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August 10, 2015

**RECEIVED**  
AUG 11 2015  
HEALTH FACILITIES &  
SERVICES REVIEW BOARD

**FEDERAL EXPRESS**

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

**Re: Annual Progress Report – Chicago Ridge Dialysis (Proj. No. 14-020)**

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 Cagles Dialysis, LLC (the “Permit Holders”) to submit the annual progress report for Chicago Ridge Dialysis (Project No. 14-020). As you are aware, on July 14, 2014, HFSRB approved the Permit Holders’ certificate of need application for the establishment of Chicago Ridge Dialysis (the “Project”). Pursuant to Section 1130.760, the Permit Holders submit the following information regarding the progress of Project Permit #14-020.

**1. Status of the Project**

The Project was obligated on September 22, 2014, through the execution of a lease to establish the dialysis facility. Shell construction began August 3, 2014 and was completed on April 29, 2015. The interior build out was started on January 14, 2015 and is 100% complete. The Certificate of Occupancy was received on April 29, 2015 and the facility is presently awaiting Medicare certification. Based on recent experience, the Permit Holders anticipate it may take four to six months for Medicare certification of the facility.

**2. Costs Incurred to Date**

To date, the Permit Holders have incurred \$2,952,691 in project costs.

Michael Constantino

August 10, 2015

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PROJECT COSTS	Approved	Expended
Modernization Contracts	\$1,025,000	*\$906,542
Contingencies	\$148,625	\$0
A & E Fees	\$86,000	\$83,023
Consulting & Other Fees	\$53,500	\$28,529
Moveable Equipment	\$595,000	\$348,169
Fair Market Value of Leased Space & Equipment	\$1,586,428	\$1,586,428
Other Costs to be Capitalized	\$0	\$0
<b>Estimated Total Project Cost</b>	<b>\$3,494,553</b>	<b>\$2,952,691</b>

\*The G702 does not include the Permit Holder's purchased lighting package of \$57,278. This amount was added to the Modernization Contracts.

**3. Sources of Funds**

The project will be financed through \$1,908,125 in cash and cash equivalents and \$1,586,428 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 January 31, 2016.

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

**DAVITA - APPLICATION FOR PAYMENT: Cover Sheet**

TO OWNER:  
Cagles Dialysis, LLC  
2000 16th Street  
Denver, CO 80202

PROJECT: 11288 DaVita Chicago Ridge HEMC APPLICATION NO: 7  
10551 South Harlem Avenue  
Chicago Ridge, IL 60415

Distribution to:  
 OWNER  
 ARCHITECT  
 CONTRACTOR

Facility #05469  
Project Code: D05469-0  
Hemo

PERIOD TO: 06/30/15

PERIOD FROM: 05/01/15

DVA PROJ NO: D05469

GC JOB NO: 14-2613

CONTRACT DATE: 11/13/14

Task Code: 02.01 = \$81,066.00

DocuSigned by:  
*James Burke*  
B03CA56F24E7474...

FROM CONTRACTOR:  
The Dubs Company, Inc.  
1699 East Chicago Street  
Elgin, IL 60120

VIA ARCHITECT:  
Studio GC Architects  
223 West Jackson Boulevard  
Chicago, IL 60606

DocuSigned by:  
*David Geary*  
2060047F65D1428...

CONTRACT FOR: General Construction

**CONTRACTOR'S APPLICATION FOR PAYMENT**

Application is made for payment, as shown below, in connection with the Contract.  
Continuation Sheet is attached.

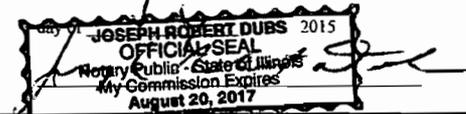
The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

1. ORIGINAL CONTRACT SUM	\$	849,264
2. Net change by Change Orders	\$	0
3. CONTRACT SUM TO DATE (Line 1 ± 2)	\$	849,264
4. TOTAL COMPLETED & STORED TO DATE: Column G (TI Tab)	\$	849,264
5. RETAINAGE:		
a. 0.10 % of Completed Work (Column D + E on TI Tab)	\$	3,860
b. 0.10 % of Stored Material (Column F on TI Tab)	\$	0
Total Retainage (Lines 5a + 5b or Total in Column I of TI Tab)	\$	3,860
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	\$	845,404
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	\$	764,338
8. CURRENT PAYMENT DUE	\$	81,066
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	\$	3,860

CONTRACTOR: The Dubs Company, Inc.

By: *[Signature]* Date: 7/29/15  
Robin M. Dubs, President

Signed before me this 1/



**CERTIFICATE FOR PAYMENT**

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, 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 ..... \$ 81,066

(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.)

Authorized Representative: DaVita, Inc.  
By: *Craig Meadows* Date: July 29, 2015  
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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.

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month		
TOTALS	0	0
NET CHANGES by Change Order	0	

# Schedule of Values (Tenant Improvements)

Cost Categories shown below are not to be added to, or deviated from

In tabulations below, state amount for each category

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 7  
 APPLICATION DATE: 6/30/2015  
 PERIOD TO: 6/30/2015  
 PERIOD FROM: 5/1/2015  
 DaVita PROJECT NO: D05469

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE) (% * G)	J DVA Task Code
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G + C)			
<b>TENANT TOTALS</b>										
1.1	General Requirements	\$28,595	\$28,595	\$0	\$0	\$28,595	100%	\$0	\$2,860	
1.1	Permit Allowance	\$13,860	\$13,860	\$0	\$0	\$13,860	100%	\$0	\$0	
1.1	Floor Prep Allowance	\$0	\$0	\$0	\$0	\$0		\$0	\$0	
1.2	Overhead & Profit	\$89,819	\$89,819	\$0	\$0	\$89,819	100%	\$0	\$1,000	
1.3	Dumpsters / Laborers	\$13,475	\$13,475	\$0	\$0	\$13,475	100%	\$0	\$0	
3.1	Concrete	\$49,255	\$49,255	\$0	\$0	\$49,255	100%	\$0	\$0	
5.1	Metals	\$3,850	\$3,850	\$0	\$0	\$3,850	100%	\$0	\$0	
6.1	Rough Carpentry	\$135,712	\$135,712	\$0	\$0	\$135,712	100%	\$0	\$0	
6.2	Cabinetry	\$55,345	\$55,345	\$0	\$0	\$55,345	100%	\$0	\$0	
4.8	Mason	\$0	\$0	\$0	\$0	\$0		\$0	\$0	
8.1	Doors, Frames & Hardware	\$31,900	\$31,900	\$0	\$0	\$31,900	100%	\$0	\$0	
8.7	Automatic Door	\$6,264	\$6,264	\$0	\$0	\$6,264	100%	\$0	\$0	
8.3	Glass & Glazing (Interior)	\$14,561	\$14,561	\$0	\$0	\$14,561	100%	\$0	\$0	
7.2	Roof Patch Allowance	\$0	\$0	\$0	\$0	\$0		\$0	\$0	
9.3	Flooring	\$25,667	\$25,667	\$0	\$0	\$25,667	100%	\$0	\$0	
9.3	General Conditions Allowance	\$6,160	\$6,160	\$0	\$0	\$6,160	100%	\$0	\$0	
9.3	Epoxy	\$12,300	\$12,300	\$0	\$0	\$12,300	100%	\$0	\$0	
9.3	FRP	\$11,550	\$11,550	\$0	\$0	\$11,550	100%	\$0	\$0	
9.4	Paints & Coatings	\$18,942	\$18,942	\$0	\$0	\$18,942	100%	\$0	\$0	
10.3	Accessories	\$2,291	\$2,291	\$0	\$0	\$2,291	100%	\$0	\$0	
10.5	Steel Lockers	\$2,125	\$2,125	\$0	\$0	\$2,125	100%	\$0	\$0	
12.1	Blinds	\$3,305	\$3,305	\$0	\$0	\$3,305	100%	\$0	\$0	
15.1	HVAC Equip & Distribution	\$70,840	\$70,840	\$0	\$0	\$70,840	100%	\$0	\$0	
15.2	Plumbing / Temp Loop	\$103,540	\$103,540	\$0	\$0	\$103,540	100%	\$0	\$0	
15.2	R. O. System	\$20,500	\$20,500	\$0	\$0	\$20,500	100%	\$0	\$0	
15.3	Fire Protection Piping	\$0	\$0	\$0	\$0	\$0		\$0	\$0	
16.1	Electrical	\$84,243	\$84,243	\$0	\$0	\$84,243	100%	\$0	\$0	
16.3	Security System	\$0	\$0	\$0	\$0	\$0		\$0	\$0	
	Final Clean	\$2,695	\$2,695	\$0	\$0	\$2,695	100%	\$0	\$0	
9.6	Moisture Barrier	\$0	\$0	\$0	\$0	\$0		\$0	\$0	
	Winter Conditions Allowance	\$7,700	\$7,700	\$0	\$0	\$7,700	100%	\$0	\$0	
12.2	Kyler Industries Blinds	\$0	\$0	\$0	\$0	\$0		\$0	\$0	
<b>TENANT TOTALS</b>		<b>\$814,494</b>	<b>\$814,494</b>	<b>\$0</b>	<b>\$0</b>	<b>\$814,494</b>	<b>100%</b>	<b>\$0</b>	<b>\$3,860</b>	<b>\$2</b>
<b>MBBI TOTALS</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>#DIV/0!</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2</b>
<b>LIFE SAFTEY TOTALS</b>		<b>\$34,770</b>	<b>\$34,770</b>	<b>\$0</b>	<b>\$0</b>	<b>\$34,770</b>	<b>100%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2</b>
<b>TOTAL</b>		<b>\$849,264</b>	<b>\$849,264</b>	<b>\$0</b>	<b>\$0</b>	<b>\$849,264</b>	<b>100%</b>	<b>\$0</b>	<b>\$3,860</b>	

**Schedule of Values (Life Safety)**

APPLICATION NO: 7

APPLICATION DATE: 6/30/2015

PERIOD TO: 6/30/2015

PERIOD FROM: 5/1/2015

DaVita PROJECT NO: D05469

Cost Categories shown below are not to be added to, or deviated from

In tabulations below, state amount for each category

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			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G ÷ C)		
	<b>LIFE SAFETY</b>								
1.1	General Requirements	\$1,761	\$1,761	\$0	\$0	\$1,761	100%	\$0	\$0
1.2	Overhead and Profit	\$3,229	\$3,229	\$0	\$0	\$3,229	100%	\$0	\$0
10.2	Fire Extinguishers	\$1,444	\$1,444	\$0	\$0	\$1,444	100%	\$0	\$0
15.3	Fire Protection Piping	\$11,396	\$11,396	\$0	\$0	\$11,396	100%	\$0	\$0
16.2	Fire Alarm System	\$16,940	\$16,940	\$0	\$0	\$16,940	100%	\$0	\$0
16.4	Generator	\$0				\$0		\$0	\$0
	<b>LIFE SAFETY TOTALS</b>	<b>\$34,770</b>	<b>\$34,770</b>	<b>\$0</b>	<b>\$0</b>	<b>\$34,770</b>	<b>100%</b>	<b>\$0</b>	<b>\$0</b>

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