

July 18, 2018

Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, IL 62761

RECEIVED

JUL 19 2018

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Project #14-037 Advocate Good Samaritan Hospital (the "Project")

Final Project Report

Advocate Health and Hospitals Corporation, (dba Advocate Good Samaritan Hospital),
and Advocate Health Care Network
Construct a Three-Story Addition, and
Discontinue 40 Medical Surgical Beds and 9 Pediatric Beds

Dear Ms. Avery:

This letter is intended to satisfy Section 1130.770 Project Completion, Final Realized Costs and Cost Overruns, by providing the required information on Project #14-037. The Project is for construction of a three-story addition over the west wing of the hospital along with the discontinuation of 40 medical surgical beds and 9 pediatric beds. The Review Board granted the permit for this Project November 12, 2014.

A request for an Alteration and a Permit Renewal was received April 14, 2017. The Alteration was to add a canopy to protect the patient entrance on the north side, an alteration that would increase the size of the building from 123,479 to 124,779 Sf which equaled a 1% addition to the original Project size. The permit called for the Project to be completed by May 31, 2017. Because of the additional work, the request for Permit Renewal moved that date to April 30, 2018. The Alteration and Permit Renewal were approved on April 21, 2017.

The notice of project completion was submitted on April 19, 2018 indicating the project was completed April 19, 2018. The project was timely completed within the "Completion Date" of April 30, 2018, specified in the permit letter. This final report includes the following:

- Certification that the project costs, as itemized, represent all the costs required to complete the project and there are no additional or associated costs or capital expenditures related to the project.
- This also certifies compliance with all the terms of the permit to date, including the project cost, square footage and services.
- The final application and certification for payment is shown in the AIA G702 form.

Advocate Good Samaritan Hospital
 Project #14-037
 Final Project Report- July 18, 2018

- Because this is a project with a cost greater than three times the capital expenditure minimum in place at the time of the permit approval, an audited financial report that includes the itemization of costs and sources of funds is included as an enclosure.
- As the audit process was performed, some of the previously reported expenditures were reallocated to different cost categories. It was likewise discovered that previous incurred to date capital costs were over-reported in the recent annual report due to incorrect categorization of expense costs. Final capital costs are within the allowed permit amount.

Costs:

	Cost Incurred to Date	Permit Amount
Preplanning Costs	\$ 69,990	\$ 73,700
Site Survey and Soil Investigation	\$ 51,467	\$ 74,880
Site Preparation	\$ 552,101	\$ 584,635
New Construction Contracts	\$ 55,152,864	\$ 48,028,094
Modernization Contracts	\$ 6,109,230	\$ 4,091,879
Contingencies	\$ -	\$ 5,416,592
Architectural/Engineering Fees	\$ 4,432,939	\$ 3,040,000
Consulting and Other Fees	\$ 488,574	\$ 4,782,770
Movable or Other Equipment (not in construction contracts)	\$ 6,268,593	\$ 8,780,250
Bond Issuance Expense (project related)	\$ 482,575	\$ 690,956
Net Interest Expense During Construction (project related)	\$ 1,463,873	\$ 5,639,476
Other Costs To Be Capitalized	\$ 4,146,031	\$ 10,680,300
TOTAL USE OF FUNDS	\$ 79,218,237	\$ 91,883,532

Advocate Good Samaritan Hospital
Project #14-037
Final Project Report- July 18, 2018

Please contact me at (630) 929-5575 or Jim Kokaska at (847) 723-8898 if you have any questions about this report.

Sincerely,



Scott Nelson, AIA, ACHA
Vice President, Planning, Design, and Construction
Advocate Health and Hospitals Corporation

CC: James Kokaska
Frank Nuno
Sonja Reece

Subscribed before me on this day: July 18, 2018

Notary Public Maria Defrank

Seal:



Attachments:

AIA G702 Final Payment

Enclosure:

Financial Audit of Project

APPLICATION AND CERTIFICATE FOR PAYMENT

TO : Advocate Health & Hospitals Corp. PROJECT : AGSaH Private Room Bed Tower APPLICATION NO. : 32
 PERIOD TO : June 30, 2018
 FROM : Power Construction Company LLC ARCHITECT : Cannon Design Inc. PROJECT NO. : 05-52213
 CONTRACT DATE : August 29, 2013

CONTRACTOR'S APPLICATION FOR PAYMENT

CHANGE ORDER SUMMARY		Additions	Deductions
Change Order approved in previous months by Owner		\$58,853,280	\$0
TOTAL			
APPROVED THIS MONTH			
Number	Date Approved		
004	09/18/2018	\$0	\$6,502
TOTALS		\$58,853,280	\$6,502
Net change by Change Orders		\$58,846,778	

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 : Power Construction Company LLC
 By : Theresa Jovic
 Date June 20, 2018

Application is made for payment, as shown below, in connection with the Contract

1. ORIGINAL CONTRACT SUM\$ 149,472
2. NET CHANGE BY CHANGE ORDERS.....\$ 58,846,778
3. CONTRACT SUM TO DATE.....\$ 58,996,250
4. TOTAL COMPLETED & STORED TO DATE.....\$ 58,996,250
5. RETAINAGE.....\$ 0
6. TOTAL EARNED LESS RETAINAGE.....\$ 58,996,250
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (line 6 from prior Certificate).....\$ 58,996,250
8. CURRENT PAYMENT DUE\$ 0
9. BALANCE TO FINISH, INCLUDING RETAINAGE.....\$ 0

State of Illinois County of _____

Subscribed and sworn to before me this 20th day of June, 2018

Notary Public Amber Flores
 My commission expires: 29th day of October, 2018
 State of Illinois, County of USA
 Municipality of Lake, #810535

AMOUNT CERTIFIED.....\$ 0

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the above 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 Work is in accordance with the Contract Documents, and the Contractor is entitled to the payment of the AMOUNT CERTIFIED

ARCHITECT: Cannon Design Inc.
 By: [Signature] DANIEL PERSCHBACHER, AIA
 Date: 7/13/18

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

Odell Hicks & Company LLC

Certified Public Accountants

Advocate Health Care Network and
Advocate Health and Hospitals Corporation
d/b/a/ Advocate Good Samaritan Hospital

Illinois Health Facilities and Services Review Board
New Construction and Modernization Project
IHFSRB Project #14-037
Project Costs Report

For the Period November 12, 2014 to April 19, 2018
(With Independent Auditors' Report Thereon)



Odell Hicks & Company LLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Advocate Health and Hospitals Corporation and
to the Illinois Health Facilities and Services Review Board:

We have audited the Project Costs Report of Advocate Health Care Network and Advocate Health and Hospitals Corporation d/b/a/ Advocate Good Samaritan Hospital for the period from November 12, 2014 through April 19, 2018 (Report). This Report is the responsibility of Advocate Health and Hospitals Corporation's management. Our responsibility is to express an opinion on the Report based on our audit.

We conducted our audit of the Report in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts on the Report. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Report's presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Report was prepared for the purpose of complying with the terms of the Illinois Health Facilities and Services Review Board Act and is not intended to be a complete presentation of Advocate Health Care Network and Advocate Health and Hospitals Corporation d/b/a/ Advocate Good Samaritan Hospital financial position in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the Report referred to above presents fairly, in all material respects and in accordance with the aforementioned guidelines, the project costs of Advocate Health Care Network and Advocate Health and Hospitals Corporation d/b/a/ Advocate Good Samaritan Hospital as of April 19, 2018 and the period from November 12, 2014 through April 19, 2018.

Odell Hicks & Company LLC

July 16, 2018

ADVOCATE HEALTH CARE NETWORK AND
ADVOCATE HEALTH AND HOSPITALS CORPORATION
d/b/a ADVOCATE GOOD SAMARITAN HOSPITAL

Illinois Health Facilities and Services Review Board
New Construction and Modernization Project

IHFSRB Project #14-037

Project Costs Report

Period from November 12, 2014 - April 19, 2018

	<u>CON Permit Original</u>	<u>Final Funds Expended</u>	<u>Difference</u>
Costs			
Preplanning Costs	\$ 73,700	\$ 69,990	\$ 3,710
Site Survey and Soil Investigation	74,880	51,467	23,413
Site Preparation	584,635	552,101	32,534
New Construction Contracts	48,028,094	55,152,864	(7,124,770)
Modernization Contracts	4,091,879	6,109,230	(2,017,351)
Contingencies	5,416,592	-	5,416,592
Architectural/Engineering Fees	3,040,000	4,432,939	(1,392,939)
Consulting and Other Fees	4,782,770	488,574	4,294,196
Movable Capital Equipment	8,780,250	6,268,593	2,511,657
Other Costs to be Capitalized	<u>10,680,300</u>	<u>4,146,031</u>	<u>6,534,269</u>
Total Construction Related	<u>\$ 85,553,100</u>	<u>\$ 77,271,789</u>	<u>\$ 8,281,311</u>
Net Interest Expense During Construction	5,639,476	1,463,873	4,175,603
Bond Issuance Costs	<u>690,956</u>	<u>482,575</u>	<u>208,381</u>
Total Finance Related	<u>6,330,432</u>	<u>1,946,448</u>	<u>4,383,984</u>
Total Project Costs	<u>\$ 91,883,532</u>	<u>\$ 79,218,237</u>	<u>\$ 12,665,295</u>
Source of Funds			
Cash and Securities	\$ 22,787,967	\$ 45,630,248	\$ (22,842,281)
Bond Issues	<u>69,095,565</u>	<u>33,587,989</u>	<u>35,507,576</u>
	<u>\$ 91,883,532</u>	<u>\$ 79,218,237</u>	<u>\$ 12,665,295</u>

ADVOCATE HEALTH CARE NETWORK AND
ADVOCATE HEALTH AND HOSPITALS CORPORATION
d/b/a ADVOCATE GOOD SAMARITAN HOSPITAL
Illinois Health Facilities and Services Review Board
Modernization
IHFSRB Project #14-037
Project Costs Report

Period from November 12, 2014 – April 19, 2018

Advocate Health Care Network and Advocate Health and Hospitals Corporation d/b/a Advocate Good Samaritan Hospital was issued a permit to modernize the existing hospital with new construction. The Advocate Good Samaritan Hospital New Construction and Modernization project includes several additions/enhancements to hospital space including adding three floors over the West Wing, constructing 96 single occupancy medical-surgical patient rooms to replace the existing rooms and converting current multiple occupancy rooms to single occupancy rooms and non-clinical space. The project results in all medical-surgical and pediatric beds being in private rooms and allows Advocate to better serve the health needs of the surrounding communities. Work on the project was started on November 12, 2014 with the execution of a contract for construction of the Advocate Good Samaritan Hospital Modernization. The project was originally budgeted for \$91,883,532. However the actual cost of the project was \$79,218,237, \$12,665,295 less than the budget.