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APR 18 2019

HEALTH FACILITIES &
SERVICES REVIEW BOARD

April 17, 2019

VIA FEDERAL EXPRESS

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

Re: Final Realized Cost Report (Section 1130.770) Ann & Robert H. Lurie Children's Hospital of Chicago Bed Expansion (Project #16-050)

Dear Ms. Avery:

Please accept this letter and its included attachments as the Final Realized Costs Report for Project #16-050, Ann & Robert H. Lurie Children's Hospital of Chicago ("Lurie Children's") required pursuant to 77 Illinois Administrative Code Section 1130.770. This project was approved by the Illinois Health Facilities and Services Review Board ("IHFSRB") on May 2, 2017 and obligated on January 25, 2018. The approved funding for the project is \$50,985,179.

The approved project is to add 44 ICU beds and 4 NICU beds at Lurie Children's located at 225 E. Chicago Avenue, Chicago, Illinois.

Per the enclosed correspondence (previously provided to IHFSRB), the Illinois Department of Public Health ("IDPH") authorized occupancy of the 44 ICU beds as of April 27, 2018 (and such beds were put in service as of June 9, 2018). IDPH authorized occupancy of the 4 NICU beds as of September 13, 2018 (and such beds were put in service as of September 19, 2018). The project is complete and operational.

Attachment A, enclosed, is the outside independent audit of the project costs conducted by Baker Tilly Virchow Krause, LLP. The audit report itemizes the capitalized project costs. We are also attaching the final Application and Certification for Payment for the construction contract with M. A. Mortenson, dated April 15, 2019, indicating the final new construction costs for the primary construction contract to be \$28,889,623. In addition, we are enclosing a supplemental letter explaining additional project costs under another arrangement with M.A. Mortenson and direct payments made by Lurie Children's. Collectively, all of these construction contract costs total **\$29,491,497.08**, as reflected in the audit report.

We certify these are the final realized project costs and there are no additional or associated costs or capitalized expenditures related to the approved project. There is no cost overrun.

We are in compliance of the approved permit including project cost, allocated square footage, and approved clinical services.

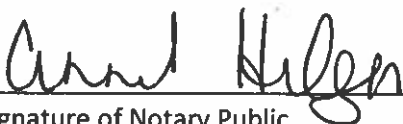
Ms. Courtney Avery
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Sincerely,



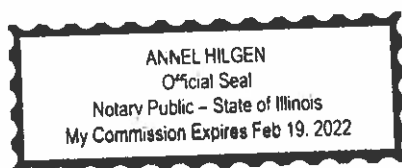
Ron Blaustein
Chief Financial Officer
Ann & Robert H. Lurie Children's Hospital of Chicago

Subscribed and sworn to before me
this 17 day of April, 2019



Signature of Notary Public

Seal



cc: Mike Constantino, IHFSRB, Supervisor, Project Review Section
Ralph Weber, Consultant

Attachment A

Outside Independent Audit of Project Costs

Final Application and Certification for Payment

Supplement to Final Realized Cost Report



Baker Tilly Virchow Krause, LLP
Ten Terrace Ct. PO Box 7398
Madison, WI 53707-7398
United States of America

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F: +1 (608) 249 8532

bakertilly.com

April 15, 2019

Ann & Robert H. Lurie Children's Hospital of Chicago
225 East Chicago Avenue
Box 106
Chicago, Illinois 60611-2605

Project:

Permit: #16-050 – Lurie Children's Hospital (Completion & Final Cost Report)

Project: Lurie Children's Hospital of Chicago Bed Expansion

Permit Holder: Ann & Robert H. Lurie Children's Hospital of Chicago, 225. Chicago Ave., Box 261, Chicago, IL, 60611

Audit Objectives and Scope:

Baker Tilly Virchow Krause, LLP (Baker Tilly) was engaged by Ann & Robert H. Lurie Children's Hospital of Chicago to perform an independent certificate of need cost audit on the Lurie Children's Hospital Modernization project (CON #16-050). This project was approved by the State Board on May 3, 2017, and involves a major modernization with new construction at Lurie Children's Hospital. Included with this letter is the Ann & Robert H. Lurie Children's Hospital of Chicago's detailed schedule of expenditures by project cost component and certification of the expenditures and sources of funds. The approved permit amount was \$50,985,179. The final realized cost of this project is \$44,517,706.64, which is \$6,467,472.36 or 12.7% below the approved permit amount.

The objectives of our engagement were to:

- To determine if charges to be reported to the Illinois Health Facilities and 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 and consistency of invoices;
- To determine that applicable construction progress payments included accurate application for payment documents (i.e., previous payment calculations), were properly notarized, and lien waivers.

Management's Responsibility:

Ann & Robert H. Lurie Children's Hospital of Chicago management was responsible for the preparation and fair presentation of the attached cost schedule. In addition, Management certifies the following:

- Pursuant to sections 1130.770 of the Illinois Administrative Code, 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.
- Pursuant to section 1130.770(d)(4), the project referenced above is in compliance and changes in cost and square footage were approved by the Illinois Health Facilities and Services Review Board under Permit #16-050.



Auditor's Responsibility:

Our responsibility is to express an opinion on the attached Ann & Robert H. Lurie Children's Hospital of Chicago schedule based on our audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error.

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

Opinion:

In our opinion, based on our review of \$38,418,945.57 (86.3%) in payments made for the Lurie Children's Hospital Modernization and New Construction Project, we confirm that the \$44,517,706.64 in CON charges to be reported to the Illinois Health Facilities Services Review Board by the April 30, 2019 required submission date, were substantiated by comprehensive and appropriate supporting documentation. Our Audit did not identify any material inconsistencies in expenses incurred, paid and recorded.

Sincerely,

A handwritten signature in blue ink that reads "Baker Tilly Virchow Krause". The signature is written in a cursive, flowing style.

Baker Tilly Virchow Krause, LLP

Project Number: 16-050
 Project Title: Lurie Children's Hospital Modernization
 Subject: Final Cost Report
 Permit Holder: Ann & Robert H. Lurie Children's Hospital of Chicago
 Date: April 15, 2019

	Projected	Total Costs Incurred as 4/15/2019	Available Balance as of 4/15/2019	Estimated Costs to Completion	Variance From Approved
Preplanning Costs	\$ 751,528.00	\$ 785,629.65	\$ (34,101.65)	\$ -	\$ (34,101.65)
Site Survey & Soil Investigation	\$ 35,267.00	\$ 21,025.00	\$ 14,242.00	\$ -	\$ 14,239.00
New Construction Contracts	\$ 27,638,736.00	\$ 29,491,497.08	\$ (1,852,761.08)	\$ -	\$ (1,852,761.08)
Contingencies	\$ 1,934,712.00	\$ -	\$ 1,934,712.00	\$ -	\$ 1,934,712.00
Architectural/Engineering Fees	\$ 1,753,229.00	\$ 1,710,425.23	\$ 42,803.77	\$ -	\$ 42,803.77
Consulting and Other Fees	\$ 1,978,543.00	\$ 1,466,036.81	\$ 512,506.19	\$ -	\$ 512,506.19
Movable or Other Equipment	\$ 13,847,988.00	\$ 9,076,300.38	\$ 4,771,687.62	\$ -	\$ 4,771,687.62
Bond Issuance Expense	\$ 404,644.00	\$ -	\$ 404,644.00	\$ -	\$ 404,644.00
Other Capital Costs	\$ 2,640,532.00	\$ 1,966,792.49	\$ 673,739.51	\$ -	\$ 673,739.51
Total	\$ 50,985,179.00	\$ 44,517,706.64	\$ 6,467,472.36	\$ -	\$ 6,467,472.36

Cash and Securities \$ 44,517,707
 Pledges
 Gifts and Bequests
 Mortgages/Bonds
 Leases (fair market value)
 Governmental Appropriations
 Grants
 Other Funds and Sources
Total Funds \$ 44,517,707

TO (Owner):
Ann & Robert H. Lurie Children's Hospital of Chicago
225 E. Chicago Ave
Chicago, IL 60611

PROJECT:
Lurie Children's Hospital-Inpatient Expansion Phase I
225 E. Chicago Ave
Chicago, IL 60611

PERIOD: 9/1/2018
9/30/2018

APPLICATION NO. 16

FROM:
M. A. Mortenson Company
300 Park Blvd, Suite 100
Itasca, IL 60143

VIA (ARCHITECT):
Slantec
224 South Michigan Ave, Suite 1400
Chicago, IL 60604-2580

ARCHITECT'S PROJECT NO:

CONTRACT FOR: Inpatient Expansion Phase I

CONTRACT DATE: August 15, 2013

INVOICE # 17090003.16

JOB# 17090003

Distribution to:
☒ OWNER
☒ ARCHITECT
☒ CONTRACTOR

CONTRACTOR'S APPLICATION FOR PAYMENT

CHANGE ORDER SUMMARY		
Change Orders approved in previous months by Owner	ADDITIONS	DEDUCTIONS
TOTAL	0	
Approved this Month		
Number		
1		-1,758,282
TOTALS	0	-1,758,282

Net change by Change Orders
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 the current payments shown herein is now due.

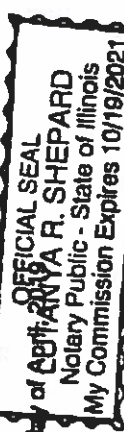
1. ORIGINAL CONTRACT SUM.....\$ 30,647,904
2. Net change by Change Orders.....\$ (1,758,281)
3. CONTRACT SUM TO DATE (Line 1 + 2).....\$ 28,889,623
4. TOTAL COMPLETED & STORED TO DATE.....\$ 28,889,623
5. RETAINAGE: (Column G on G703)
 - a. Of Completed Work (Less Fee & Insurance) \$ 0
 - b. Of Stored Material \$ 0
6. TOTAL EARNED LESS RETAINAGE.....\$ 28,889,623
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate).....\$
8. CURRENT PAYMENT DUE.....\$ 28,889,623
9. BALANCE TO FINISH, PLUS RETAINAGE.....\$ 0.00
10. Percent Complete.....100%

State of Illinois County of: Cook

CONTRACTOR: M. A. Mortenson Company

By: Shannon Burke Date: 4/15/2019

Shannon Burke, Project Manager



Subscribed and sworn to before me this 15th day of April, 2019.
Notary Public: A. R. Shepard
My Commission expires: 10/19/2021

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.

Subscribed and sworn to before me this

By: Shannon Burke Date: 4/15/19

Date: 4/15/19

This Certificate is not negotiable. The AMOUNTS CERTIFIED is payable only the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

Project # 17090003

PERIOD: 9/1/2018 9/30/2018

INVOICE # 17090003.16

G783

ITEM NO.	DESCRIPTION OF WORK	AWARDED SUBCONTRACTORS	SCHEDULED VALUE	EXECUTED C.O.S & REVISIONS	REVISED CONTRACT AMOUNT	APPROVED PREVIOUS REQUEST	WORK IN PLACE THIS PERIOD	TOTAL COMPLETED TO DATE	% CMPLT	BALANCE TO FINISH	RETAIN.
	GMP										
200	Cleaning Services	Boys Jenkoriel Service	0	267,867	267,867	267,867	0	267,867	100%	0	0.00
210	Selective Demolition	Milburn LLC	567,025	114,177	681,202	681,202	0	681,202	100%	0	0.00
215	Miscellaneous Metals	Ralph H. Simpson Co.	20,495	21,273	41,768	41,768	0	41,768	100%	0	0
220	Rough Carpentry	M.A. Mortenson - SPW	982,810	276,978	1,269,588	1,269,588	0	1,269,588	100%	0	0
225	Architectural Casework	Ameriscan Designs, Inc.	1,025,810	61,200	1,087,110	1,087,110	0	1,087,110	100%	0	0
230	Exterior Insulation and Finish Sytle	Superl, Inc	37,825	7,360	45,005	45,005	0	45,005	100%	0	0.00
235	Roofing	Jones & Cleary Roofing Co.	0	2,195	2,195	2,195	0	2,195	100%	0	0.00
240	Fireproofing	Midwest Fireproofing, LLC	130,700	0	130,700	130,700	0	130,700	100%	0	0.00
245	Metal Frames, Doors, Wood Doors	LaForce Inc	439,844	91,239	531,083	531,083	0	531,083	100%	0	0
250	Sliding Doors	Too Jsy Service Company, Inc	308,958	6,541	315,499	315,499	0	315,499	100%	0	0
255	Exterior Glazing	Alliance Glazing Technologies, Inc	293,250	3,184	296,434	296,434	0	296,434	100%	0	0
260	Glass, Glazing & Mirrors	Architectural Glass Works	262,075	15,358	277,433	277,433	0	277,433	100%	0	0
265	Plaster & Gypsum Board	Thorne Associates, Inc	2,828,432	219,516	3,148,948	3,148,948	0	3,148,948	100%	0	0
270	Ceramic Tile	Mr. Davids Flooring, Inv	320,315	46,511	368,826	368,826	0	368,826	100%	0	0
275	Acoustical Ceilings	Just Rite Acoustics	469,500	27,770	498,270	498,270	0	498,270	100%	0	0
280	Flooring	Mr. Davids Flooring, Inv	1,187,318	52,835	1,240,151	1,240,151	0	1,240,151	100%	0	0
285	Painting	Triangle Decorating Co, LLC	339,000	126,763	464,763	464,763	0	464,763	100%	0	0
290	Window Treatment	Indecor, Inc	79,000	18,876	97,876	97,876	0	97,876	100%	0	0
295	Pneumatic Tubing	TransLogic Corp/DBA Swisslog Healthcare	67,980	0	67,980	67,980	0	67,980	100%	0	0.00
300	HVAC	Hill Mechanical Corporation	3,122,349	417,591	3,539,940	3,539,940	0	3,539,940	100%	0	0
305	Fire Protection	Great Lakes Plumbing and Heating Company	435,550	69,399	504,949	504,949	0	504,949	100%	0	0
310	Plumbing	Great Lakes Plumbing and Heating Company	1,785,000	270,544	2,055,544	2,055,544	0	2,055,544	100%	0	0
315	Electrical	Gurtz Electric Company	3,871,815	466,844	4,338,459	4,338,459	0	4,338,459	100%	0	0
500	Site Services	M.A. Mortenson	1,299,925	-427,234	872,691	872,691	0	872,691	100%	0	0.00
600	Infection Control	M.A. Mortenson	2,012,851	-23,575	1,989,276	1,989,276	0	1,989,276	100%	0	0.00
700	General Conditions	M.A. Mortenson	3,105,307	-84,204	3,041,103	3,041,103	0	3,041,103	100%	0	0.00
750	21st Floor Schedule Acceleration	M.A. Mortenson	787,886	-320,586	467,098	467,098	0	467,098	100%	0	0.00
765	Misc Prep Work	M.A. Mortenson	108,896	-108,896	0	0	0	0	0%	0	0.00
775	Accepted Alternates	M.A. Mortenson	607,515	-607,515	0	0	0	0	0%	0	0.00

INVOICE # 17090003.16

ITEM NO.	DESCRIPTION OF WORK	AWARDED SUBCONTRACTORS	SCHEDULED VALUE	EXECUTED C.O.'S & REVISIONS	REVISED CONTRACT AMOUNT	APPROVED PREVIOUS REQUEST	WORK IN PLACE THIS PERIOD	TOTAL COMPLETED TO DATE	% CMPLT	BALANCE TO FINISH	RETAIN
785	Community Partner Allowance	M.A. Mortenson	50,000	-50,000	0	0	0	0	0%	0	0.00
800	ATCs	M.A. Mortenson	668,960	-668,960	0	0	0	0	0%	0	0.00
800	Design Contingency	M.A. Mortenson	785,987	-785,987	0	0	0	0	0%	0	0.00
850	Construction Contingency	M.A. Mortenson	1,083,169	-1,083,169	0	0	0	0	0%	0	0.00
981	SDI	M.A. Mortenson	408,938	-128,938	280,000	280,000	0	280,000	100%	0	0.00
980	Insurance	M.A. Mortenson	281,381	-18,143	285,238	285,238	0	285,238	100%	0	0.00
980	Fee	M.A. Mortenson	747,510	-42,884	704,626	704,626	0	704,626	100%	0	0.00
	TOTAL:		30,647,904	-1,758,281	28,889,623	28,889,623	0	28,889,623	100%	0	0

State of Illinois
County of Cook

Sworn Statement of Contractor and Subcontractor to Owner



Mortenson Project No.: 17090003
Mortenson Application No.: 17090003.16
Work Completed Through: 9/30/2018

The Affiant, Shannon Burke, being first duly sworn, on oath deposes and says that she is the Project Manager for M. A. Mortenson Company, 300 Park Blvd., Suite 100, Itasca, IL 60143 that has contract with Lurie Childrens Hospital on the following described premises in said County, to wit: 225 E Chicago Ave, Chicago, IL 60611

ITEM NO.	CONTRACTOR	KIND OF WORK	AMOUNT OF CONTRACT	%	WORK COMPLETED & STORED	RETENTION (Inc. Current)	NET OF PREVIOUS PAYMENTS	NET AMOUNT THIS PAYMENT	NET BALANCE TO BECOME DUE (Inc. Retentions)
GNP									
000			0	0%	-	-	-	-	-
225	unlet	Architectural Casework	-	0%	-	-	-	-	-
230	unlet		-	0%	-	-	-	-	-
245	unlet	Metal Frames, Doors, Wood Doors and Hardware	0	0%	-	-	-	-	-
250	unlet	Sliding Doors	0	0%	-	-	-	-	-
255	unlet	Exterior Glazing	0	0%	-	-	-	-	-
260	unlet	Glass, Glazing & Mirrors	0	0%	-	-	-	-	-
265	unlet	Plaster & Gypsum Board	0	0%	-	-	-	-	-
270	unlet	Ceramic Tile	0	0%	-	-	-	-	-
275	unlet	Acoustical Ceilings	0	0%	-	-	-	-	-
280	unlet	Flooring	0	0%	-	-	-	-	-
285	unlet	Painting	0	0%	-	-	-	-	-
290	unlet	Window Treatment	0	0%	-	-	-	-	-
300	unlet	HVAC	0	0%	-	-	-	-	-
310	unlet	Plumbing	0	0%	-	-	-	-	-
315	unlet	Electrical	0	0%	-	-	-	-	-
500	M.A. Mortenson	Site Services	872,681	100%	872,681	-	872,681	-	-
600	M.A. Mortenson	Infection Control	1,989,276	100%	1,989,276	-	1,989,276	-	-
700	M.A. Mortenson	General Conditions	3,041,103	100%	3,041,103	-	3,041,103	-	-
760	M.A. Mortenson	21st Floor Schedule Acceleration	467,098	100%	467,098	-	467,098	-	-
785	M.A. Mortenson	Mac Prep Work	0	0%	-	-	-	-	-
775	M.A. Mortenson	Accepted Alternates	0	0%	-	-	-	-	-
785	M.A. Mortenson	Community Partner Allowance	0	0%	-	-	-	-	-
800	M.A. Mortenson	ATCs	0	0%	-	-	-	-	-
900	M.A. Mortenson	Design Contingency	0	0%	-	-	-	-	-
950	M.A. Mortenson	Construction Contingency	0	0%	-	-	-	-	-
981	M.A. Mortenson	SDI	280,000	100%	280,000	-	280,000	-	-
980	M.A. Mortenson	Insurance	265,238	100%	265,238	-	265,238	-	-
990	M.A. Mortenson	Fee	704,626	100%	704,626	-	704,626	-	-
SUBCONTRACTORS									
200	Boysen Janitorial Service	Cleaning Services	267,867	100%	267,867	-	267,867	-	-
210	Milburn LLC	Selective Demolition	681,202	100%	681,202	-	681,202	-	-
215	Ralph H. Simpson Co.	Miscellaneous Metals	41,768	100%	41,768	-	41,768	-	-
225	American Designs, Inc	Architectural Casework	1,087,110	100%	1,087,110	-	1,087,110	-	-
228	M.A. Mortenson - SPW	Rough Carpentry	1,289,589	100%	1,289,589	-	1,289,589	-	-
230	Supert, Inc	Exterior Insulation and Finish Systems (EIFS)	45,005	100%	45,005	-	45,005	-	-

ITEM NO.	CONTRACTOR	KIND OF WORK	CONTRACT	COMPLETED & STORED	(Inc. Current)	PREVIOUS PAYMENTS	PAYMENT	BECOME DUE (Inc. Retentions)
235	Jones & Cleary Roofing Co	Roofing	2,195	100%	2,195	2,195.00	-	-
240	Midwest Fireproofing, LLC	Fireproofing	130,700	100%	130,700	130,700.00	-	-
245	LeForce Inc	Metals Frames, Doors, Wood Doors and Hardware	531,083	100%	531,083	531,083.45	-	-
250	Too Jay Service Company, Inc	Sliding Doors	315,499	100%	315,499	315,499.00	-	-
255	Alliance Glazing Technologies, Inc	Exterior Glazing	296,434	100%	296,434	296,434.00	-	-
260	Architectural Glass Works	Glass, Glazing & Mirrors	277,433	100%	277,433	277,433.00	-	-
265	Thermo Associates, Inc	Plaster & Gypsum Board	3,148,948	100%	3,148,948	3,148,948.00	-	-
270	Mr. David's Flooring, Inc	Ceramic Tile	368,828	100%	368,828	368,828.00	-	-
275	Just Rite Acoustics	Acoustical Ceilings	496,270	100%	496,270	496,270.00	-	-
280	Mr. David's Flooring, Inc	Flooring	1,240,151	100%	1,240,151	1,240,151.00	-	-
285	Triangle Decorating Co, LLC	Painting	484,763	100%	484,763	484,763.00	-	-
290	Indecor, Inc	Window Treatment	97,876	100%	97,876	97,876.00	-	-
295	TransLogic Corp/DBA Swisslog Healthcare	Pneumatic Tubing	67,980	100%	67,980	67,980.00	-	-
300	Hill Mechanical Corporation	HVAC	3,539,940	100%	3,539,940	3,539,940.00	-	-
305	Great Lakes Plumbing and Heating Company	Fire Protection	504,949	100%	504,949	504,949.00	-	-
310	Heating Company	Plumbing	2,055,544	100%	2,055,544	2,055,544.00	-	-
315	Gurtz Electric Company	Electrical	4,338,459	100%	4,338,459	4,338,459.00	-	-
000	-	-	0	0%	-	-	-	-
		TOTALS	28,889,623	100%	28,889,623	28,889,623	-	-
AMOUNT OF ORIGINAL CONTRACT \$ 30,647,904								
EXTRAS TO CONTRACT \$ (1,758,281)								
TOTAL CONTRACT AND EXTRAS \$ 28,889,623								
CREDITS TO CONTRACT \$ -								
ADJUSTED TOTAL CONTRACT \$ 28,889,623								
WORK COMPLETED TO DATE								
TOTAL RETAINED \$ 28,889,622								
NET AMOUNT EARNED \$ -								
NET PREVIOUSLY PAID \$ 28,889,622								
NET AMOUNT OF THIS PAYMENT \$ -								
BALANCE TO BECOME DUE (Inc. Retention) \$ -								

Signed

Project Manager: Shannon Burke

Subscribed and sworn to before me this 15th day of April, 2019

Notary Public

OFFICIAL SEAL
LUTANYA R. SHEPARD
Notary Public - State of Illinois
My Commission Expires 10/19/2021

April 17, 2019

VIA FEDERAL EXPRESS

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

Re: Supplement to Final Realized Cost Report (Section 1130.770) Ann & Robert H. Lurie Children's Hospital of Chicago Bed Expansion (Project #16-050)

Dear Ms. Avery:

I am writing to provide this supplemental information in connection with the Final Realized Costs Report for Project #16-050, Ann & Robert H. Lurie Children's Hospital of Chicago ("Lurie Children's") submitted herewith.

In addition to the \$28,889,623 in construction contract expenditures made to M.A. Mortenson Company ("Mortenson") for this Project pursuant to a guaranteed maximum price arrangement ("GMP") as reflected in the G702 submitted in connection with this report, Lurie Children's made the following construction expenditures for the Project to Mortenson outside of the GMP arrangement and to other vendors listed below:

Vendor	Description	Amount
Mortenson	G702 Billing	\$28,889,622.81
Mortenson	Adjustment 1A	190,701.58
Mortenson	Adjustment TEF-200	18,264.15
Mortenson	Accrual	110,568.00
Data Center Services	Owner Direct Purchases	1,800.00
Inpro Corp	Owner Direct Purchases	20,317.81
Interstate Electronics	Owner Direct Purchases	7,332.00
Otis Elevator Co.	Owner Direct Purchases	30,162.89
Johnson Controls	Owner Direct Purchases	924.50
Ashburn Power & Light	Owner Direct Purchases	201,774.74
Filter Services of Illinois	Owner Direct Purchases	20,028.60
Total		\$29,491,497.08

Ms. Courtney Avery
Page 2

Collectively, all of these expenditures equal the total New Construction Contracts costs of **\$29,491,497** as reflected in the audited Final Cost Report for the Project. Our independent auditor reviewed these expenditures and the underlying documentation. I hereby certify their accuracy.

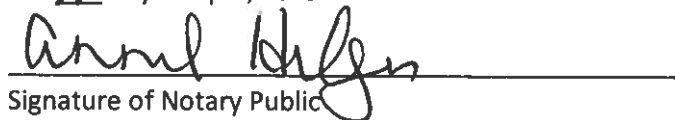
Please let me know if you have any question about the foregoing.

Sincerely,

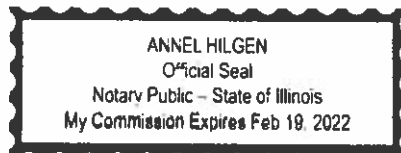


Ron Blaustein
Chief Financial Officer
Ann & Robert H. Lurie Children's Hospital of Chicago

Subscribed and sworn to before me
this 17 day of April, 2019


Signature of Notary Public

Seal



cc: Mike Constantino, IHFSRB, Supervisor, Project Review Section
Ralph Weber, Consultant



RECEIVED

APR 18 2019

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

May 11, 2018

Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson, Second Floor
Springfield, IL 62761

Reference: Project #16-050
Ann & Robert H. Lurie Children's Hospital of Chicago/Children's Hospital of
Chicago Medical Center – Addition of Licensed Beds

Dear Ms. Avery:

The purpose of this letter is to inform you that in accordance with 20 ILCS 3960/5, Ann & Robert H. Lurie Children's Hospital of Chicago ("Lurie Children's") intends to put in service an additional 44 licensed intensive care unit beds on the 22nd floor of the hospital. These beds were authorized by the Illinois Health Facilities and Services Review Board on May 2, 2017 pursuant to Project #16-050. The Illinois Department of Public Health ("IDPH") inspected our facility on April 27, 2018 and has authorized its occupancy and use. Attached please find the written approval received from the IDPH Design and Construction Unit.

We intend to put these beds in service on June 9, 2018. Lurie Children's total licensed bed capacity of 288 licensed beds will increase to 332 upon the opening of the unit. The number of intensive care beds will increase from 92 to 136.

As you know, Project #16-050 also authorized construction of an additional 4 Neonatal Intensive Care Unit beds to be constructed on the 15th floor of the hospital. This construction of these beds is still underway. We will notify you of the anticipated date for these beds to be put into service upon completion of their construction and receipt of IDPH Design and Construction Unit approval.

Please feel free to contact me if you have any questions about these proposed changes.

Sincerely,

Michelle M. Stephenson, DNP, RN, NEA-BC
Executive Vice President
Chief Operating Officer

Copy: Michael Constantino, IHFSRB
Nanette Bufalino
Ron Blaustein
Eric Hoffman

Michelle M. Stephenson,
DNP, RN, NEA-BC
Executive Vice President
Chief Operating Officer
312.227.4302 Direct
mstephenson@luriechildrens.org

Administration

225 East Chicago Avenue, Box 5, Chicago, Illinois 60611-2991 | 312.227.4329 | 312.227.4329 Fax | luriechildrens.org
Ann & Robert H. Lurie Children's Hospital of Chicago Foundation | Stanley Manne Children's Research Institute

Northwestern
FEINBERG SCHOOL
OF MEDICINE



525-525 West Jefferson Street • Springfield, Illinois 62761-0001 • www.idph.illinois.gov

April 27, 2018

Mr. Patrick Magoon, President/CEO
Ann & Robert H Lurie Children's Hospital of Chicago
225 East Chicago Avenue Box 140
Chicago, IL 60611-

Temporary Occupancy

Re: Ann & Robert H Lurie Children's Hospital of Chicago
Chicago
Inpatient Expansion - 15th flr, 22nd flr
IDPH No: 11012

Dear Mr. Magoon:

Based on the evaluation of the physical plant and life safety standards, the above mentioned project has been approved for temporary occupancy on 04/27/18. **This temporary occupancy is granted for Phase 2 only at this time.**

If this project changes the bed count for which the facility is licensed for by adding or reducing beds, it will be necessary to contact the Illinois Health Facilities Services and Review Board. As required for the entire facility, this unit must be operated and maintained in accordance with the requirements of the Hospital Licensing Act (210 ILCS 8/1 et. seq.) and the Department's rules entitled Hospital Licensing Requirements (77 Ill. Adm. Code 250). For eligibility for Medicare reimbursement, the unit must be operated and maintained in accordance with the federal Conditions of Participation for hospitals (42 CFR 482.1 et. seq.).

If you have any questions about this approval, please do not hesitate to call us at 217/785-4247. The Department's TTY number is 800-547-0466, for use by the hearing impaired.

Sincerely,

Dennis Schmitt, Supervisor
Design and Construction Section
Division of Life Safety and Construction

Cc: Mr. Kent Davidson
Stantec Architecture Inc



September 18, 2018

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson, Second Floor
Springfield, IL 62761

Reference: Project #16-050
Ann & Robert H. Lurie Children's Hospital of Chicago/Children's
Hospital of Chicago Medical Center - Addition of Licensed Beds

Dear Ms. Avery:

The purpose of this letter is to inform you that in accordance with 20 ILCS 3960/5, Ann & Robert H. Lurie Children's Hospital of Chicago ("Lurie Children's") intends to put in service an additional 4 licensed neonatal intensive care unit beds on the 15th floor of the hospital. These beds were authorized by the Illinois Health Facilities and Services Review Board on May 2, 2017 pursuant to Project #16-050. The Illinois Department of Public Health ("IDPH") inspected our facility and has authorized its occupancy and use as of September 13, 2018. Attached please find the written approval received from the IDPH Design and Construction Unit.

We intend to put these beds in service on September 19, 2018. Lurie Children's total licensed bed capacity of 288 licensed beds will increase to 336 upon the opening of the unit. The number of intensive care beds will increase from 92 to 140.

Please feel free to contact me if you have any questions about these proposed changes.

Sincerely,

DocuSigned by:

Michelle Stephenson

Michelle M. Stephenson, DNP, RN, NEA-BC
Executive Vice President
Chief Operating Officer

CC: Michael Constantino, IHFSRB
Nanette Bufalino
Ron Blaustein
Eric Hoffman



525 535 West Jefferson Street • Springfield, Illinois 62761-0001 • www.idph.illinois.gov

September 17, 2018

Mr. Patrick Magoon, President/CEO
Ann & Robert H Lurie Children's Hospital of Chicago
225 East Chicago Avenue Box 140
Chicago, IL 60611-

Permanent Occupancy

Re: Ann & Robert H Lurie Children's Hospital of Chicago
Chicago
Inpatient Expansion - 15th flr, 22nd flr
IDPH No: 11012

Dear Mr. Magoon:

Based on the evaluation of the physical plant and life safety standards, the above project has been approved for occupancy on 09/13/2018.

If this project changes the bed count for which the facility is licensed for by adding or reducing beds, it will be necessary to contact the Illinois Health Facilities Services and Review Board. As required for the entire facility, this unit must be operated and maintained in accordance with the requirements of the Hospital Licensing Act (210 ILCS 8/1 et. seq.) and the Department's rules entitled Hospital Licensing Requirements (77 Ill. Adm. Code 250). For eligibility for Medicare reimbursement, the unit must be operated and maintained in accordance with the federal Conditions of Participation for hospitals (42 CFR 482.1 et. seq.).

If you have any questions about this approval, please do not hesitate to call us at 217/785-4247. The Department's TTY number is 800/547-0466, for use by the hearing impaired.

Sincerely,

Dennis Schmitt, Supervisor
Design and Construction Section
Division of Life Safety and Construction

Cc: Mr. Kent Davidson
Stantec Architecture Inc

PROTECTING HEALTH. IMPROVING LIVES

Nationally Accredited by PHAB