



February 26, 2014

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HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Michael Constantino  
Supervisor, Project Review Section  
Illinois Department of Public Health  
Health Facilities and Services Review Board  
525 West Jefferson Street, Second Floor  
Springfield, Illinois 62761

**Re: Final Realized Cost Report – Lawndale Dialysis (Proj. No. 12-085)**

Dear Mr. Constantino:

On behalf of DaVita HealthCare Partners Inc f/k/a DaVita Inc and Cowell Dialysis, LLC d/b/a Lawndale Dialysis (collectively, “DaVita” and the “Permit Holders”), I am writing to submit the final realized project cost report for Project No. 12-085. On December 10, 2012, the Illinois Health Facilities and Services Review Board (“State Board”) approved DaVita’s application for a certificate of need permit to establish a 16-station in-center hemodialysis facility located at 3934 West 24<sup>th</sup> Street, Chicago, Illinois 60623 (the “Project”). The permit provided for a project completion date of March 31, 2014. On June 25, 2012, the Project was obligated through execution of a lease for the building that would house the dialysis facility. The facility was notified by the Centers for Medicare and Medicaid Services in a letter dated February 12, 2014 that the 16 stations were approved and certified with an effective date of December 6, 2013.

For your review, DaVita submits the following information as its final realized cost report for the establishment of Lawndale Dialysis:

**1. Final Realized Project Costs**

Lawndale Dialysis Final Realized Project Costs		
	Approved	Expended
Modernization Contracts	\$940,600	\$910,985
Contingencies	\$140,000	\$41,621
Architectural /Engineering Fees	\$52,800	\$57,191
Consulting and Other Fees	\$75,000	\$17,132
Movable or Other Equipment (not in construction contracts)	\$525,708	\$517,270
Net Interest Expense During Construction (project related)	\$37,363	\$37,363
Fair Market Value of Leased Space and Equipment	\$1,374,469	\$1,374,469

Lawndale Dialysis Final Realized Project Costs		
	Approved	Expended
<b>FINAL TOTAL PROJECT COSTS</b>	<b>\$3,145,940</b>	<b>\$2,956,031</b>

All of the costs reported in the Table above will be reported on the Medicare / Medicaid cost reports.

**2. Medicare and Medicaid Cost Reports and Certification of Compliance**

Pursuant to 77 Ill. Admin. Code §1130.770, DaVita certifies that no additional or associated costs or capital expenditures related to the Project will be submitted for reimbursement under Title XVIII or Title XIX. I further certify DaVita has complied with all of the terms of the permit to date and all information submitted in this cost report for the facility is true and correct.

**3. Final Application and Certification for Payment**

Attached as Attachment A is the final Application and Certification for Payment (G702) for the Project.

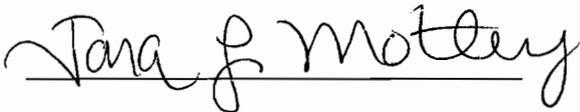
If you have any questions or need any additional information related to the Project, please feel free to contact Tim Tincknell at 312-649-9289 or [timothy.tincknell@davita.com](mailto:timothy.tincknell@davita.com).

Sincerely,



Steven E. Lieb  
Vice President  
DaVita HealthCare Partners Inc.

SUBSCRIBED AND SWORN  
to before me this 26<sup>th</sup> day of  
February, 2014



My commission expires: 6-11-17



Attachment

cc: Jim Burke  
Beth Markus-Boles

**APPLICATION AND CERTIFICATION FOR PAYMENT**  
 AIA DOCUMENT G702/CMA

TO OWNER DaVita Healthcare Partners, Inc. PROJECT: Lawndale Dialysis  
 2000 16th Street Facility #5283  
 Denver, CO 80202 3934 W. 24th Street  
 FROM CONTRACTOR: Frontier Construction, Inc. Chicago IL 60623  
 7615 Plaza Court  
 Willowbrook, IL 60527  
 CONTRACT FOR: VIA CONSTRUCTION MANAGER:  
 VIA ARCHITECT: Studio GC / Gillfillan Callahan Nelson Architects

APPLICATION NO: 005 Distribution to:  OWNER  
 PERIOD TO: 12/31/2013  CONSTRUCTION MGR  
 PROJECT NOS.:  ARCHITECT  
 CONTRACT DATE:  CONTRACTOR

**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 \$ 888,850.00
- 2. Net change by Change Orders \$ 22,135.28
- 3. CONTRACT SUM TO DATE (Line 1 ± 2) \$ 910,985.28
- 4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 910,985.28

- 5. RETAINAGE:
  - a. % of Completed Work \$ \_\_\_\_\_
  - (Column D + E on G703)
  - b. % of Stored Material \$ \_\_\_\_\_
  - (Column F on G703)
  - Total Retainage (Lines 5a + 5b or Total in Column I of G703) \$ 0.00

- 6. TOTAL EARNED LESS RETAINAGE \$ 910,985.28
- (Line 4 Less Line 5 Total)
- 7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 852,118.27
- 8. CURRENT PAYMENT DUE \$ 58,867.01
- 9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6) \$ 0.00

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved	\$33,116.60	
In previous months by Owner		
Total approved this Month	\$11,391.45	\$22,372.77
TOTALS	\$44,508.05	\$22,372.77
NET CHANGES by Change Order		\$22,135.28

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 payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:  
 By: Gregory A. Parr President Date: \_\_\_\_\_  
 State of: Illinois County of: Cook  
 Subscribed and sworn to before me this 25th Day of December 2013  
 Notary Public: \_\_\_\_\_  
 My Commission expires: \_\_\_\_\_

**CERTIFICATE FOR PAYMENT**

In accordance with the Contract documents, based on on-site observations and the data comprising this application, the Construction Manager and Architect certify to the owner that to the best of their 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. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

CONSTRUCTION MANAGER: \_\_\_\_\_ Date: \_\_\_\_\_  
 By: \_\_\_\_\_  
 ARCHITECT: \_\_\_\_\_ Date: \_\_\_\_\_  
 By: \_\_\_\_\_  
 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 or Contractor under this Contract.

# CONTINUATION SHEET

AIA DOCUMENT G703

PAGE TWO OF THREE

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.  
 In tabulations below, amounts are stated to the nearest dollar.  
 Use Column I on Contracts where variable retainage for line items may apply.  
**DaVita Lawdale Dialysis**

APPLICATION NO: 005  
 APPLICATION DATE: 12/13/2013  
 PERIOD TO: 12/31/2013  
 ARCHITECT'S PROJECT NO:

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		E THIS PERIOD	F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)		H BALANCE TO FINISH (C-G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD			% (G + C)			
OHP	General Conditions	\$63,876.00	\$63,876.00				\$63,876.00	100.00%		
	Permit Allowance	\$30,765.00	\$30,765.00		\$10,000.00		\$30,765.00	100.00%		
	Contingency Allowance	\$10,000.00			\$5,000.00		\$10,000.00	100.00%		
	Floor Prep Allowance	\$5,000.00			\$7,000.00		\$5,000.00	100.00%		
	Cushion Allowance	\$7,000.00			\$3,000.00		\$7,000.00	100.00%		
	Concrete (Ipema Concrete)	\$3,000.00					\$3,000.00	100.00%		
	Masonry (G.Lolos Masonry)	\$17,000.00	\$17,000.00				\$17,000.00	100.00%		
	Steel (Fabricating & Welding, Inc.)	\$14,500.00	\$14,500.00				\$14,500.00	100.00%		
	Architectural Woodwork (C-V Custom Cabinets)	\$6,625.00	\$6,625.00				\$6,625.00	100.00%		
	Roofing (Metalmaster-Roofmaster, Inc.)	\$70,000.00	\$70,000.00				\$70,000.00	100.00%		
	Glass & Glazing (CAD Contract Glazing)	\$9,750.00	\$9,750.00				\$9,750.00	100.00%		
	Automatic Operators (Stanley Access Technologies)	\$23,800.00	\$23,800.00				\$23,800.00	100.00%		
	Drywall Systems (Diaz Interior Contractors)	\$5,050.00	\$5,050.00				\$5,050.00	100.00%		
	Acoustical Ceilings (International Decorators)	\$79,615.00	\$79,615.00				\$79,615.00	100.00%		
	Resilient & Carpet Flooring (C.E.Korsgard)	\$19,000.00	\$19,000.00				\$19,000.00	100.00%		
	Resinous Flooring (CCI Flooring)	\$21,000.00	\$21,000.00				\$21,000.00	100.00%		
	Painting (HDS, Inc.)	\$8,230.00	\$8,230.00				\$8,230.00	100.00%		
	Metal Lockers (Commercial Specialties)	\$7,175.00	\$7,175.00				\$7,175.00	100.00%		
	Roller Window Shades (Evergreen Specialties)	\$2,773.00	\$2,773.00				\$2,773.00	100.00%		
	Fire Protection (Nelson Fire Protection)	\$3,800.00	\$3,800.00				\$3,800.00	100.00%		
	Plumbing (Provancal Brother's Plumbing)	\$10,134.00	\$10,134.00				\$10,134.00	100.00%		
	HVAC (C&D Air Quality)	\$200,000.00	\$200,000.00				\$200,000.00	100.00%		
	Electrical (Kreykes Electric)	\$80,000.00	\$80,000.00				\$80,000.00	100.00%		
	Doors/Frames/Hardware	\$111,000.00	\$111,000.00				\$111,000.00	100.00%		
	Material: J&L Metal Door	\$21,700.00	\$21,700.00				\$21,700.00	100.00%		
	Labor: Frontier	\$9,333.00	\$9,333.00				\$9,333.00	100.00%		
<b>PAGE 1 TOTALS</b>		840,126.00	815,126.00	25,000.00	0.00	840,126.00	0.00	0.00	0.00	

Users may obtain validation of this document by requesting of the license a completed AIA Document D401 - Certification of Document's Authenticity

# CONTINUATION SHEET

AIA DOCUMENT G703

PAGE THREE OF THREE

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

**Davita Lawndale Dialysis**

APPLICATION NO: 005  
 APPLICATION DATE: 12/13/2013  
 PERIOD TO: 12/31/2013  
 ARCHITECT'S PROJECT NO:

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		E THIS PERIOD	F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)	H % (G+C)	I BALANCE TO FINISH (C-G)	RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D+E)	THIS PERIOD						
	Toilet & Bath Accessories Material: Commercial Specialties Labor: Frontier Frontier Construction, Inc.	\$3,439.00 \$2,000.00	\$3,439.00 \$2,000.00				\$3,439.00 \$2,000.00	100.00% 100.00%		
	Rough Carpentry Materials: Labor: Finish Carpentry	\$3,662.00 \$9,641.00	\$3,662.00 \$9,641.00				\$3,662.00 \$9,641.00	100.00% 100.00%		
	Materials: Labor: Finish Carpentry	\$15,602.00 \$14,380.00	\$15,602.00 \$14,380.00				\$15,602.00 \$14,380.00	100.00% 100.00%		
	Change Request #2	\$432.00	\$432.00				\$432.00	100.00%		
	Change Request #3	\$22,550.00	\$22,550.00				\$22,550.00	100.00%		
	Change Request #4	\$1,785.00	\$1,785.00				\$1,785.00	100.00%		
	Change Request #5	\$1,566.60	\$1,566.60				\$1,566.60	100.00%		
	Change Request #6	\$4,814.25	\$4,814.25				\$4,814.25	100.00%		
	Change Request #7	\$1,155.00	\$1,155.00				\$1,155.00	100.00%		
	Change Request #8	\$813.75	\$813.75				\$813.75	100.00%		
	Change Request #9	\$4,500.30	\$4,500.30		\$4,500.30		\$4,500.30	100.00%		
	Change Request #12	\$5,051.55	\$5,051.55		\$5,051.55		\$5,051.55	100.00%		
	Change Request #13	\$1,451.10	\$1,451.10		\$1,451.10		\$1,451.10	100.00%		
	Change Request #14	\$388.50	\$388.50		\$388.50		\$388.50	100.00%		
	Change Request #15 - Unused Cushion Allowance	(\$2,400.00)	(\$2,400.00)		(\$2,400.00)		(\$2,400.00)	100.00%		
	Change Request #16 - Unused Floor Prep Allowance	(\$4,972.77)	(\$4,972.77)		(\$4,972.77)		(\$4,972.77)	100.00%		
	Change Request #17 - Unused Contingency Allowance	(\$5,000.00)	(\$5,000.00)		(\$5,000.00)		(\$5,000.00)	100.00%		
	Change Request #18 - Unused Permit Allowance	(\$10,000.00)	(\$10,000.00)		(\$10,000.00)		(\$10,000.00)	100.00%		
<b>PAGE 2 TOTALS</b>		70,859.28	81,840.60	(10,981.32)			70,859.28	100.0%	0.00	0.00
<b>GRAND TOTALS</b>		\$910,985.28	\$896,966.60	\$14,018.68		\$0.00	\$910,985.28	100.0%	\$0.00	\$0.00

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