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HEALTH FACILITIES &
SERVICES REVIEW BOARD



Murer Consultants, Inc.

58 North Chicago Street
7th Floor
Joliet, IL 60432
815-727-3355 Telephone
815-727-3360 Telefax

July 29, 2013

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

12-051

Re: DuPage Medical Group – Medical Office Building, Final Realized Cost Report

Dear Ms. Avery,

This Final Realized Cost Report is being submitted in keeping with the requirements listed in 77 Ill. Adm. Code 1130.770. The project has been brought to conclusion and, as such, we are submitting information as to the following:

- 1) itemization of all project costs;

See Attachment A.

- 2) itemization of those project costs that have been or will be submitted for reimbursement under Titles XVIII and XIX;

The applicants have not and will not submit for any project costs to be reimbursed under Titles XVIII and XIX. As such, this item is not applicable.

- 3) certification that the final realized costs are the total costs required to complete the project and that there are no additional or associated costs or capital expenditures related to the project that will be submitted for reimbursement under Title XVIII or XIX;

See Attachment B.

- 4) certification of compliance with all terms of the permit to date, including project cost, square footage, services, etc.; certification attesting to compliance with the requirements of this Section must be in the form of a notarized statement signed by an authorized representative the permit holder;

See Attachment C.

- 5) the final Application and Certification for Payment for the construction contract, as per the American Institute of Architects form G702 or equivalent; and

See Attachment D.

- 6) for permits with a project cost equal to or greater than three times the capital expenditure minimum in place at the time of permit approval, an audited financial report of all project costs and sources of funds.

See Attachment E.

Should you have any questions, please do not hesitate to contact Murer Consultants at (815) 727-3355.

Sincerely,



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

CC:

- Michael Kasper, CEO, DuPage Medical Group
- Dennis Fine, COO, DuPage Medical Group
- Larry J. Goodman, M.D., CEO, Rush University Medical Center
- Anne Murphy, Senior VP of Legal Affairs and General Counsel, Rush University Medical Center
- Clare Ranalli, Partner, McDermott, Will & Emery, LLP

Attachment A – Itemization of Project Costs

Below is a table showing all itemized project costs in reference to the approved permit amount for each cost. While the final realized cost for some project components is above the approved permit amount, the total project cost is below the approved permit amount. Therefore there is no alteration of the project under 77 Ill. Adm. Code 1130.750.

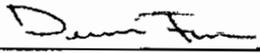
Final Realized Project Costs

Project Cost	Approved Permit Amount	Final Realized Cost
Pre-Planning Costs	\$ 20,340.00	\$ 19,646.87
Site Survey and Soil Investigation	\$ 60,750.00	\$ 59,339.76
Site Preparation	\$ 511,879.00	\$ 574,337.29
Off Site Work	\$ 0.00	\$ 0.00
New Construction Contracts	\$ 27,043,502.00	\$ 27,670,400.29
Contingencies	\$ 607,898.00	\$ 0.00
Architectural	\$ 1,868,910.00	\$ 1,762,781.00
Consulting and Other Fees	\$ 1,074,345.07	\$ 1,123,939.47
Movable/Other Equipment	\$ 2,862,172.00	\$ 3,359,718.90*
Bond Issuance Expense	\$ 0.00	\$ 0.00
Net Interest Expense During Construction	\$ 220,000.00	\$ 183,620.50
FMV Leased Space or Equipment	\$ 0.00	\$ 0.00
Other Capitalized Costs	\$ 141,005.00	\$ 515,481.28
Acquisition of Building or other Property	\$ 1,800,000.00	\$ 221,567.19
Total Use of Funds	\$ 36,210,801.07	\$ 35,490,832.55

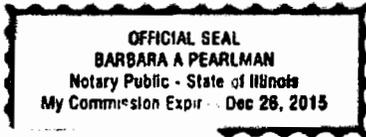
*Please note this includes \$286,786 in Medical Equipment, which is a separate line item on page 2 of the Audited Financial Report (Attachment E).

Attachment B - Certification of Realized Costs

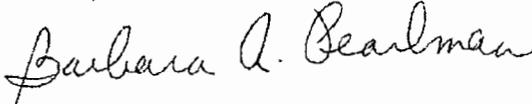
This statement certifies that the realized costs of \$ 35,490,832.55 for Project # 12-051 are the total costs required to complete the project and that there are no additional or associated costs or capital expenditures related to the project that will be submitted for reimbursement under Title XVIII or XIX.



Dennis Fine, COO
DuPage Medical Group, Ltd.



Notary Seal

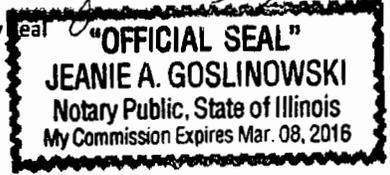

7-22-13



Anne Murphy, Senior VP and General Counsel
Rush University Medical Center



Notary Seal



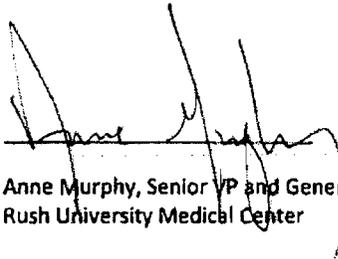
Attachment C – Certification of Compliance with Terms of Permit

This statement certifies that the Applicants have complied with all terms of the permit to date, including project cost, square footage, and services. Both the CON approved and final square footage are delineated in the table below.

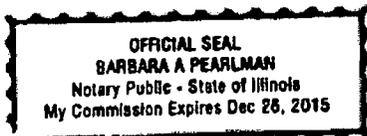
Department	Approved Sq. Ft.	Final Sq. Ft.
<i>Reviewable</i>		
Imaging	14,138	14,138
Chemo and Infusion	12,927	12,927
Radiation Oncology	5,655	5,655
Linear Accelerator	965	965
<i>Non-Reviewable</i>		
Common Space	12,740	12,740
Primary, Immediate Care, Retail, Pharmacy, and Lab	13,329	13,329
Physician Office (General)	15,593	15,593
Physician Office (Oncology)	11,728	11,728
TOTAL	87,075	87,075



Dennis Fine, COO
DuPage Medical Group, Ltd.



Anne Murphy, Senior VP and General Counsel
Rush University Medical Center



Notary Seal



7-22-13



Notary Seal



Attachment D – Final Application and Certification for Payment

Exhibit 1 to this Attachment is the equivalent to the final Application and Certification for Payment for the construction contract, as per the American Institute of Architects form G702. As this Exhibit shows, the final and total payment for the construction contract is **\$27,670,400.29**. Other amounts paid to Leopardo Construction include \$50,000 for Site Survey and \$574,377.29 for Site Preparation, which are other project components (see Attachment A).

FINAL WAIVER OF LIEN

STATE OF ILLINOIS
COUNTY OF Cook

Gty # _____
Escrow # _____

TO WHOM IT MAY CONCERN:

WHEREAS the undersigned has been employed by Dupage Medical Group
to furnish General Construction
for the premises known as 430 Warrenville Rd Lisle IL 60532
of which Dupage Medical Group is the owner.

The undersigned, for and in consideration of Twenty Eight Million Two Hundred Ninety Four Thousand Seven Hundred Thirty Seven 58/100
\$28,294,737.58 Dollars, and other good and valuable considerations, the receipt whereof is hereby acknowledged, do(es) hereby waive and release any and all lien or claim of, or right to, lien, under the statutes of the State of Illinois, relating to mechanics' liens, with respect to and on said above-described premises, and the improvements thereon, and on the material, fixtures, apparatus or machinery furnished, and on the moneys, funds or other considerations due or to become due from the owner, on account of labor services, material, fixtures, apparatus or machinery, heretofore furnished or which may be furnished at any time hereafter, by the undersigned for the above-described premises, INCLUDING EXTRAS

DATE 7/18/13 Signature: Joseph A. Otter

Extras: INCLUDE BUT ARE NOT LIMITED TO CHANGE ORDERS, BOTH ORAL AND WRITTEN, TO THE CONTRACT

CONTACTOR'S AFFIDAVIT

STATE OF ILLINOIS
COUNTY OF Cook

TO WHOM IT MAY CONCERN:

THE UNDERSIGNED, (NAME) Joseph A. Otter BEING DULY SWORN, DEPOSES
AND THAT HE OR SHE IS (POSITION) Controller OF
(COMPANY NAME) Leopardo Companies Inc WHO IS THE
CONTRACTOR FURNISHING General Construction WORK ON THE BUILDING
LOCATED AT 430 Warrenville Rd Lisle IL 60532
OWNED BY Dupage Medical Group

That the total amount of the contract including extra's* is \$ 28,294,737.58* on which he has received payment of \$28,294,737.58 prior to this payment. That all waivers are true, correct and genuine and delivered unconditionally and that there is no claim either legal or equitable to defeat the validity of said waivers. That the following are the names of all parties who have furnished material or labor, or both, for said work and all parties having contracts or sub contracts for specific portions of said work or for material entering into the construction thereof and the amount due or to become due to each, and that the items mentioned include all labor and material required to complete said work according to plans and specifications:

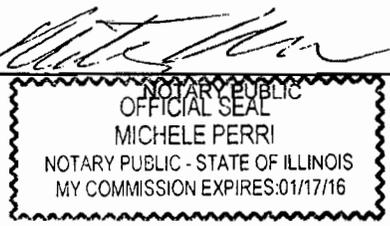
NAMES AND ADDRESSES	WHAT FOR	CONTRACT PRICE INCLUDING EXTRAS	AMOUNT PAID	THIS PAYMENT	BALANCE DUE
Leopardo Companies Inc	Site Survey	\$50,000.00	\$50,000.00	\$0.00	\$0.00
Leopardo Companies Inc	Site Prep	\$574,337.29	\$574,337.29	\$0.00	\$0.00
Leopardo Companies Inc	Construction	\$27,670,400.29	\$27,670,400.29	\$0.00	\$0.00
*THE ABOVE AMOUNTS EXCLUDE					
THE PRIMARY CARE AREAS OF					
THE MOB					
TOTAL LABOR AND MATERIAL, INCLUDING EXTRAS* TO COMPLETE.		\$28,294,737.58*	\$28,294,737.58	\$0.00	\$0.00

That there are no other contracts for said work outstanding, and that there is nothing due or to become due to any person for material, labor or other work of any kind done or to be done upon or in connection with said work other than above stated.

DATE 7/18/13 SIGNATURE: Joseph A. Otter

SUBSCRIBED AND SWORN TO BEFORE ME THIS 18 DAY OF July 2013

*EXTRAS INCLUDE BUT ARE NOT LIMITED TO CHANGE ORDERS, BOTH ORAL AND WRITTEN, TO THE CONTRACT.



Attachment E – Audited Financial Report

Please find included here the audited financial report.



Ernst & Young LLP
155 North Wacker Drive
Chicago, IL 60606-1787

Tel: +1 312 879 2000
Fax: +1 312 879 4000
ey.com

Report of Independent Accountants on Applying Agreed-Upon Procedures

To Management of DuPage Medical Group, LTD

We have performed the procedures enumerated below, which were agreed to by the management of DuPage Medical Group, LTD. (DMG), solely to assist DMG in evaluating compliance with specified provisions of the Illinois Administrative Code requiring submission of a Final Realized Cost Report for DMG's Lisle Medical Office Building Project (Project # 12-051). Management is responsible for the CON Cost Report. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of DMG. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We have performed the following procedures as it relates to the CON Cost Report:

- **Proved the arithmetic accuracy of the project costs** schedule based on amounts included in an analysis of **all invoices** provided to us by management (refer to Appendix A for a listing of the invoices).
- Selected 25 invoices randomly from the schedule provided by management and performed the following (refer to Appendix B for a listing of the invoices):
 - Agreed the amount per each invoice to the invoice listing and **found them to be in agreement**
 - Agreed the invoice amount to payment support and **found them to be in agreement**
 - Agreed the classification for each invoice to the invoice description and **found them to be properly classified based on a description in the invoice**
 - Compared the invoice amounts to the amounts recorded in the general ledger and **found them to be in agreement**

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the entirety of the Final Realized Cost Report. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of DuPage Medical Group as to satisfy requirements as defined by the management of Illinois Department of Public Health, and is not intended to be and should not be used by anyone other than these specified parties.

July 26, 2013

DuPage Medical Group, LTD

Lisle Medical Office Building Project

Project Costs	Approved for Permit	Final
Pre-Planning Costs	\$ 20,340	\$ 19,647
Site Survey and Soil Investigation	60,750	59,340
Site Preparation	511,879	574,337
Off Site Work	-	-
New Construction Contracts	27,043,502	27,670,400
Contingencies	607,898	-
Architectural (ESA Fees)	1,868,910	1,762,781
Consulting and Other Fees	1,074,345	1,123,939
Movable/Other Equipment	2,862,172	3,072,933
Bond Issuance Expense	-	-
Net Interest Expense during Construction	220,000	183,620
FMV Leased Space or Equipment	-	-
Other Capitalized Costs	141,005	515,481
Acquisition of Building or other Property (Exclude Land)	1,800,000	221,567
Medical Equipment	-	286,786
Total Use of Funds	<u>\$ 36,210,801</u>	<u>\$ 35,490,833</u>

Selection #	Vendor	Cost Category	Invoice Number	Invoice Amount
1	Leopardo	Site Preparation	36221	\$ 436,376
2	Leopardo	Construction Contracts	36936	3,053,088
3	Leopardo	Construction Contracts	37040	2,102,000
4	Leopardo	Construction Contracts	37173	3,209,807
5	Leopardo	Construction Contracts	37252	2,606,638
6	Leopardo	Construction Contracts	37421	1,326,170
7	Leopardo	Construction Contracts	37529	2,500,195
8	Leopardo	Construction Contracts	37661	1,943,295
9	Leopardo	Construction Contracts	37820	2,647,555
10	Leopardo	Construction Contracts	37969	1,304,205
11	Leopardo	Construction Contracts	38092	1,307,047
12	Leopardo	Construction Contracts	37421	911,975
13	Leopardo	Construction Contracts	36473	715,540
14	Leopardo	Construction Contracts	36601	1,036,394
15	Leopardo	Construction Contracts	36697	967,530
16	Leopardo	Construction Contracts	36833	1,710,480
17	Leopardo	Construction Contracts	37040	458,753
18	Leopardo	Construction Contracts	37252	69,021
19	Leopardo	Construction Contracts	37661	401,114
20	Leopardo	Construction Contracts	37820	349,555
21	Leopardo	Construction Contracts	38092	295,274
22	Eckenhoff Sanders Architects	Architectural Fees	9706	292,989
23	DuPage County Treasurer	Consulting and Other Fees	060811	215,595
24	Village of Lisle	Consulting and Other Fees	022312	142,198
25	Radiation Oncology (Allocated)	Acquisition of Building/Other Property	Various	3,072,933