/GL, Auto, etc.)	0.00	0.00	0.00
Small Tools & Consumables	0.00	0.00	0.00
Total Hourly Cost	\$90.44	\$118.88	\$148.05
Overhead & Profit	13.57	17.83	22.21
Bond Premiums (If Applicable)			
Total Straight Time Billing Rate	\$104.01	\$136.71	\$170.26

Demos Ptg & Dec. Inc. - OVERHEAD/PROFIT CHANGE ORDERS-
 Revised: 4/27/2016

DATE:

CONTRACT TITLE:

CONTRACT NO.:

DC 14 Hourly Rate From 6-1-16 thru 5-31-17

DESCRIPTION:

	Journeyman Foreman	Journeyman 1.5	Journeyman Double
Hourly Rate	\$ 46.25	\$ 48.25	\$ 69.38
SS & Medicare	7.85%	3.69 \$	5.31 \$
Insurance	8.50 \$	8.50 \$	8.50 \$
Federal Unemployment	0.35%	0.16 \$	0.24 \$
Unemployment	1.55 \$	1.55 \$	1.55 \$
Union Benefits	4%	1.85 \$	2.78 \$
Wellfare	11.50 \$	11.50 \$	11.50 \$
Pension	11.10 \$	11.10 \$	11.10 \$
JATC	0.77 \$	0.77 \$	0.77 \$
Industry Advancement	0.25 \$	0.25 \$	0.25 \$
Education & Scholarship	0.10 \$	0.10 \$	0.10 \$
Joint Coop	0.91 \$	0.91 \$	0.91 \$
Political	0.05 \$	0.05 \$	0.05 \$
TOTAL	\$ 86.53	\$ 88.77	\$ 112.43
Field Overhead	5%	4.33 \$	5.62 \$
Subtotal	\$ 90.86	\$ 93.21	\$ 118.05
Profit	10%	9.09 \$	11.81 \$
Subtotal	\$ 99.95	\$ 102.53	\$ 129.86
BOND	2.5%	2.50 \$	3.25 \$
TOTAL T & M RATE (minus material) With Bond	\$ 102.44	\$ 105.09	\$ 133.10

TOTAL T & M RATE (minus material) With Bond

163.77

AIR DESIGN SYSTEMS, INC.
WAGE RATE SCHEDULE - Straight Time
06-01-15 - 05-31-16

	JOURNEYMAN	FOREMAN	GENERAL FOREMAN	SUPERINTENDENT
BASE	42.23	45.61	46.03	46.88
FICA 7.65%	3.23	3.49	3.52	3.59
STATE UNEMPLOYMENT 8.95%	3.78	4.08	4.12	4.20
FEDERAL UNEMPLOYMENT .6%	0.25	0.27	0.28	0.28
WORKMAN'S COMPENSATION	8.87	9.58	9.67	9.84
INSURANCE G/L	4.22	4.56	4.60	4.69
EDUCATION	0.84	0.91	0.92	0.94
HOLIDAY / VACATION	5.49	5.93	5.98	6.09
TOTAL TAXES & INSURANCE	<u>26.69</u>	<u>28.83</u>	<u>29.09</u>	<u>29.63</u>
TOTAL BASE & TAXES	68.92	74.44	75.12	76.51
WELFARE	10.53	10.53	10.53	10.53
LOCAL PENSION	7.61	7.61	7.61	7.61
NATIONAL PENSION	4.87	4.87	4.87	4.87
APPRENTICE TRAINING	0.72	0.72	0.72	0.72
NATIONAL TRAINING	0.18	0.18	0.18	0.18
INDUSTRY FUND	0.47	0.47	0.47	0.47
ANNUITY FUND	8.20	8.20	8.20	8.20
TOTAL UNION	<u>32.58</u>	<u>32.58</u>	<u>32.58</u>	<u>32.58</u>
TOTAL COST	101.50	107.02	107.70	109.09
OVERHEAD 10%	<u>10.15</u>	<u>10.70</u>	<u>10.77</u>	<u>10.91</u>
	111.65	117.72	118.47	120.00
PROFIT 5%	<u>5.58</u>	<u>5.89</u>	<u>5.92</u>	<u>6.00</u>
FIELD LABOR RATE	117.23	123.60	124.39	126.00
FABRICATION COST	<u>12.31</u>	<u>12.31</u>	<u>12.31</u>	<u>12.31</u>
SHOP LABOR RATE	129.54	135.91	136.70	138.31

WAGE RATES

Varrone, Kevin

From: Jeff Flaws <jeff@sharlen.com>
Sent: Thursday, April 21, 2016 11:07 AM
To: Varrone, Kevin
Subject: RE: Duct Modifications

Kevin use \$111.00 per hour + \$10.00 for a service truck if applicable.....

Thanks,
Jeff

From: Varrone, Kevin [mailto:kvarrone@walshgroup.com]
Sent: Thursday, April 21, 2016 9:33 AM
To: Jeff Flaws
Cc: Dave Ward
Subject: Duct Modifications

Jeff,

In phase 2/3 on the second floor, we have to open drywall up at the fan coil to remove/replace the duct riser. Dave has an outlet in some of the units at this location that might interfere with the work. Talking to him I estimate \$10,000 just in case. Can you give me a labor rate if we do this on T&M

Thanks,

Kevin

No virus found in this message.
Checked by AVG - www.avg.com
Version: 2015.0.6189 / Virus Database: 4556/12073 - Release Date: 04/21/16

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$236,499	\$254,745	\$491,243
Site Survey and Soil Investigation	\$35,505	\$38,245	\$73,750
Site Preparation	\$2,005,889	\$2,160,648	\$4,166,537
Off Site Work	N/A	N/A	N/A
New Construction Contracts	N/A	N/A	N/A
Modernization Contracts	\$22,127,201	\$24,694,292	\$46,818,493
Contingencies	\$1,168,175	\$1,258,302	\$2,426,477
Architectural/Engineering Fees	\$1,961,487	\$2,112,820	\$4,074,307
Consulting and Other Fees	\$506,975	\$546,090	\$1,053,065
Movable or Other Equipment (not in construction contracts)	\$2,032,071	\$2,188,849	\$4,220,920
Bond Issuance Expense (project related)	\$939,370	\$1,011,844	\$1,951,214
Net Interest Expense During Construction (project related)	\$6,070,812	\$6,539,187	\$12,610,000
Fair Market Value of Leased Space or Equipment	N/A	N/A	N/A
Other Costs To Be Capitalized	\$851,898	\$917,623	\$1,769,521
Acquisition of Building or Other Property (excluding land)	N/A	N/A	N/A
TOTAL USES OF FUNDS	\$37,935,882	\$41,722,527	\$79,658,527
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$2,407,142	\$2,592,858	\$5,000,000
Pledges	N/A	N/A	N/A
Gifts and Bequests	N/A	N/A	N/A
Bond Issues (project related)	\$35,528,740	\$38,269,856	\$73,798,596
Mortgages	N/A	N/A	N/A
Leases (fair market value)	N/A	N/A	N/A
Governmental Appropriations	N/A	N/A	N/A
Grants	N/A	N/A	N/A
Other Funds and Sources	N/A	\$859,931	\$859,931
TOTAL SOURCES OF FUNDS	\$37,935,882	\$41,722,645	\$79,658,527
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM!			

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- Section 1120.120 Availability of Funds – Review Criteria
- Section 1120.130 Financial Viability – Review Criteria
- Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)

VIII. - 1120.120 - Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: **Indicate the dollar amount to be provided from the following sources:**

\$5,000,000	a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:
	1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and
	2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
0	b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
0	c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
\$73,798,596	d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:
	1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;
	2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;
	3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;
	4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;
	5) For any option to lease, a copy of the option, including all terms and conditions.
0	e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
0	f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
859,931	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
\$79,658,527	TOTAL FUNDS AVAILABLE

APPEND DOCUMENTATION AS ATTACHMENT-39 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

**LUTHERAN HOME FOR THE AGED, INC.
CON APPLICATION
USE OF FUNDS ITEMIZATION**

USE OF FUNDS	<u>Clinical</u>	<u>Non Clinical</u>	<u>Subtotal</u>	<u>Total</u>
Pre-Planning Costs				
Market Analysis	\$ 9,320	\$ 10,040	\$ 19,360	
Focus Groups	\$ 11,351	\$ 12,227	\$ 23,578	
Development Related Expenses	\$ 12,036	\$ 12,964	\$ 25,000	
Masterplanning / Pre-Design	\$ 48,954	\$ 52,731	\$ 101,685	
Legal	\$ 24,071	\$ 25,929	\$ 50,000	
Pre-Construction Services	\$ 130,766	\$ 140,855	\$ 271,620	
Subtotal	\$ 236,499	\$ 254,745	\$ 491,243	\$ 491,243
Site Survey and Soil Investigation				
ALTA Boundary and Topo Survey	\$ 15,983	\$ 17,217	\$ 33,200	
Existing Floor Elevation Survey	\$ 722	\$ 778	\$ 1,500	
Drainage Analysis	\$ 6,788	\$ 7,312	\$ 14,100	
Water Flow Test	\$ 289	\$ 311	\$ 600	
Private Line Locate	\$ 2,407	\$ 2,593	\$ 5,000	
Phase 1 Environmental Assessment	\$ 1,059	\$ 1,141	\$ 2,200	
Soil Borings	\$ 8,256	\$ 8,894	\$ 17,150	
Subtotal	\$ 35,505	\$ 38,245	\$ 73,750	\$ 73,750
Site Preparation				
Demolition	\$ 714,542	\$ 769,670	\$ 1,484,212	
Earthwork and Utilities	\$ 1,050,633	\$ 1,131,692	\$ 2,182,325	
Hazardous Material Abatement	\$ 240,714	\$ 259,286	\$ 500,000	
Subtotal	\$ 2,005,889	\$ 2,160,648	\$ 4,166,537	\$ 4,166,537
Modernization Contracts				
Construction	\$ 22,127,201	\$ 24,694,292	\$ 46,818,493	\$ 46,818,493
Contingencies				
Construction Contingency	\$ 1,168,175	\$ 1,258,302	\$ 2,426,477	\$ 2,426,477
Architectural / Engineering Fees				
Architectural Design	\$ 1,961,487	\$ 2,112,820	\$ 4,074,307	\$ 4,074,307
Consulting and Other Fees				
Civil Engineering	\$ 30,717	\$ 33,087	\$ 63,804	
Parking Study	\$ 3,856	\$ 4,154	\$ 8,010	
Traffic Study	\$ 6,259	\$ 6,741	\$ 13,000	
Landscape Architecture	\$ 5,512	\$ 5,938	\$ 11,450	
Tree Preservation Plan	\$ 1,430	\$ 1,540	\$ 2,970	
Hazardous Materials Assessment	\$ 4,328	\$ 4,662	\$ 8,990	
Utility Deposit for Engineering	\$ 2,407	\$ 2,593	\$ 5,000	

ATTACHMENT 7

Financial Feasibility	\$	14,443	\$	15,557	\$	30,000
Food Service Design	\$	24,120	\$	25,980	\$	50,100
Certificate of Need - Application Fee	\$	19,257	\$	20,743	\$	40,000
Interior Design	\$	84,972	\$	91,528	\$	176,500
Owner's Representative Services	\$	261,532	\$	281,709	\$	543,241
Architectural Reimbursables	\$	48,143	\$	51,857	\$	100,000
Subtotal	\$	506,975	\$	546,090	\$	1,053,065

Movable or Other Equipment
(not in construction contracts)

Furniture	\$	1,151,755	\$	1,240,615	\$	2,392,370
Window Treatments	\$	133,596	\$	143,904	\$	277,500
Interior Signage	\$	41,090	\$	44,260	\$	85,350
Artwork	\$	67,737	\$	72,963	\$	140,700
Accessories	\$	17,091	\$	18,409	\$	35,500
Bedspreads	\$	26,479	\$	28,521	\$	55,000
Shower Curtains	\$	9,629	\$	10,371	\$	20,000
Medical Office Suite	\$	46,939	\$	50,561	\$	97,500
Televisions - Resident Rooms	\$	86,657	\$	93,343	\$	180,000
Televisions - Common Areas	\$	15,406	\$	16,594	\$	32,000
Technology Equipment	\$	435,693	\$	469,307	\$	905,000
Subtotal	\$	2,032,071	\$	2,188,849	\$	4,220,920

Other Costs To Be Capitalized

Performance & Payment Bond	\$	233,635	\$	251,660	\$	485,295
Permits	\$	305,334	\$	328,891	\$	634,225
Project Insurance	\$	851,898	\$	337,072	\$	650,000
Subtotal	\$	851,898	\$	917,623	\$	1,769,521

Net Interest Expense During Construction	\$	6,070,812	\$	6,539,187	\$	12,610,000
Bond Issuance Expense	\$	939,370	\$	1,011,844	\$	1,951,214
Total	\$	37,935,882	\$	41,722,527	\$	79,658,527

Lutheran Home
Project Use of Funds Total per DGSF Breakdown

August 3, 2016

NON-CLINICAL

PROJECT SCOPE OF WORK	Existing (SF)		Proposed (SF)			Total	Addition Cost per SF	Modernization Cost per SF	Total Cost
	Total	Vacated	Addition	Modernization	As-Is				
LUTHERAN HOME	-	-	-	-	-	-	-	-	-
OLSON PAVILION	-	-	-	-	-	-	-	-	-
Resident Units	-	-	-	-	-	-	-	-	-
Resident Baths (SNF)	-	-	-	-	-	-	-	-	-
Administrative	2,341	-	1,132	3,262	-	4,394	372	289	\$ 1,365,618
Laundry	-	-	-	-	-	-	-	-	-
Kitchen/Food Prep/Food Storage	7,833	-	1,373	12,088	-	13,461	736	560	\$ 7,777,936
Dining	3,636	-	10,982	-	-	10,982	398	-	\$ 4,376,194
Sitting / Living / Family Room	2,380	-	8,203	2,685	-	10,868	398	258	\$ 3,962,526
Physical Therapy / Exam	-	-	-	-	-	-	-	-	-
Spa / Restrooms	2,242	-	2,089	3,057	-	5,146	606	456	\$ 2,662,150
Staff Support / Maintenance	4,149	-	3,798	5,307	-	9,105	347	258	\$ 2,686,718
Service / Storage / Receiving	6,130	-	1,358	2,243	3,140	6,741	321	276	\$ 1,053,370
Mechanical / Chase	1,950	-	6,249	2,523	-	8,772	303	233	\$ 2,481,366
Circulation	14,276	-	16,467	23,655	786	40,908	372	267	\$ 12,449,627
Soiled / Clean Utility	-	-	-	-	-	-	-	-	-
Employee Lounge	1,485	-	-	2,196	-	2,196	398	250	\$ 548,473
Canopy	92	-	1,687	-	-	1,687	175	-	\$ 295,327
Medical Clinic	2,389	-	1,858	2,350	-	4,208	416	310	\$ 1,501,192
ALL OTHER AREAS	-	-	-	-	-	-	-	-	-
E - Wing	11,680	-	-	-	11,680	11,680	-	-	-
F - Wing	26,825	-	-	-	26,825	26,825	-	-	-
G - Wing	20,380	-	-	-	20,380	20,380	-	-	-
H - Wing	27,934	-	-	-	27,934	27,934	-	-	-
J - Wing	33,950	-	-	-	33,950	33,950	-	-	-
Totals	169,671	-	55,196	59,366	124,694	239,256			\$ 41,160,498

TOTAL BEDS 334 TOTAL BEDS 334 COST / DGSF \$ 172.04
DGSF / BED 716.3 DGSF / BED 1143.2

TOTAL PROJECT	280,658	-	100,969	122,222	158,636	381,827			\$ 79,373,312
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TOTAL BEDS 334 COST / DGSF \$ 207.88
DGSF / BED 1143.2

Lutheran Home
Project Modernization Cost per DGSF Breakdown

August 3, 2016

NON-CLINICAL

PROJECT SCOPE OF WORK	Existing (SF)		Proposed (SF)		Total	Addition Cost per SF	Modernization Cost per SF	Total Cost
	Total	Vacated	Addition	As-Is				
LUTHERAN HOME								
OLSON PAVILION								
Resident Units	-	-	-	-	-	\$ -	\$ -	\$ -
Resident Baths (SNF)	-	-	-	-	-	\$ -	\$ -	\$ -
Administrative	2,341	-	1,132	3,262	4,394	\$ 218	\$ 175	\$ 815,474
Laundry	-	-	-	-	-	\$ -	\$ -	\$ -
Kitchen/Food Prep/Food Storage	7,833	-	1,373	12,088	13,461	\$ 428	\$ 332	\$ 4,594,184
Dining	3,636	-	10,982	-	10,982	\$ 233	\$ -	\$ 2,553,754
Sitting / Living / Family Room	2,380	-	8,203	2,665	10,888	\$ 233	\$ 157	\$ 2,327,728
Physical Therapy / Exam	-	-	-	-	-	\$ -	\$ -	\$ -
Spa / Restrooms	2,242	-	2,089	3,057	5,146	\$ 353	\$ 272	\$ 1,566,432
Staff Support / Maintenance	4,149	-	3,798	5,307	9,105	\$ 203	\$ 156	\$ 1,598,883
Service / Storage / Receiving	6,130	-	1,358	2,243	6,741	\$ 188	\$ 167	\$ 628,139
Mechanical / Chase	1,950	-	6,249	2,523	8,772	\$ 178	\$ 142	\$ 1,466,452
Circulation	14,276	-	16,467	23,655	40,908	\$ 218	\$ 162	\$ 7,402,601
Soiled / Clean Utility	-	-	-	-	-	\$ -	\$ -	\$ -
Employee Lounge	1,485	-	-	2,196	2,196	\$ 233	\$ 152	\$ 332,694
Canopy	92	-	1,687	-	1,687	\$ 110	\$ -	\$ 184,794
Medical Clinic	2,389	-	1,858	2,350	4,208	\$ 243	\$ 187	\$ 888,914
ALL OTHER AREAS						\$ -	\$ -	\$ -
E - Wing	11,680	-	-	11,680	11,680	\$ -	\$ -	\$ -
F - Wing	26,825	-	-	26,825	26,825	\$ -	\$ -	\$ -
G - Wing	20,380	-	-	20,380	20,380	\$ -	\$ -	\$ -
H - Wing	27,934	-	-	27,934	27,934	\$ -	\$ -	\$ -
J - Wing	33,950	-	-	33,950	33,950	\$ -	\$ -	\$ -
Totals	169,671	-	55,196	59,366	124,694			\$ 24,360,160

TOTAL BEDS 334
DGSF / BED 716.3

COST / DGSF \$ 101.82

TOTAL PROJECT	280,858	-	100,969	122,222	158,636	381,827	\$ 47,012,186
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TOTAL BEDS 334
DGSF / BED 1143.2

COST / DGSF \$ 123.12