



**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 10-042, Patient Tower Modernization

Dear Ms. Avery,

I am requesting a three (3) month completion date extension for Project 10-042.

On September 21, 2010 the Illinois Health Facilities and Services Review Board approved our permit application to modernize our existing medical surgical units and reduce associated beds by 77. The originally anticipated completion date was June 30, 2014 for this \$51,188,314.00 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; in particular, construction rework between building levels while maintaining operations. 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 3 month permit renewal until October 3, 2014 for Permit 10-042.

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 90 percent of the permitted project funds or \$46,177,750.00 (see Attachment A). The completed project components are window replacement, infrastructure and utility relocations, as well as the 9th floor and 8th floor modernizations. The project components yet to be completed are:

1. 7th Floor modernization (90% complete)
2. 6th Floor modernization (60% complete)

3. Project Completion Statement

Our most recent schedule indicates the permitted project construction phase will be finished by approximately March 31, 2014 in order to request a final IDPH inspection.

Construction has been delayed due to:

- a. Construction complexities and phasing requiring two patient floors to be removed from service at a time.
- b. Redesign of a plumbing system and related construction delays due to a lower than expected floor to floor dimension.
- c. Delayed construction to accommodate on-going operations.
- d. Unforeseen enclosed conditions discovered after required construction demolition.

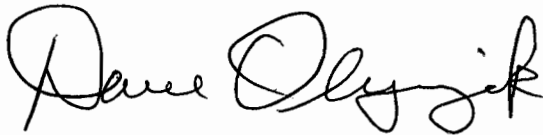
Our requested new Permit completion date is predicated on completing and responding to a final IDPH inspection and related post construction responses, if any; completing AIA form G702, conducting a final independent audit per State Board rules; and compliance with Section 1130.770 Project Completion,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

If you need additional information or have any questions, I can be contacted at (217) 757-6256.

Sincerely,

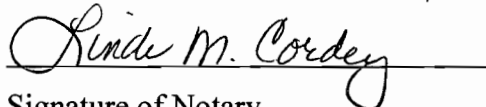


Dave Olejniczak, FACHE
Chief Operating Officer

Attachment A – Description / Use of Funds

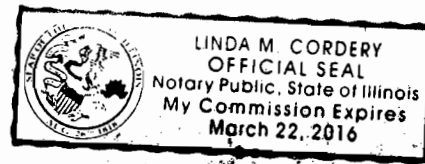
Subscribed and sworn to before me

this 16th 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 10-042
 Patient Tower Modernization

Patient Tower 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	\$506,291	\$213,999	42%
Site Survey and Soil Investigation	\$0	\$0	0%
Site Preparation	\$0	\$0	0%
Off Site Work	\$0	\$0	0%
New Construction Contracts	\$0	\$0	0%
Modernization Contracts	\$28,186,285	\$27,788,798	99%
Contingencies	\$2,963,111	\$2,939,439	99%
Architectural / Engineers Fees	\$1,745,164	\$1,947,919	112%
Consulting and Other Fees	\$1,837,308	\$1,394,169	76%
Moveable or Other Equipment	\$5,982,966	\$1,605,226	27%
Bond Issuance Expense	\$525,344	\$212,660	40%
Net Interest Expense	\$3,588,330	\$2,878,059	80%
Other Costs to be Capitalized	<u>\$5,853,515</u>	<u>\$7,197,481</u>	123%
Total	<u>\$51,188,314</u>	<u>\$46,177,750</u>	<u>90%</u>