



**St. John's
Hospital**

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

March 25, 2014

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

Re: Permit Renewal Request (Section 1130.740)
St. John's Hospital
Permit 10-019; Surgery Project

Dear Ms. Avery,

I am requesting a nine (9) month completion date extension for Project 10-019.

On July 27, 2010 the Illinois Health Facilities and Services Review Board approved our permit application to modernize our surgical suite and develop shell space for a future emergency department replacement as well as associated facility modernization. The originally anticipated completion date was June 30, 2014 for this \$121,199,325.00 project.

There have been no changes in the permitted project scope or financing method; however, unanticipated construction complexities required re-planning the project phasing which has therefore impacted negatively on the construction schedule. Because construction progress has been extended, our ability to secure final IDPH inspections, develop the required project audit, and complete the State Board requirements under Section 1130.770 will also be extended beyond our current June 30, 2014 completion date, leading to this permit renewal request.

800 East Carpenter Street
Springfield, Illinois 62769
217-544-6464
www.st-johns.org

*An Affiliate of
Hospital Sisters
Health System*

1. Requested Project Completion Date

St. John's requests the IHFSRB grant an approximate 9 month permit renewal until April 13, 2015 for Permit 10-019.

2. Project Status

As indicated in our annual reports, we have diligently pursued the implementation of this project. Through December 31, 2013 we have expended approximately 83 percent of the permitted project funds or \$100,947,740.00 (see Attachment A). The project components yet to be completed are:

a. Main Surgery

1. Punch list items
2. Medical Equipment installation
3. Infrastructure tie-ins
4. Ceiling tile.

b. Renovation

1. Existing OR Area A modernization
2. Pediatric Waiting Room Area F

c. Site Work Completion

3. Project Completion Statement

Our most recent schedule indicates the permitted project construction phase will be finished by approximately November 1, 2014 in order to request a final IDPH inspection.

Construction has been delayed due to:

- a. Construction complexities associated with expanding and modernizing a highly technical area (surgery) while maintaining operations.
- b. Relocating Hospital utilities located in a building demolished as part of this project.
- c. Matching floor levels between new and existing facilities.
- d. Unforeseen underground and enclosed conditions.

Our requested new Permit completion date is predicated on completing and responding to a final IDPH inspection and related post construction responses, if any; completing AIA form G702, conducting a final independent audit per State Board rules; and compliance with Section 1130.770 Project Completion, Final Realized Costs, and Cost Overruns paperwork submissions.

4. Confirmatory Evidence of Project Completion

I hereby certify, to the extent of currently available information, pursuant to Section 1130.740, St. John's compliance with the project's cost and scope in relation to what the IHFSRB has approved regarding Permit 10-019, and that sufficient financial resources are available to complete the project. Due to the project's complexity, there may be a slight increase in expended funds once all details are known, and if so, an alteration will be requested.

If you need additional information or have any questions, I can be contacted at (217- 544-6464 ext. 44577.

Sincerely,

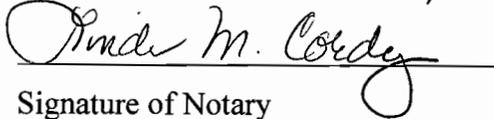


Dave Olejniczak, FACHE
Chief Operating Officer

Attachment A – Description / Use of Funds

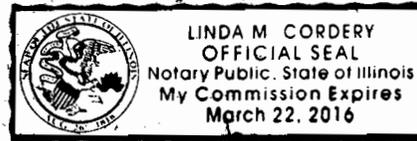
Subscribed and sworn to before me

this 24th day of March, 2014



Signature of Notary

Seal



CC: Tim Ferguson, Director, Facilities Management
Mike Constantino, Supervisor, Program Review Section
Ed Parkhurst, PRISM Healthcare Consulting

Exhibit A
 Permit Renew Request
 St. John's Hospital
 Springfield, Illinois

Permit 10-019
 Surgery Project

Main Surgery as of 12/31/13

<u>Description / Use of Funds</u>	<u>Total Allocation</u>	<u>Spent to Date</u>	<u>Percent Complete</u>
Preplanning Costs	\$1,130,865	\$584,267	52%
Site Survey and Soil Investigation	\$42,000	\$77,148	184%
Site Preparation	\$2,882,320	\$16,830	1%
Off Site Work	\$1,422,753	\$0	0%
New Construction Contracts	\$47,978,182	\$54,038,736	113%
Modernization Contracts	\$10,141,537	\$7,713,037	76%
Contingencies	\$5,786,930	\$4,733,291	82%
Architectural / Engineers Fees	\$3,032,595	\$4,081,655	135%
Consulting and Other Fees	\$5,058,332	\$4,907,664	97%
Moveable or Other Equipment	\$25,711,725	\$4,182,883	16%
Bond Issuance Expense	\$1,284,656	\$520,145	40%
Net Interest Expense	\$4,800,000	\$7,096,708	148%
Other Costs to be Capitalized	<u>\$11,927,430</u>	<u>\$12,995,376</u>	109%
Total	<u>\$121,199,325</u>	<u>\$100,947,740</u>	<u>83%</u>