

**RECEIVED**

MAR 19 2015

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

March 16, 2015

Ms. Courtney Avery  
Illinois Health Facilities Planning Board  
525 West Jefferson Street  
Springfield, IL 62761

RE: Project #11-019 **Final Project Report**  
Advocate Christ Medical Center  
Ambulatory Pavilion – 308,218 gross square foot building containing surgery, endoscopy, recovery,  
plus various clinical and non-clinical services

Dear Ms. Avery:

This letter is intended to satisfy Section 1130.770 Project Completion, Final Realized Costs and Cost Overruns by providing you with the required information on Project #11-019. The notice of project completion was submitted on December 22, 2014 indicating the project was completed December 22, 2014. The project was timely completed within the December 31, 2014 "Completion Date" specified in the permit letter. This final report includes the following:

- This letter certifies that the project costs represent all the costs required to complete the project and 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.
- 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 attached G702 form.
- 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 is included as an attachment.

Please contact me at 630-929-5575 if you have any questions about this final report.

Sincerely,



Albert L. Manshum, III  
Vice President  
Facilities and Construction

Ms. Courtney Avery

March 16, 2015

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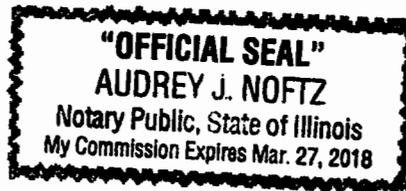
CC: Robert Harrison, Vice President, Business Development, Advocate Health Care  
Patrick Lyons, Director, Construction-Regional, Advocate Health Care  
Sonja Reece, Director, Health Facility Planning, Advocate Health Care

Attachments:

Final Payment G702 form

Financial Audit of Project

Notarized:



Name:

Audrey J. Noftz

Commission Expires:

3-27-18

**Odell Hicks & Company LLC**  
Certified Public Accountants

Advocate Health Care Network and  
Advocate Health and Hospital Corporation

d/b/a/ Advocate Christ Medical Center

Illinois Health Facilities and Services Review Board  
Ambulatory Pavilion Project  
IHFSRB Project #11-019  
Project Costs Report

For the Period August 16, 2011 to December 22, 2014

(With Independent Auditors' Report Thereon)

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying Project Costs Report of Advocate Health Care Network and Advocate Health and Hospitals Corporation d/b/a/ Advocate Christ Medical Center which comprise the project costs for the period from August 16, 2011 through December 22, 2014 and the related notes (Report).

**Management's Responsibility for the Project Costs Report**

Management is responsible for the preparation and fair presentation of the Report for the purpose of complying with the terms of the Illinois Health Facilities Planning Act; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Report. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the Report, whether due to fraud or error. In making these risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Report.

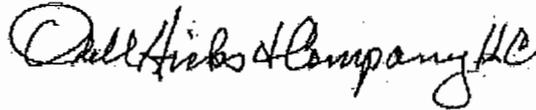
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

The accompanying Report was prepared for the purpose of complying with the terms of the Illinois Health Facilities Planning 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 Christ Medical Center financial position in conformity with accounting principles generally accepted in the United States of America.

**Odell Hicks & Company LLC**  
Certified Public Accountants

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 Christ Medical Center as of December 22, 2014 and for the period from August 16, 2011 through December 22, 2014.



Odell Hicks & Company LLC

Chicago, Illinois  
February 13, 2015

ADVOCATE HEALTH CARE NETWORK AND  
ADVOCATE HEALTH AND HOSPITAL CORPORATION  
d/b/a ADVOCATE CHRIST MEDICAL CENTER

Illinois Health Facilities and Services Review Board  
Ambulatory Pavilion Project  
IHFSRB Project #11-019  
Project Costs Report

Period from August 16, 2011 - December 22, 2014

Costs	CON Permit Original	CON Permit Final	Final Funds Expended	Difference
Preplanning Costs	\$ 1,725,000	\$ 1,725,000	\$ 1,716,167	\$ 8,833
Site Survey and Soil Investigation	123,000	123,000	84,450	38,550
Site Preparation	1,280,000	1,280,000	1,200,651	79,349
Off Site Work	4,400,300	4,400,300	1,046,988	3,353,312
New Construction Contracts	101,814,825	99,824,249	99,824,249	-
Modernization Contracts	195,211	179,211	51,609	127,602
Contingencies	9,610,000	9,410,000	5,667,555	3,742,445
Architectural/Engineering Fees	5,131,000	5,040,900	3,904,383	1,136,517
Consulting and Other Fees	4,773,300	4,893,300	3,312,906	1,580,394
Movable Capital Equipment	48,980,000	40,737,918	35,936,385	4,801,533
Other Costs to be Capitalized	11,301,000	11,517,000	7,482,537	4,034,463
<b>Total Construction Related</b>	<b>\$ 189,333,636</b>	<b>\$ 179,130,878</b>	<b>\$ 160,227,880</b>	<b>\$ 18,902,998</b>
Bond Issuance Costs	1,692,285	1,692,285	1,008,329	683,956
Net Interest Expense During Construction	11,275,637	11,000,500	1,930,122	9,070,378
<b>Total Finance Related</b>	<b>12,967,922</b>	<b>12,692,785</b>	<b>2,938,451</b>	<b>9,754,334</b>
<b>Total Project Costs</b>	<b>\$ 202,301,558</b>	<b>\$ 191,823,663</b>	<b>\$ 163,166,331</b>	<b>\$ 28,657,332</b>

ADVOCATE HEALTH CARE NETWORK AND  
ADVOCATE HEALTH AND HOSPITAL CORPORATION  
d/b/a ADVOCATE CHRIST MEDICAL CENTER  
Illinois Health Facilities and Services Review Board  
Ambulatory Pavilion Project  
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Project Costs Report

Period from August 16, 2011 –December 22, 2014

Advocate Health Care Network and Advocate Health and Hospitals Corporation d/b/a Advocate Christ Medical Center was issued a permit to construct an ambulatory pavilion. Work included expansion and modernization of several ambulatory functions including surgery, endoscopy recovery, cast room, congestive heart failure clinic, fetal diagnostics, infusion therapy, neurodiagnostics, non-invasive cardiology, pain management, pre-admission testing, pulmonary function, radiology/fluoroscopy, mammography, ultrasound, CT/PET, MRI, nuclear medicine, laboratory, pharmacy, outpatient and cardiac rehabilitation. Work on the project was started on August 16, 2011 with the execution of a contract for construction of an Ambulatory Pavilion. The project was originally budgeted for \$202,301,558. The cost was revised to \$191,823,663. However the actual cost of the project was \$163,166,331, \$28,657,332 less than the revised budget.

**APPLICATION AND CERTIFICATION FOR PAYMENT**

**TO (OWNER):**  
 ADVOCATE HEALTH CARE  
 2025 WINDSOR DRIVE  
 OAK BROOK, IL 60523  
 Attn: Scott Carlos

**PROJECT:**  
 ACOMC Ambulatory Pavilion  
 4440 W 95th St  
 Oak Lawn, IL 60453  
 20834

**CONTRACTOR:**  
 Pepper Construction Company  
 18505 West Creek Drive  
 Tinley Park, IL 60477

**VIA (ARCHITECT):**  
 HDR

**CONTRACT FOR:**  
 General Construction

**APPLICATION NO:** 34 (Thirty Four)

**PERIOD FROM:** 3/17/2015

**PERIOD TO:** 3/17/2015

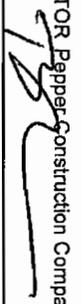
**ARCHITECT'S PROJECT NO:**

**CONTRACT DATE:**

**CONTRACTORS APPLICATION FOR PAYMENT**

CHANGE ORDER SUMMARY		ADDITIONS	DEDUCTIONS
Change Orders approved in previous months by Owner		\$6,202,929.00	\$0.00
Approved this Month			
C.O. Number	Job Savings		179,988.00
<b>TOTALS</b>		<b>\$6,202,929.00</b>	<b>\$179,988.00</b>
<b>Net change by Change Orders</b>		<b>\$6,022,941.00</b>	

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** Pepper Construction Company  
 By:  Date: 3/17/2015

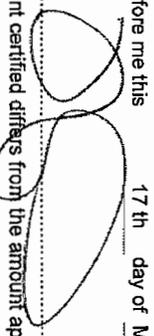
**ARCHITECT'S CERTIFICATE FOR PAYMENT**

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 the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

**"OFFICIAL SEAL"**  
 JENNIFER LYNN HAUB  
 Notary Public, State of Illinois  
 My Commission Expires 07/11/15

Application is made for Payment, as shown below, in connection with the Contract. Continuation Sheet, Schedule of Values, is attached.

1. ORIGINAL CONTRACT SUM..... \$ \$101,556,100.00
2. Net change by Change Orders..... \$ \$6,022,941.00
3. CONTRACT SUM TO DATE (Line 1 +/- 2)..... \$ \$107,578,041.00
4. TOTAL COMPLETED & STORED TO DATE..... \$ \$107,578,041.00  
 (Column G on Schedule of Values)
5. RETAINAGE:
  - a. 0 % of Completed Work..... \$ \$0.00  
 (Column D + E on Schedule of Values)
  - b. % of Stored Material..... \$ \$0.00  
 (Column F on Schedule of Values)
 Total Retainage (Line 5a + 5b or Total in Column 1 on Schedule of Values)..... \$ \$0.00
6. TOTAL EARNED LESS RETAINAGE..... \$ \$107,578,041.00  
 (Line 4 less Line 5 Total)
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)..... \$ \$107,578,041.00
8. CURRENT PAYMENT DUE..... \$ \$0.00
9. BALANCE TO FINISH, PLUS RETAINAGE..... \$ \$0.00  
 (Line 3 less Line 6)

State of: Illinois County of: Cook  
 Subscribed and sworn to before me this 17 th day of March 2015  
 Notary Public:  
 My Commission expires:   
 AMOUNT CERTIFIED..... \$  
 (Attach explanation if amount certified differs from the amount applied for)

By: ARCHITECT: HDR Date:

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.