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September 4, 2014

FEDERAL EXPRESS

Michael Constantino
Illinois Health Facilities and Services Review
Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

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SEP 05 2014

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Annual Progress Report – West Side Dialysis (Proj. No. 12-102)

Dear Mr. Constantino:

Pursuant to Section 1130.760 of the Illinois Health Facilities and Services Review Board (“HFSRB”) rules, I am writing on behalf of DaVita HealthCare Partners Inc. and Total Renal Care Inc. (the “Permit Holders”) to submit the annual progress report for West Side Dialysis (Project No. 12-102). As you are aware, on August 14, 2013, HFSRB approved the Permit Holders’ certificate of need application for the establishment of West Side Dialysis (the “Project”). Pursuant to Section 1130.760, the Permit Holders submit the following information regarding the progress of Project Permit #12-102.

1. Status of the Project

The Project was obligated on January 11, 2013, through the execution of a lease to establish the dialysis facility. Construction was completed on May 23, 2014. The Certificate of Occupancy was received on June 23, 2014. The first treatment at the facility occurred on July 2, 2014. Based on recent experience, DaVita anticipates it may take four to six months for Medicare certification of the additional stations.

2. Costs Incurred to Date

To date, the Permit Holders have incurred \$2,124,046 in project costs.

PROJECT COSTS	Approved	Expended
Modernization Contracts	\$1,104,350	\$810,508
Contingencies	\$110,652	\$0
A & E Fees	\$87,650	\$62,588
Consulting & Other Fees	\$87,500	\$6,015
Moveable Equipment	\$458,833	\$350,748
Fair Market Value of Leased Space & Equipment	\$809,365	\$809,365
Other Costs to be Capitalized	\$0	\$84,822
Estimated Total Project Cost	\$2,658,350	\$2,124,046

3. **Sources of Funds**

The project will be financed through \$1,848,985 in cash and cash equivalents and \$809,365 lease.

4. **Application and Certification for Payment**

The Application and Certification for Payment (AIA Form G702) is included as Attachment A.

5. **Anticipated Completion Date**

The anticipated completion date for the Project is March 31, 2015.

If you need any additional information or have any questions regarding the status of the project, please feel free to contact me.

Sincerely,



Timothy V. Tincknell

cc: Michael Mills, HFSRB
Brent Habitz

APPLICATION AND CERTIFICATE FOR PAYMENT

AIA DOCUMENT G702

Invoice #: 40304

To Owner: Davita Inc.
306 Gierz Street
Downers Grove, IL 60515

Project: 14-0081 Davita - Westside

98

From Contractor: Leopardo Companies, Inc. Via Architect: StudioGC Architecture + B I M
5200 Prairie Stone Parkway 223 W Jackson Blvd, Suite 1200
Hoffman Estates, IL 60192 Chicago, IL 60606

Application No: 3

Period: 04/01/2014 - 04/30/2014

Project Number: 14-0081

Contract Date:

Client Reference: MAY 16 2014

Distribution to:
 Owner
 Architect
 Contractor

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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.

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.



1. Original Contract Sum \$ 974,717.00
 2. Net Change By Change Orders \$ 0.00
 3. Contract Sum To Date \$ 974,717.00
 4. Total Completed and Stored To Date \$ 810,507.83
 5. Retainage:

CONTRACTOR: Leopardo Companies, Inc.
 By: *[Signature]* Date: 4/30/14

State of: Illinois
 Subscribed and sworn to before me on 3/14/14
 County of: Cook

a. 10.00% of Completed Work \$ 81,051.39
 (Column D+E on G703)
 b. 0% of Stored Material \$ 0.00
 (Column F on G703)
 Total Retainage (Lines 5a + 5b) \$ 81,051.39

ARCHITECT'S CERTIFICATE FOR PAYMENT

6. Total Earned Less Retainage \$ 729,456.44
 (Line 4 Less Line 5 Total)
 7. Less Previous Certificates For Payment \$ 384,180.26
 (Line 6 from prior Certificate)

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.

8. Current Payment Due \$ 345,276.18
 9. Balance To Finish, Including Retainage \$ 245,260.56
 (Line 3 Less Line 6)

AMOUNT CERTIFIED \$ 345,276.18
 (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.)

CHANGE ORDER SUMMARY		
CHANGES	Additions	Deductions
Total changes approved in previous month by Owner	0.00	0.00
Total Approved this Month	0.00	0.00
TOTALS	0.00	0.00
Net Changes By Change Order		0.00

ARCHITECT:
 By: _____ 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.
 Owner: (if applicable)
 By: _____ Date: _____

CONTINUATION SHEET

A/A DOCUMENT G703

Application and Certification for Payment, containing Contractor's signed certification is attached.
 In tabulation below, amounts are stated to the nearest dollar.
 Use Column I on Contracts where variable retainage for line items may apply.

Invoice #: 40304 Contract: 14-0081 Davita - Westside

Application No.: 3
 Period From: 04/01/2014
 To: 04/30/2014

A Item No	B Description of Work	C Scheduled Value	D Work Completed		E This Period In Place	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)						
1	General Conditions	38,718.00	15,874.38		15,487.20	0.00	31,361.58	7,356.42	3,136.46
2	Building Permits	5,000.00	0.00		0.00	0.00	0.00	5,000.00	0.00
3	Insurance	7,877.00	7,877.00		0.00	0.00	7,877.00	0.00	788.00
4	Building Demolition-Interior	24,000.00	24,000.00		0.00	0.00	24,000.00	0.00	2,400.00
5	Concrete	3,500.00	3,500.00		0.00	0.00	3,500.00	0.00	350.00
6	Masonry / Stone Work	6,345.00	6,345.00		0.00	0.00	6,345.00	0.00	634.50
7	Miscellaneous Metals	12,000.00	0.00		12,000.00	0.00	12,000.00	0.00	1,200.00
8	Arch. Woodwork / Millwork	45,495.00	0.00		45,495.00	0.00	45,495.00	0.00	4,549.50
9	Roofing Allowance	4,000.00	0.00		4,000.00	0.00	4,000.00	0.00	400.00
10	Wood Doors and Frames	16,625.00	5,965.00		10,640.00	0.00	16,625.00	0.00	1,662.50
11	Auto Operators	3,425.00	0.00		0.00	0.00	0.00	3,425.00	0.00
12	Glass & Glazing	43,500.00	0.00		0.00	0.00	0.00	43,500.00	0.00
13	Carpentry/ Drywall/ Acoustical	247,971.00	114,066.66		99,188.40	0.00	213,255.06	34,715.94	21,325.51
14	Flooring	20,000.00	0.00		12,000.00	0.00	12,000.00	8,000.00	1,200.00
15	Floor Prep	6,000.00	0.00		0.00	0.00	0.00	6,000.00	0.00
16	Epoxy Flooring	15,250.00	0.00		15,250.00	0.00	15,250.00	0.00	1,525.00
17	Painting	7,000.00	0.00		2,870.00	0.00	2,870.00	4,130.00	287.00
18	Specialties	8,380.00	0.00		8,380.00	0.00	8,380.00	0.00	838.00
19	Window Treatments	5,132.00	0.00		0.00	0.00	0.00	5,132.00	0.00
20	Fire Protection	10,500.00	2,730.00		5,670.00	0.00	8,400.00	2,100.00	840.00
21	Plumbing	189,000.00	143,640.00		26,460.00	0.00	170,100.00	18,900.00	17,010.00
22	HVAC	135,000.00	52,650.00		70,200.00	0.00	122,850.00	12,150.00	12,285.00
23	Electrical	100,000.00	42,000.00		48,000.00	0.00	90,000.00	10,000.00	9,000.00
24	Overhead & Profit	19,999.00	8,199.59		7,999.60	0.00	16,199.19	3,799.81	1,619.92
GRAND TOTALS		974,717.00	426,867.63		383,640.20	0.00	810,507.83	164,209.17	81,051.39