



FRESENIUS KIDNEY CARE

Fresenius Kidney Care

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June 13, 2018

RECEIVED

JUN 14 2018

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

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

Re: Alteration, Permit #17-024, Fresenius Kidney Care Springfield East

Dear Ms. Avery:

At the January 9, 2018 Illinois Health Facilities and Services Review Board meeting Fresenius Kidney Care Springfield East, LLC was granted permit to establish the above referenced 9-station ESRD facility. I am writing to request an alteration to this permit.

Original modernization costs for this project were estimated to be within the State standard for 2018. However, after permit approval and gaining full access to the site, it was discovered that there is additional unexpected work that needs to be done on the building. These include:

- Additional finishes with insulation, additional framing for shell construction type, roof ladder, etc.
- Additional Mechanical (Heating/Cooling), Electrical, and Plumbing associated with connecting to work being done by the landlord.

Also, in 2017 we could not have predicted the recent Government tariffs placed on aluminum and steel imported from other countries. These tariffs, 10% for aluminum and 25% for steel, are significantly increasing these materials final cost to the customer. The building that Fresenius Kidney Care is modernizing has a steel frame and therefore extensive steel framework will be required for the interior buildout.

The additional work, combined with the higher material costs, amount to a total of \$126,000 additional funds (\$115,000 Modernization & \$11,000 Contingency) than were approved in the permit for this facility. This amounts to 4.5% of the total project cost and is within the State Board's increase limit of 7%. The construction contract will not be signed until the alteration is approved.



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The following pages are replacement pages for the original application that are related to this alteration. These include:

- Page 6 Project Costs and Sources of Funds
- Page 38 Itemized Costs

Enclosed is an alteration fee in the amount of \$1,000. Thank you for your time and attention to this matter.

Sincerely,

Lori Wright
Senior CON Specialist

cc: Clare Connor

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must be equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	N/A	N/A	N/A
Site Survey and Soil Investigation	N/A	N/A	N/A
Site Preparation	N/A	N/A	N/A
Off Site Work	N/A	N/A	N/A
New Construction Contracts	N/A	N/A	N/A
Modernization Contracts	1,024,003	344,334	1,368,337
Contingencies	98,683	32,694	131,377
Architectural/Engineering Fees	97,500	32,500	130,000
Consulting and Other Fees	N/A	N/A	N/A
Movable or Other Equipment (not in construction contracts)	219,000	60,000	279,000
Bond Issuance Expense (project related)	N/A	N/A	N/A
Net Interest Expense During Construction (project related)	N/A	N/A	N/A
Fair Market Value of Leased Space or Equipment	783,675	222,448	1,006,123
Other Costs To Be Capitalized	N/A	N/A	N/A
Acquisition of Building or Other Property (excluding land)	N/A	N/A	N/A
TOTAL USES OF FUNDS	\$2,222,861	\$691,976	\$2,914,837
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	1,439,186	469,528	1,908,714
Pledges	N/A	N/A	N/A
Gifts and Bequests	N/A	N/A	N/A
Bond Issues (project related)	N/A	N/A	N/A
Mortgages	N/A	N/A	N/A
Leases (fair market value)	783,675	222,448	1,006,123
Governmental Appropriations	N/A	N/A	N/A
Grants	N/A	N/A	N/A
Other Funds and Sources	N/A	N/A	N/A
TOTAL SOURCES OF FUNDS	\$2,222,861	\$691,976	\$2,914,837
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

SUMMARY OF PROJECT COSTS

Modernization	
General Conditions	62,667
Temp Facilities, Controls, Cleaning, Waste Management	3,133
Concrete	17,243
Masonry	20,551
Metal Fabrications	23,400
Carpentry	110,168
Thermal, Moisture & Fire Protection	32,309
Doors, Frames, Hardware, Glass & Glazing	96,854
Walls, Ceilings, Floors, Painting	221,914
Specialities	15,667
Casework, Fl Mats & Window Treatments	8,520
Piping, Sanitary Waste, HVAC, Ductwork, Roof Penetrations	437,868
Wiring, Fire Alarm System, Lighting	261,643
Miscellaneous Construction Costs	56,400
Total	\$1,368,337

Contingencies	\$131,377
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Architecture/Engineering Fees	\$130,000
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Moveable or Other Equipment	
Dialysis Chairs	23,000
Clinical Furniture & Equipment	26,000
Office Equipment & Other Furniture	25,000
Water Treatment	120,000
TVs & Accessories	30,000
Telephones	15,000
Generator	10,000
Facility Automation	20,000
Other miscellaneous	10,000
	\$279,000

Fair Market Value of Leased Space and Equipment	
FMV Leased Space (7,081 GSF)	835,548
FMV Leased Dialysis Machines	157,575
FMV Leased Office Equipment	13,000
	\$1,006,123

Grand Total	\$2,914,837
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Itemized Costs
ATTACHMENT - 7