



October 30, 2017

Mike Constantino
Illinois Health Facilities and Service Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

RECEIVED

OCT 31 2017

RE: Project 17-041 - Palos Hills Surgery Center, Palos Hills

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Dear Mr. Constantino,

Please accept this letter in response to the State Board Staff Report ("SBSR") for Project #17-041, Palos Hills Surgery Center. The applicant requests that the SBSR be amended to reflect the appropriate State standard for cost per Gross Square Foot ("GSF") for New Construction and Proportionate Contingencies.

The SBSR provided to the applicant indicates on Page 3 that: "The Applicant reported New Construction and Proportionate Contingencies costs in excess of the State standard." This statement correlates to Page 14 of the application, where the following statement is provided:

New Construction Costs and a Proportionate Share of Contingencies is \$2,255,771 (\$2,210,121+\$45,650) and are \$408.72 per GSF (5,519 GSF). This appears **HIGH** when compared to the State Board Standard of \$402.81.

The state standard for this requirement, as communicated to the applicants on 8/9/2017, is \$422.36 per GSF for the construction period reported within the application. The use of the \$422.36 figure resolves the cited deficiency, as the applicants' project costs for this category are only \$408.72 per GSF.

Accordingly, please adjust pages 3 and 14 of the SBSR, in addition to any other relevant statements, to account for this discrepancy and relate the same to the Health Facilities and Services Review Board members.

Thank you for your attention to this matter and please do not hesitate to contact me if you have any questions.

Sincerely,

Bryan Niehaus, JD, CHC
Senior Consultant
Murer Consultants, Inc.

