



2025 Windsor Drive | Oak Brook, Illinois 60523 | T 630.572.9393 | [www.advocatehealth.com](http://www.advocatehealth.com)

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February 24, 2011

**RECEIVED**

FEB 25 2011

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

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

Re: Project #08-076 (the "Project")

**Annual Progress Report**

Advocate Health and Hospitals Corporation, dba Advocate BroMenn Medical Center  
Construction Project for an Addition for Obstetrics, Intensive Care, and Medical Surgical Beds.

Dear Ms. Avery:

This letter is to inform you that, in accordance with requirements of the 77 Ill. Adm. Code 1130.760, Advocate BroMenn Medical Center ("BroMenn") is submitting an annual progress report on the Project referenced above. The permit for this Project was granted January 28, 2009.

The Project is for the construction of a three story 122,566 gross square foot new addition on the west side of the hospital. It will replace the Mother-Baby Unit, the Critical Care Unit, and a Step Down Unit of medical/surgical beds. Forty-two percent of the space will be clinical, thirty-four percent will be non-clinical, and the remaining twenty-four percent of the space will be enclosed, unfinished shell space.

You may recall that on October 13, 2009 BroMenn Healthcare System and Advocate Health and Hospitals Corporation received a Change of Ownership Exemption to merge the two organizations. One of the factors in that merger was the opportunity to take advantage of the excellent bond rating in obtaining favorable financing for the planned addition at BroMenn. That merger was completed on January 6, 2010.

**1. Current status of the Project:**

The contract with the General Contractor was signed February 9, 2010, and the formal Notice of Obligation was submitted to the Review Board on March 10, 2010.

Percentage of the Project finished: The estimate is that 25% of the Project is finished.



Components finished: Footings, foundation, structural concrete, structural steel.

Components yet to be finished: Flooring, roofing, exterior walls, interior walls, finishes.  
Changes in scope and size:

The Project remains substantially consistent with the general scope of the Project as approved by the Review Board. As with many major projects, we expect that there will be certain fluctuations in the departmental areas and square footages. As the transition from design to construction proceeds, we are reviewing these changes. We anticipate that within the next two months we will pursue with the Review Board a permit alteration to reflect these anticipated fluctuations.

## 2. Costs

Costs incurred to date, an itemized listing of the total current estimated Project costs, and a comparison of those costs to the approved permit amounts:

PROJECT COST AND SOURCES OF FUNDS	Costs incurred to date	Total approved in permit	Estimated project costs
Preplanning Costs	\$ 339,988	\$ 340,000	\$ 340,000
Site Survey and Soil Investigation	\$ 70,908	\$ 151,400	\$ 151,400
Site Preparation	\$ 1,650,844	\$ 1,785,431	\$ 1,785,431
Off Site Work	\$ -	\$ -	\$ -
New Construction Contracts	\$ 10,664,323	\$ 38,107,262	\$ 38,107,262
Modernization Contracts*	\$ -	\$ 331,007	\$ 331,007
Contingencies	\$ -	\$ 3,657,671	\$ 3,657,671
Architectural/Engineering Fees	\$ 2,225,223	\$ 2,493,055	\$ 2,493,055
Consulting and Other Fees	\$ 401,698	\$ 615,000	\$ 615,000
Movable or Other Equipment (Not in Construction Contracts)	\$ -	\$ 6,846,799	\$ 6,846,799
Bond Issuance Expense (project related)	\$ 469,466	\$ 1,800,000	\$ 1,800,000
Net Interest Expense During Construction (project related)	\$ 17,475	\$ 8,240,000	\$ 8,240,000
Fair Market Value of Leased Space or Equipment	\$ -	\$ -	\$ -
Other Costs To Be Capitalized	\$ 147,703	\$ 2,892,340	\$ 2,892,340
Acquisition of Building or other Property (excluding land)	\$ -	\$ -	\$ -
<b>ESTIMATED TOTAL PROJECT COST</b>	<b>\$ 15,987,628</b>	<b>\$ 67,259,965</b>	<b>\$ 67,259,965</b>

## 3. Method of financing the Project and sources of funds



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PROJECT COST AND SOURCES OF FUNDS	Total approved in permit	Estimated project costs
Cash and Securities	\$ 5,759,965	\$ 19,959,965
Pledges	\$ 8,300,000	\$ 8,300,000
Gifts & Bequests	\$ 1,700,000	\$ 1,700,000
Bond Issues (project related)	\$ 51,500,000	\$ 37,300,000
<b>TOTAL FUNDS</b>	<b>\$ 67,259,965</b>	<b>\$ 67,259,965</b>

**4. Payment information:**

The most recent G702 is attached

**5. Anticipated date of completion:**

March 31, 2013

Please contact me at 630-990-5546 or Sonja Reece at 309-268-5482 if you have any questions about this report.

Sincerely,

Al Manshum  
VP Facilities and Construction  
Advocate Health and Hospitals Corporation

CC: Colleen Kannaday, President  
Advocate BroMenn Medical Center

Attachment

## AIA Document G702™ - 1992

### Application and Certificate for Payment

**TO OWNER:** Advocate Health & Hospitals Corp.  
3025 Windsor Drive  
Oak Brook, Illinois 60523

**FROM CONTRACTOR:** P.J. Heer  
10714 Commerce Plaza  
P.O. Box 81624  
Chicago, Illinois 60694

**PROJECT:** Bromson Campus Modernization  
1301 Franklin Ave.  
Normal, Illinois 61751, McLean County

**VIA ARCHITECT:** VOA  
224 South Michigan Avenue, Suite 1400  
Chicago, Illinois 60604

**APPLICATION NO. 11**  
**PERIOD TO:** 12/31/10  
**CONTRACT FOR:** General Construction  
**CONTRACT DATE:** 03/11/10  
**PROJECT NOS:** 7675

**Distribution to:** OWNER   
ARCHITECT   
CONTRACTOR   
FIELD   
OTHER

### 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 \$ 38,678,151.00
  2. Net change by Change Orders \$ 0.00
  3. CONTRACT SUM TO DATE (Line 1+2) \$ 38,678,151.00
  4. TOTAL COMPLETED AND STORED TO DATE (Column G on G703) \$ 32,256,495.55
  5. RETAINAGE:
    - a. 10.0% of Completed Work (Column D + E on G703) \$ 3,867,712.94
    - b. 10.0% of Stored Material (Column F on G703) \$ 33,181.00
- Total Retainage (Lines 5a + 5b or Total in Column I of G703) \$ 3,900,893.94

6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total) \$ 11,407,403.55
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 9,769,888.01
8. CURRENT PAYMENT DUE (Line 7 less Line 6) \$ 1,297,115.57
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6) \$ 27,621,457.42

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$407,228.73	\$1607,228.73
Total approved this Month	\$0.00	\$0.00
<b>TOTALS</b>	\$407,228.73	\$1607,228.73
NET CHANGES by Change Order		\$0.00

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

**CONTRACTOR:** P.J. Heer  
By: Mike Kreutz Date: January 04, 2011  
State of: Illinois County of: Tazewell  
Subscribed and sworn to before me this January 04, 2011  
Notary Public: Vivian Reagan  
My Commission expires: 01/04/2017 #6566855  
State of Illinois, County of Tazewell

### ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising this 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** \$ 1,297,115.57  
(If such explanation of 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.)

**ARCHITECT:** VOA  
By: Peter Messina Date: January 05, 2011  
This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor issued herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.