NorthShore
University HealthSystem

Office of Finance

1301 Central Street
Evanston, IL 60201
www.northshore.org

(847) 570-5065
(847) 570-5240 Fax

March 27, 2019



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

Permit: #15-029 – Highland Park Hospital (Completion & Final Cost Report)
Project: Modernization of the existing OB related beds and services.
Discontinue 10 OB Beds
Permit Holder: NorthShore University HealthSystem, 1301 Central, Evanston, Illinois 60201

Dear Ms. Avery:

This is a report on project completion and final realized cost for the above referenced project. This project was approved by the State Board on August 25, 2015 and involves a major modernization project at Northshore University Health System – Highland Park Hospital. Included with this letter is the detailed itemization of expenditures by project cost component and certification of the expenditures and sources of funds. The approved permit amount was $ 15,973,291. The final realized cost of this project is $15,278,319.19 which is $694,971.81 or 4% below the approved permit amount. These costs have been audited and a letter of audit has been attached.

Pursuant to sections 1130.770 of the Illinois Administrative Code, this letter certifies that the final realized cost referenced above is the total cost required to complete the project and that there are no additional or associated costs or capital expenditures related to the project which will be submitted for reimbursement under Title XVIII or XIX.

If we can provide you any further information at this time, please contact me via email at jaaron@northshore.org or 847-492-6904.

Sincerely,

John Aaron
Senior Director, Finance
NorthShore University HealthSystem

State of Illinois
County of Cook
Signed before me on March 27, 2019
by John Aaron.
Ellen Daniel
Notary Public

OFFICIAL SEAL
ELLEN DANIEL
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:11/16/19

# Integrated Facilities Solutions, Inc.

March 20, 2019

John Aaron
Senior Director, Asset Management Department
NorthShore University HealthSystem
1301 Central Street
Evanston, IL 60201

Subject: Final progress report
Project: Highland Park Hospital - Modernization of the existing OB related beds and services. Discontinue 10 OB Beds
CON Number: CON 15-029

Dear Mr. Aaron,

On behalf of NorthShore University HealthSystem, Integrated Facilities Solutions, Inc, (IFS) has reviewed the above project.

Based on the records provided by NorthShore, dated March 20, 2019 the actual costs paid to date on the above project is $15,278,319.19 in direct project cost. The attached spreadsheet outlines the project costs by category. We have confirmed that the direct project cost of $15,278,319.19 spent as of the above date are in agreement with IFS records.

The CON project 15-029 was complete as scheduled.

- Labor and Delivery - construction complete and occupied
- Canopy - construction complete and occupied
- C-Section Room - construction complete and occupied

Sincerely,

Angelo Roncone
President
Integrated Facilities Solutions, Inc.

5270 N. Lincoln Avenue, Skokie, IL 60077 IFS Office 847-673-0010 Fax 847-673-5100

**Integrated Facilities Solutions, Inc.**

**Project Number:** 15-029
**Project Title:** 15-029 Highland Park Hospital: Modernization of the existing OB related beds and services. Discon
**Subject:** Annual C.O.N. Progress Report
**Permit Holder:** NorthShore University HealthSystem
**Date:** March 29, 2019

| | Projected | Total Costs Incurred as of 03/29/2019 | Available Balance as of 03/29/2019 | Estimated Costs to Completion | Variance From Approved |
|---|---|---|---|---|---|
| Preplanning Costs | $ 212,000.00 | $ 208,686.08 | $ 3,313.92 | $ - | $ 3,313.92 |
| Site Survey & Soil Investigation | $ 15,000.00 | | $ 15,000.00 | $ - | $ 15,000.00 |
| Site Preparation | $ 454,000.00 | $ 2,000.00 | $ 452,000.00 | $ - | $ 452,000.00 |
| Off-site Work | $ 450,000.00 | | $ 450,000.00 | $ - | $ 450,000.00 |
| New Construction Contracts | $ 582,000.00 | $ 3,055,216.00 | $ (2,473,216.00) | $ - | $ (2,473,216.00) |
| Modernization Contracts | $ 8,525,280.00 | $ 8,470,128.55 | $ 55,151.45 | $ - | $ 55,151.45 |
| Contingencies | $ 286,340.00 | | $ 286,340.00 | $ - | $ 286,340.00 |
| Architectural/Engineering Fees | $ 907,000.00 | $ 1,009,900.87 | $ (102,900.87) | $ - | $ (102,900.87) |
| Consulting and Other Fees | $ 665,000.00 | $ 550,425.58 | $ 114,574.42 | $ - | $ 114,574.42 |
| Movable or Other Equipment | $ 3,061,671.00 | $ 1,430,991.98 | $ 1,630,679.02 | $ - | $ 1,630,679.02 |
| Other Costs to be Capitalized | $ 815,000.00 | $ 550,970.13 | $ 264,029.87 | $ - | $ 264,029.87 |
| **Total** | **$ 15,973,291.00** | **$ 15,278,319.19** | **$ 694,971.81** | **$ -** | **$ 694,971.81** |

| | |
|---|---|
| Cash and Securities | $ 15,973,291.00 |
| Pledges | |
| Gifts and Bequests | |
| Bond Issues (project related) | |
| Mortgages | |
| Leases (fair market value) | |
| Governmental Appropriations | |
| Grants | |
| Other Funds and Sources | |
| **TOTAL FUNDS** | $ 15,973,291.00 |

Integrated Facilities Solutions, Inc.

# Commitment Invoices Report

| Project | Total Invoiced |
|---|---|
| 130816 - HP South LDRP Room Renovation | $4,518,638.47 |
| 130817 - HP Canopy & Common Area Renovation | $3,952,015.55 |
| 140913 - HP C - Section Rm Renovation | $6,807,665.17 |
| | **$15,278,319.19** |

| CON Category | Total Invoiced |
|---|---|
| 01 - Pre-Planning | $208,686.08 |
| 03 - Site Preparation | $2,000.00 |
| 05 - New Construction | $3,055,216.00 |
| 06 - Modernization Contracts | $8,470,128.55 |
| 08 - Architect/Engineering Fees | $1,009,900.87 |
| 09 - Consulting and Other Fees | $550,425.58 |
| 10 - Moveable or Other Equipment | $1,430,991.98 |
| 11 - Other Costs to be Capitalized | $550,970.13 |
| **Total** | **$15,278,319.19** |

# APPLICATION AND CERTIFICATE FOR PAYMENT



TO OWNER: Northshore University HealthSystem
2650 Ridge Avenue
Evanston, IL
60201

PROJECT: NUH - Highland Park Hospital LDRP Renov Phase 2 - 5
2650 Ridge Avenue
Evanston, IL
60201-0000 US

FROM CONTRACTOR: Pepper Construction Company
411 Lake Zurich Road
Barrington, IL , 60010-3141

ARCHITECT:

CONTRACT FOR: NUH - Highland Park Hospital LDRP Renov

APPLICATION NO.:27
PERIOD TO :28-FEB-18
PROJECT NOS :1401890
INVOICE NO.1401890027
CONTRACT DATE :10-FEB-15

Distribution to:
- ☐ OWNER
- ☐ ARCHITECT
- ☐ CONTRACTOR
- ☐
- ☐

## CONTRACTOR'S APPLICATION FOR PAYMENT

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

| | | |
|---|---|---|
| 1. ORIGINAL CONTRACT SUM | $ | 5,010,360.00 |
| 2. Net change by change orders | $ | 538,062.00 |
| 3. CONTRACT SUM TO DATE ( Line1 +/- 2 ) | $ | 5,548,422.00 |
| 4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) | $ | 5,548,422.00 |
| 5. RETAINAGE: Total retainage Column I of G703) | $ | 0.00 |
| 6. TOTAL EARNED LESS RETAINAGE (Line 4 less Line 5 Total ) | $ | 5,548,422.00 |
| 7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) | $ | 5,359,740.89 |
| 8. CURRENT PAYMENT DUE | $ | 188,681.11 |
| 9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6 ) | $ | 0.00 |

| CHANGE ORDER SUMMARY | | ADDITIONS | DEDUCTIONS |
|---|---|---|---|
| Change Order approved in previous months by Owner | | 538,062.00 | 0.00 |
| APPROVED THIS MONTH | | | |
| Number | Date Approved | | |
| | | | |
| CURRENT TOTAL | | 0.00 | 0.00 |
| Net Change by Change Orders | | | 538,062.00 |

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 : 2-21-18

State of : Illinois

County of : Cook

Subscribed and sworn to before me this 21 day of February 2018

"OFFICIAL SEAL"
Jacklyn Kowalski
Notary Public, State of Illinois
My Commission Expires June 29, 2019

Notary Public: Jacklyn Kowalski

My Commission expires: 6/29/19

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

AMOUNT CERTIFIED.....$ 188,681.11

*(Attach explanation if amount certified differs from the amount applied for. Initial figures on this Application and on the Continuation Sheet that are changed to conform to the amount certified.)*

ARCHITECT :

By: _____ Date : 2/21/2018

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.

# APPLICATION AND CERTIFICATE FOR PAYMENT



TO OWNER: Northshore University HealthSystem
2650 Ridge Avenue
Evanston, IL
60201-0000

PROJECT: Highland Park Hospital Women's Center - P1
2650 Ridge Avenue
Evanston, IL
60201-0000 US

FROM CONTRACTOR: Pepper Construction Company
411 Lake Zurich Road
Barrington, IL , 60010-3141

ARCHITECT:

CONTRACT FOR: Highland Park Hospital Women's Center - P

APPLICATION NO.:14
PERIOD TO :30-JUN-16
PROJECT NOS.:1401531
INVOICE NO.1401531014

CONTRACT DATE :20-AUG-14

Distribution to:
- ☐ OWNER
- ☐ ARCHITECT
- ☐ CONTRACTOR
- ☐
- ☐

## CONTRACTOR'S APPLICATION FOR PAYMENT

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

| | | |
|---|---|---|
| 1. ORIGINAL CONTRACT SUM | $ | 2,648,142.00 |
| 2. Net change by change orders | $ | 218,033.00 |
| 3. CONTRACT SUM TO DATE ( Line1 +/- 2 ) | $ | 2,866,175.00 |
| 4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) | $ | 2,866,175.00 |
| 5. RETAINAGE: Total retainage Column I of G703) | $ | 0.00 |
| 6. TOTAL EARNED LESS RETAINAGE (Line 4 less Line 5 Total ) | $ | 2,866,175.00 |
| 7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 5 from prior Certificate) | $ | 2,719,917.76 |
| 8. CURRENT PAYMENT DUE | $ | 146,257.24 |
| 9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6 ) | $ | 0.00 |

| CHANGE ORDER SUMMARY | | ADDITIONS | DEDUCTIONS |
|---|---|---|---|
| Change Order approved in previous months by Owner | | 210,750.04 | -0.04 |
| APPROVED THIS MONTH | | | |
| Number | Date Approved | | |
| 0000004 | 22-APR-2016 | 7,283.00 | |
| CURRENT TOTAL | | 7,283.00 | 0.00 |
| Net Change by Change Orders | | | 218,033.00 |

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: [signature] Date : 6/27/16

State of :

County of :

Subscribed and sworn to before me this ____ day of ____

"OFFICIAL SEAL"
Jacklyn Kowalski
Notary Public, State of Illinois
My Commission Expires June 29, 2019

Notary Public: Jacklyn Kowalski

My Commission expires:

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

AMOUNT CERTIFIED.....$ 146,257.24

*(Attach explanation if amount certified differs from the amount applied for. Initial figures on this Application and on the Continuation Sheet that are changed to conform to the amount certified.)*

ARCHITECT :

By: [signature] Date : 6/29/2016

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.

# APPLICATION AND CERTIFICATE FOR PAYMENT



TO OWNER: Northshore University HealthSystem
2650 Ridge Avenue
Evanston, IL
60201

PROJECT: NUH - Highland Park Hospital Canopy & Common Area Improveme
2650 Ridge Avenue
Evanston, IL
60201-0000 US

APPLICATION NO.:19
PERIOD TO :31-DEC-17
PROJECT NOS.:1401889
INVOICE NO.1401889019

Distribution to:
- ☐ OWNER
- ☐ ARCHITECT
- ☐ CONTRACTOR
- ☐
- ☐

FROM CONTRACTOR: Pepper Construction Company
411 Lake Zurich Road
Barrington, IL , 60010-3141

ARCHITECT:

CONTRACT FOR: NUH - Highland Park Hospital Canopy & Co

CONTRACT DATE :10-FEB-15

## CONTRACTOR'S APPLICATION FOR PAYMENT

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

| | | |
|---|---|---|
| 1. ORIGINAL CONTRACT SUM | $ | 2,887,777.00 |
| 2. Net change by change orders | $ | 167,439.00 |
| 3. CONTRACT SUM TO DATE ( Line1 +/- 2 ) | $ | 3,055,216.00 |
| 4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) | $ | 3,055,216.00 |
| 5. RETAINAGE: Total retainage Column I of G703) | $ | 0.00 |
| 6. TOTAL EARNED LESS RETAINAGE (Line 4 less Line 5 Total ) | $ | 3,055,216.00 |
| 7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) | $ | 2,839,606.62 |
| 8. CURRENT PAYMENT DUE | $ | 215,609.38 |
| 9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6 ) | $ | 0.00 |

| CHANGE ORDER SUMMARY | | ADDITIONS | DEDUCTIONS |
|---|---|---|---|
| Change Order approved in previous months by Owner | | 191,004.00 | -23,565.00 |
| APPROVED THIS MONTH | | | |
| Number | Date Approved | | |
| | | | |
| CURRENT TOTAL | | 0.00 | 0.00 |
| Net Change by Change Orders | | | 167,439.00 |

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 : 12-20-17

State of : Illinois

County of : Cook

Subscribed and sworn to before me this 20 day of December 2017

"OFFICIAL SEAL"
Jacklyn Kowalski
Notary Public, State of Illinois
My Commission Expires June 29, 2019

Notary Public: Jacklyn Kowalski

My Commission expires: 6/29/19

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

AMOUNT CERTIFIED.....$ 215,609.38

*(Attach explanation if amount certified differs from the amount applied for. Initial figures on this Application and on the Continuation Sheet that are changed to conform to the amount certified.)*

ARCHITECT :

By: _____ Date : 12/21/2017

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.

NorthShore
University HealthSystem

March 27, 2019

**Interoffice Correspondence**

**To:** John Aaron, Senior Director, Finance

**From:** Lynn Banks, Senior Internal Auditor, Internal Audit

**Subject:** Certificate of Need Close-Out – Project #15-029: NorthShore University HealthSystem – Highland Park Hospital: Modernization of the Existing OB Related Beds and Services; Discontinue 10 OB Beds

**SCOPE:**

*The Certificate of Need (CON) Close-Out Review for the NorthShore University HealthSystem – Highland Park Hospital: Modernization of the Existing OB Related Beds and Services; Discontinue 10 OB Beds Project was conducted as part of the compliance component of the Internal Audit Department's annual audit work plan.*

The objectives of this review were:

- To determine if charges to be reported to the Illinois Health Facilities Services Review Board are substantiated by appropriate supporting documentation;
- To determine if expenses were properly recorded for the project and CON account category;
- To determine if expenses were properly approved;
- To determine the mathematical accuracy of invoices;
- To determine if applicable construction progress payments included accurate application for payment documents (i.e., previous payment calculations), were properly notarized, and included lien waivers.

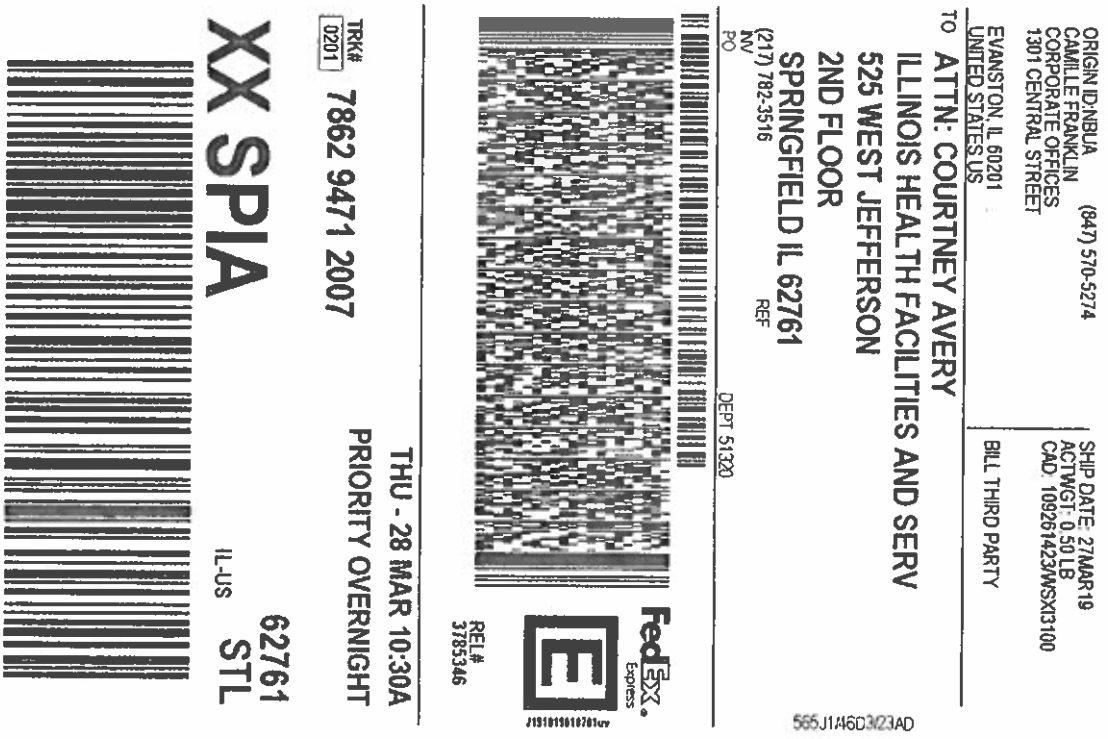
In order to accomplish our objectives, we:

- Reviewed, on a test basis, expenditures identified on the project general ledger report to ensure existence of appropriate supporting documentation;
- Determined that the items sampled were properly included on the appropriate usage line in the Draft Close Out report;
- Confirmed that reconciling items were appropriately and logically supported.

**CONCLUSIONS:**

In our opinion, based on our review of $12,658,408.73 (83%) of costs for the Highland Park Hospital: Modernization of the Existing OB Related Beds and Services; Discontinue 10 OB Beds Project, we confirm that the $15,278,319.19 in CON charges to be reported to the Illinois Health Facilities Services Review Board by the March 29, 2019 required submission date, were substantiated by comprehensive and appropriate supporting documentation. Our review did not identify any material inaccuracies in expenses incurred, paid and recorded.

c: Mark Alexander, AVP, Corporate Compliance & Internal Audit
Jeffery Biesczat, VP and Controller, Finance
Harry L. Jones, Jr., Chief Compliance Officer
Brent Lewin, Senior Director, Finance
Jessica Morris, Manager, Finance
Dora Sirakova, Manager, Internal Audit

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1. Fold the first printed page in half and use as the shipping label.
2. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

**Shipment Summary**

**Ship Date:** 3/27/2019
**Service Type:** FedEx Priority Overnight®
**Package Type:** FedEx® Envelope
**Tracking Number(s):**
786294712007

**Estimated Charge:** $13.66
**Shipper Account #:** 430281429

**From Address:**
CORPORATE OFFICES
Camille Franklin
1301 CENTRAL STREET
EVANSTON, IL 60201
8475705274

**To Address:**
ILLINOIS HEALTH FACILITIES AND SERVICES
REVIEW BOARD
ATTN: COURTNEY AVERY
525 WEST JEFFERSON
2ND FLOOR
SPRINGFIELD, IL 62761
2177823516