



Timothy V Tincknell, FACHE
(773) 549-9412
timothy.tincknell@davita.com

2611 N Halsted St
Chicago, IL 60614
Fax: (866) 586-3214
www.davita.com

RECEIVED

SEP 24 2013

HEALTH FACILITIES &
SERVICES REVIEW BOARD

September 23, 2013

FEDERAL EXPRESS

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

Re: Annual Progress Report – Red Bud Dialysis (Proj. No. 12-034)

Dear Mr. Constantino:

Pursuant to Section 1130.760 of the Illinois Health Facilities and Services Review Board (“HFSRB”) rules, I am writing on behalf of DaVita HealthCare Partners Inc. f/k/a DaVita Inc. and Total Renal Care, Inc. (the “Permit Holders”) to submit the annual progress report for Red Bud Dialysis (Project No. 12-034). As you are aware, on September 12, 2012, HFSRB approved the Permit Holders’ application to establish an 8-station in-center hemodialysis facility located in Lot 4 in the first addition to the City of Red Bud East Industrial Park, a subdivision of the City of Red Bud, Randolph County, Illinois 62278 (the “Project”). Pursuant to Section 1130.760, the Permit Holders submit the following information regarding the progress of Project Permit #12-034.

1. Status of the Project

The Project was obligated on November 28, 2012, through the execution of a lease to establish the dialysis facility. Construction is complete and first treatment is anticipated to occur in October 2013. Based on recent experience, the Permit Holders anticipate it may take an additional four to six months after first treatment for the initial Medicare certification survey and subsequent receipt of Medicare enrollment documentation.

2. Costs Incurred to Date

To date, the Permit Holders have incurred \$1,602,857 in project costs.

PROJECT COSTS	Approved	Expended
New Construction Contracts	\$890,000	\$622,000
Contingencies	\$89,000	\$0
A & E Fees	\$90,000	\$48,408
Consulting & Other Fees	\$50,000	\$0
Moveable Equipment	\$315,755	\$198,530
Fair Market Value of Leased Space & Equipment	\$733,919	\$733,919
Other Costs to be Capitalized	\$82,725	\$0
Estimated Total Project Cost	\$2,251,399	\$1,602,857

3. Sources of Funds

The project will be financed through \$1,517,480 in cash and cash equivalents and a \$733,919 lease.

4. Application and Certification for Payment

The most recent Application and Certification for Payment for the construction contract for the Project is attached hereto at Attachment 1.

5. Anticipated Completion Date

The anticipated completion date for the Project is December 31, 2014.

If you need any additional information or have any questions regarding the status of the project, please feel free to contact me.

Sincerely,



Timothy V. Tincknell

Attachment

cc: Alexis Kendrick, HFSRB
Yoni Danieli
David Geary

APPLICATION AND CERTIFICATION FOR PAYMENT

CONSTRUCTION MANAGER

PAGE ONE OF PAGES

TO (OWNER): **DaVita - David Geary** PROJECT: **Red Bud IL - TI** APPLICATION #: **Five** Distribution to:
 PERIOD TO: **08/31/13** Owner
 PROJECT NOS: Const. Mgr
 Architect
 Contractor

FROM (CONTRACTOR): **Seakay Construction SE Corp** VIA ARCHITECT: **Pulse Design Group** CONTRACT DATE: **03/18/13**
940 Dogwood Drive **8207 Melrose Dr. Suite 145**
Delray Beach, FL 33483 **Lenexa, Kansas 66214**

CONTRACT FOR:

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.
 Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM----- \$ 689,000.00
 2. Net Change by Change Orders----- \$ _____
 3. CONTRACT SUM TO DATE (Line 1 +/- 2) \$ 689,000.00
 4. TOTAL COMPLETED & STORED TO DATE-\$ 622,000.00
 (Column G on G703)

5. RETAINAGE:
 a. 10 % of Completed Work \$ 62,200.00
 (Columns D+E on G703)
 b. _____ % of Stored Material \$ _____
 (Column F on G703)
 Total Retainage (Line 5a + 5b or
 Total in Column 1 of G703----- \$ 62,200.00

6. TOTAL EARNED LESS RETAINAGE----- \$ 559,800.00
 (Line 4 less Line 5 Total)

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT
 (Line 6 from prior Certificate)----- \$ 396,000.00

8. CURRENT PAYMENT DUE----- \$ 163,800.00

9. BALANCE TO FINISH, INCLUDING RETAINAGE
 (Line 3 less Line 6) \$ 129,200.00

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and that current payment shown therein is now due.

CONTRACTOR:

By:

D05282-0
 02.01 - \$97,800.00
 02.02 - \$6,000.00
 02.03 - \$60,000.00
 08/27/13

8/26/13

State of: _____
 County of: _____
 Subscribed and sworn to before
 me this _____ day of _____

David Geary

Digitally signed by David Geary
 DN: cn=David Geary, o=DaVita,
 ou=Team Genesis, email=david.
 geary@davita.com, c=US
 Date: 2013.08.27 15:14:51 -05'00'

Notary Public:
 My Commission expires: _____

CERTIFICATE FOR PAYMENT

In accordance with Contract Documents, based on on-site observations and the data comprising application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED -----

(Attach explanation if amount certified differs from the amount applied for. Initial all figures on this application and on the Continuation Sheet that are changed to conform to the amount certified.)

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month		
TOTALS		
NET CHANGES by Change Order		

ARCHITECT: _____ By: _____ Date: _____

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner of Contractor under this Contract.

Continuation Sheet		Application No.: Five						
Red Bud IL		Application Date: 26-Aug-13						
Schedule of Values - TI		Period To: 31-Aug-13						
		Architect's Project No.:						
B	C	D	E	F	G	G	H	I
Description of Work	Scheduled Value	Work From Previous Application (D + E)	Completed This Period	Materials Presently Stored (Not in D & E)	Total Completed and Stored (D + E + F)	% (G/C)	Balance to Finish (C - G)	Retainage (If variable Rate)
General Conditions	\$ 24,000	\$ 15,000	\$ 6,000	\$ -	\$ 21,000	87.5%	\$ 3,000	\$ 2,100.00
Concrete	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -
Fire Sprinkler	\$ 25,000	\$ 20,000	\$ 2,000	\$ -	\$ 22,000	88.0%	\$ 3,000	\$ 2,200.00
Partitions / Ceilings	\$ 59,000	\$ 56,000	\$ 3,000	\$ -	\$ 59,000	100.0%	\$ -	\$ 5,900.00
Millwork	\$ 87,000	\$ -	\$ 87,000	\$ -	\$ 87,000	100.0%	\$ -	\$ 8,700.00
Glass / Glazing	\$ 15,000	\$ 6,000	\$ 9,000	\$ -	\$ 15,000	100.0%	\$ -	\$ 1,500.00
Electrical	\$ 87,000	\$ 74,000	\$ 6,000	\$ -	\$ 80,000	92.0%	\$ 7,000	\$ 8,000.00
Plumbing	\$ 149,000	\$ 119,000	\$ 18,000	\$ -	\$ 137,000	91.9%	\$ 12,000	\$13,700.00
HVAC	\$ 61,000	\$ 54,000	\$ 3,000	\$ -	\$ 57,000	93.4%	\$ 4,000	\$ 5,700.00
Specialties	\$ 40,000	\$ 32,000	\$ 8,000	\$ -	\$ 40,000	100.0%	\$ -	\$ 4,000.00
Doors / Hardware	\$ 28,000	\$ 20,000	\$ 8,000	\$ -	\$ 28,000	100.0%	\$ -	\$ 2,800.00
Flooring	\$ 39,000	\$ -	\$ 11,000	\$ -	\$ 11,000	28.2%	\$ 28,000	\$ 1,100.00
Painting	\$ 13,000	\$ 6,000	\$ 4,000	\$ -	\$ 10,000	76.9%	\$ 3,000	\$ 1,000.00
Profit & Overhead	\$ 62,000	\$ 38,000	\$ 17,000	\$ -	\$ 55,000	88.7%	\$ 7,000	\$ 5,500.00
Change Order	\$ -		\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -
Total	\$ 689,000.00	\$ 440,000.00	\$182,000.00	\$ -	\$ 622,000	90.3%	\$ 67,000	\$62,200.00