

February 7, 2020

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

VIA FEDERAL EXPRESS AND ELECTRONIC MAIL

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

RE: Project #17-054: Lurie Children's Modernization of existing space and addition of 24 ICU Beds (Annual Progress Report, Notice of Project Completion, and Final Realized Costs/Project Close-Out Report)

Dear Ms. Avery:

Pursuant to 77 Illinois Administrative Code Section 1130.760, Ann & Robert H. Lurie Children's Hospital of Chicago ("Lurie Children's") is submitting this Annual Progress Report for Project #17-054, Lurie Children's modernization of existing space and addition of 24 intensive care unit beds (the "Project"). In addition, please accept this letter and attachments as the Notice of Project Completion and the Final Realized Costs Report for the Project.

The permit was approved on February 27, 2018. The approved permit amount is \$27,199,281 for the modernization of existing space and addition of 24 ICU beds in 32,447 GSF. Lurie Children's submits the following information regarding the progress and completion of the Project and the Final Realized Costs.

1. **Current Status of the Project:** The Project is complete. The scope and size of the Project have not changed since permit issuance. The construction of the additional beds is complete and the beds were put into service on May 16, 2019.
2. **Costs Incurred to Date and Final Realized Costs:** Through January 27, 2019, the Project costs incurred to date and the Final Realized Costs are \$23,306,395. The total Project costs are consistent with those reported in the approved CON application. Enclosed as Attachment A please find a table showing Project Costs and Sources of Funds as of January 27, 2019. Attachment B, enclosed, is the final Application and Certification for Payment for the construction contract, dated January 23, 2020, indicating the final new construction cost to be \$18,123,686, as noted in Attachment A. See also the Supplemental Letter to the Final Realized Cost Report at Attachment C explaining certain credits to the primary construction contract and additional construction expenses not incurred through the primary construction contract.
3. **Obligation of the Project:** The Project was obligated via commitment of at least one-third of the projected Project costs. The Project was obligated on July 17, 2018.

4. Method of Financing the Project: The Project has been financed using all cash. The permit application had allowed for up to \$21,586,731 in bonds. No bonds were issued to fund the project. A gift of \$502,000 from a donor is noted in the sources of funds section of the Project Costs table.

5. Anticipated Date of Completion: Completion of the Project is consistent with the approved CON application's stated completion date of September 30, 2020. There has been no change to the scope of the Project.

We certify that the information reported are the final realized project costs and there are no additional costs or capitalized expenditures related to the approved project. There is no cost overrun. We are in compliance with the approved permit including project cost, allocated square footage, and approved clinical services.

Please contact Reagen Atwood at 312-227-7470 if you have any questions about this report.

Sincerely,



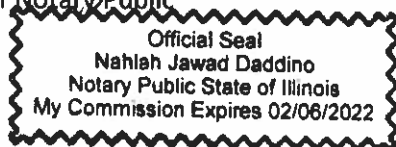
Ron Blaustein
Chief Financial Officer

Subscribed and sworn to before me
this 7 day of February, 2020



Signature of Notary Public

Seal



cc: Michael Constantino, Illinois Health Facilities and Services Review Board
Patrick Knightly, Project Manager, Lurie Children's
Ralph Weber, Consultant
Reagen Atwood, Vice President and Deputy Chief Legal Counsel, Lurie Children's

Attachment A: Project Costs and Sources of Funds

CON Final Realized Cost Report - 2/5/2020

CON Budget

Anticipated Project Costs and Sources of Funds		
USE OF FUNDS		TOTAL
Pre-planning Costs		\$394,225
Site Survey and Soil Investigation		\$29,530
Site Preparation		\$579,470
Off Site Work		\$0
Modernization Contracts		\$0
New Construction Contracts		\$18,385,543
Contingencies		\$1,099,074
A/E Fees		\$806,450
Consultant Fees		\$1,219,339
Movable Equipment		\$3,006,839
Bond Issuance Expense		\$215,867
Net Interest Expense During Construction		\$0
FMV Leased Space		\$0
Other Capital Costs		\$1,462,945
Acquisition of Building		\$0
TOTAL USES OF FUNDS		\$27,199,282

Anticipated Project Costs and Sources of Funds		
SOURCE OF FUNDS		TOTAL
Cash and Securities		\$5,612,550
Pledges		\$0
Gifts and Bequests		\$0
Mortgages/Bonds		\$21,586,731
Leases		\$0
Governmental Appropriations		\$0
Grants		\$0
Other		\$0
TOTAL SOURCES OF FUNDS		\$27,199,281

CON Actualized Costs

Final Project Costs and Sources of Funds		
USE OF FUNDS		TOTAL
Pre-planning Costs		\$76,789
Site Survey and Soil Investigation		\$0
Site Preparation		\$37,262
Off Site Work		\$0
Modernization Contracts		\$0
New Construction Contracts		\$18,123,686
Contingencies		\$0
A/E Fees		\$544,829
Consultant Fees		\$797,498
Movable Equipment		\$2,897,170
Bond Issuance Expense		\$0
Net Interest Expense During Construction		\$0
FMV Leased Space		\$0
Other Capital Costs		\$829,163
Acquisition of Building		\$0
TOTAL USES OF FUNDS		\$23,306,395

Final Project Costs and Sources of Funds		
SOURCE OF FUNDS		TOTAL
Cash and Securities		\$22,804,395
Pledges		\$0
Gifts and Bequests		\$502,000
Mortgages/Bonds		\$0
Leases		\$0
Governmental Appropriations		\$0
Grants		\$0
Other		\$0
TOTAL SOURCES OF FUNDS		\$23,306,395

Attachment B: AIA G702 Application and Certification of Payment

NOTIFICATION AND CERTIFICATE FOR PAYMENT

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 II-17th Floor
225 E Chicago Ave
Chicago, IL 60611

PERIOD: 12/1/2019 1/31/2020

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

VIA (ARCHITECT): Stanlec
224 South Michigan Ave, Suite 1400
Chicago, IL 60604-2590

ARCHITECTS PROJECT NO:

CONTRACT FOR: Inpatient Expansion Phase I

CONTRACT DATE: August 15, 2013 INVOICE # 18090004.19

JOB# 18090004

APPLICATION NO. 19

Distribution to:
☒ OWNER
☒ ARCHITECT
☒ CONTRACTOR

CONTRACTOR'S APPLICATION FOR PAYMENT

CHANGE ORDER SUMMARY		ADDITIONS	DEDUCTIONS
Change Orders approved in previous months by Owner	TOTAL		
Approved this Month			
Number	Date Approved		
6		461,611	-2,332,833
			-275,623
TOTALS		461,611	-2,608,456
Net change by Change Orders			-2,146,845

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.....\$ 19,936,145

2. Net change by Change Orders.....\$ (2,146,845)

3. CONTRACT SUM TO DATE (Line 1 + 2).....\$ 17,789,300

4. TOTAL COMPLETED & STORED TO DATE.....\$ 17,789,298

(Column G on G703)

5. RETAINAGE:

a. Of Completed Work \$ 0

(Less Fee & Insurance)

b. Of Stored Material \$ 0

(Column F on G703)

Total Retainage (Line 5a + 5b) \$

6. TOTAL EARNED LESS RETAINAGE.....\$ 17,789,298

(Line 4 less Line 5 Total)

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate).....\$ 17,385,504

8. CURRENT PAYMENT DUE.....\$ 403,794.89

9. BALANCE TO FINISH, PLUS RETAINAGE.....\$

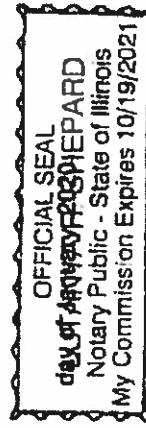
10. Percent Complete 100%

State of: Illinois County of: Cook

CONTRACTOR: M. A. Mortenson Company

By: Shannon Burke Date: 1/23/2020

Shannon Burke, Project Manager



Subscribed and sworn to before me this 31st day of January 2020
Notary Public: Stephany D. Shepard
My Commission expires: 10/19/21

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the (Attach explanation if amount certified differs from the amount applied for.) data comprising the above application, the Architect certifies to the Owner that to it ARCHITECT best of the Architect's knowledge, information and belief the work has progressed as By: Robert E. Davidson Date: 1/23/20

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

Amount Certified\$ 403,794.89

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.

Attachment C: Supplemental Letter to Final Realized Costs Report

February 7, 2020

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 #17-054)

Dear Ms. Avery:

I am writing to provide this supplemental information in connection with the Final Realized Costs Report for Project #17-054, Ann & Robert H. Lurie Children's Hospital of Chicago ("Lurie Children's") submitted herewith.

Construction contract expenditures made to M.A. Mortenson Company ("Mortenson") for this Project totaled \$17,789,300 as reflected in the G702 submitted in connection with this report. Additional construction expenditures for the Project to other vendors are listed below:

Vendor	Description	Amount
Mortenson	G702 Billing	17,789,300
Secondary Electrician Contracts	Owner Direct Purchase	72,641
Secondary CM Contracts	Owner Direct Purchase	12,175
Fire Alarm Contract	Owner Direct Purchase	670
Service Elevator Upgrades	Owner Direct Purchase	231,886
Flooring Upgrade	Owner Direct Purchases	5,508
HEPA Filters for Existing AHUs.	Owner Direct Purchases	5,700
Nurse Call Contracts	Owner Direct Purchases	5,806
Total		\$18,123,686

Ms. Courtney Avery

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Collectively, all of these expenditures equal the total New Construction Contracts costs of \$18,123,686 as reflected in the Final Cost Report for the Project. I hereby certify their accuracy.

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

Sincerely,




Ron Blaustein

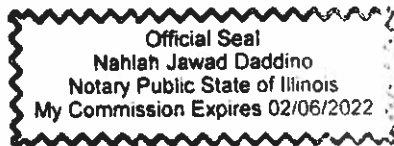
Chief Financial Officer

Ann & Robert H. Lurie Children's Hospital of Chicago

Subscribed and sworn to before me
this 7 day of February, 2020


Signature of Notary Public

Seal



cc: Mike Constantino, IHFSRB, Supervisor, Project Review Section
Ralph Weber, Consultant
Reagen Atwood, Vice President and Deputy Chief Legal Counsel, Lurie Children's