



Now part of  **ADVOCATEHEALTH**

2025 Windsor Drive | Oak Brook, Illinois 60523 | (630) 572-9393

August 30, 2024

Mr. John Knierly, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, IL 62761

Re: Project #20-004 Advocate Condell Medical Center – Relocate/Modernize /
Expand Intensive Care Unit (ICU) and Medical/Surgical (Med/Surg) services.
(the “Project”)
Permit Amount: \$63,538,825

Final Project Report

Advocate Health and Hospitals Corporation, (dba Advocate Condell Medical Center),
and Advocate Health Care Network, Construction Project – Modernize / Expand
Intensive Care Unit (ICU) and Medical/Surgical (Med/Surg) services.

Dear Mr. Knierly:

This letter is intended to satisfy Section 1130.770 Project Completion, Final Realized Costs and Cost Overruns, by providing the required information on Project #20-004. The Project includes the construction of the West Tower Fifth Floor – medical surgical floor medical surgical beds and an expansion to support added ICU beds. The Review Board granted the permit for this Project on April 7, 2020. A permit renewal was approved by the Chairwoman on October 24, 2023, renewing the permit until May 31, 2024.

The notice of project completion was submitted on April 10, 2024, indicating the project was completed at the end of February 12, 2024. The project was timely completed within the “Completion Date” of May 31, 2024, specified in the permit renewal letter. This final report includes the following:

- Certification that the project costs, as itemized, represent all the costs required to complete the project and there are no additional or associated costs or capital expenditures related to the project.
- This also certifies compliance with all the terms of the permit to date, including the project cost.
- The final application and certification for payment is shown in the AIA G702 form.



Now part of  ADVOCATEHEALTH

2025 Windsor Drive | Oak Brook, Illinois 60523 | (630) 572-9393

Advocate Condell Medical Center

Project #20-004

- Because this is a project with a cost greater than three times the capital expenditure minimum in place at the time of the permit approval, an audited financial report that includes the itemization of costs and sources of funds is included as an attachment.

Costs:

	COSTS INCURRED TO DATE	PERMIT AMOUNT	DIFFERENCE
Preplanning Costs	\$ 365,542	\$ 480,244.00	\$ 114,701.77
Site Survey and Soil Investigation	\$ 39,344	\$ 75,000.00	\$ 35,655.68
Site Preparation	\$ 372,150	\$ 1,720,882.00	\$ 1,348,732.00
Off Site Work	-	\$ -	\$ -
New Construction Contracts	\$ 22,292,616	\$ 18,156,774.00	\$ (4,135,842.00)
Modernization Contracts	\$ 22,494,355	\$ 19,006,969.00	\$ (3,487,386.46)
Contingencies	-	\$ 3,703,243.00	\$ 3,703,243.00
Architectural/Engineering Fees	\$ 3,131,979	\$ 2,845,187.00	\$ (286,792.34)
Consulting and Other Fees	\$ 421,636	\$ 1,336,972.00	\$ 915,336.36
Movable or Other Equipment (not in construction contracts)	\$ 4,137,034	\$ 9,322,966.00	\$ 5,185,932.34
Bond Issuance Expense (project related)	-	\$ 576,378.00	\$ 576,378.00
Net Interest Expense During Construction (project related)	-	\$ 4,025,872.00	\$ 4,025,872.00
Fair Market Value of Leased Space or Equipment	-	\$ -	\$ -
Other Costs To Be Capitalized	89,133	\$ 2,288,338.00	\$ 2,199,204.91
Acquisition of Building or Other Property (excluding land)	-	\$ -	\$ -
TOTAL USES OF FUNDS	53,343,790	\$ 63,538,825.00	\$ 10,195,035.26



Now part of  ADVOCATEHEALTH

2025 Windsor Drive | Oak Brook, Illinois 60523 | (630) 572-9393

Advocate Condell Medical Center

Project #20-004

Please contact me at (630) 278-9180 or Roberto Orozco at (847) 723-8520 or via email at roberto.orozco@aah.org if you have any questions regarding this report.

Sincerely,



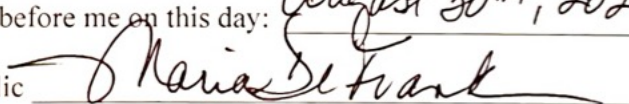
James Kokaska
Vice President, Facilities and Construction
Advocate Health and Hospitals Corporation

CC: Todd Savoie
Roberto Orozco
Myndee Balkan

Subscribed before me on this day:

August 30th, 2024

Notary Public



Seal:



Attachments:

Application and Certificate for Payment – Final Payment

Enclosure:

Financial Audit of Project



Now part of ADVOCATEHEALTH

2025 Windsor Drive | Oak Brook, Illinois 60523 | (630) 572-9393

DocuSign Envelope ID: 9AE15CBF-A3CE-4F0F-965C-7B6E0698BF6

APPLICATION AND CERTIFICATE FOR PAYMENT

TO : Advocate Health and Hospitals Corp., on behalf of itself and its affiliates

PROJECT : Cordell Medical Center ICU Expansion
APPLICATION NO.: 44
PERIOD TO : May 31, 2024
PROJECT NO.: 05-5190040
CONTRACT DATE : August 14, 2019

FROM : Power Construction Company LLC

ARCHITECT : Anderson Nikos Architects Ltd.

CONTRACTOR'S APPLICATION FOR PAYMENT

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

CHANGE ORDER SUMMARY				
Change Order approved in previous months by Owner		Additions	Deductions	
TOTAL		\$44,376,965	\$0	689,548
APPROVED THIS MONTH				
Number	Date Approved			
009	08/02/2024	\$983,285	\$0	45,360,240
009R	08/14/2024	\$10	\$0	46,049,788
				46,049,788
				0
				46,049,788
				44,554,424
				1,495,364
				0
TOTAL \$		\$45,360,240	\$0	
Net change by Change Orders			\$45,360,240	

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 : Power Construction Company LLC

By : *Ralph E. Euliano*

Date : August 14, 2024

State of : Illinois

County of :

Subscribed and sworn to before me this 14th day of August, 2024

Notary Public *Kevin D. Dural*

My commission expires: 24th day of July, 2026

State of Illinois, County of Cook

#877694

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.....\$ 1,495,364

ARCHITECT : Anderson Nikos Architects Ltd.

By : _____

Date _____

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.

August 30, 2024

Mr. John Kniery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, IL 62761

Project:

Permit: #20-004 – Intensive Care Unit
Project: Advocate Condell Medical Center
Permit Holder: Advocate Aurora Health Care

Audit Objectives and Scope:

Baker Tilly Advisory Group, LP (Baker Tilly) was engaged by Advocate Aurora Health Care to perform an independent certificate of need cost audit on the modernization and expansion of the Advocate Condell Medical Center Intensive Care Unit (CON #20-004). The permit was approved by the State Board on December 16, 2019. On October 24, 2023, a permit renewal was granted, and the project was renewed until May 31, 2024. The project received a "Project Completion Notice," on April 10, 2024. Included with this letter is the detailed schedule of expenditures by project cost component and certification of the expenditures and sources of funds. The approved permit amount was \$63,538,825. The final realized cost of this project is \$53,343,790, which is \$10,195,035 or 16% below the approved permit amount.

The objectives of our engagement were to determine:

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

Management's Responsibility:

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 # 20-004.

Auditor's Responsibility:

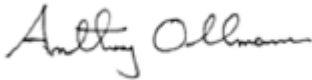
Our responsibility is to express an opinion on the attached schedule based on our audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditors' judgment, including the assessment of the risks 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 \$51,915,108 (97%) in payments made for Advocate Condell Medical Center, we confirm that the \$53,343,790 in CON charges to be reported to the Illinois Health Facilities Services Review Board by the August 31, 2024, required submission date, were substantiated by comprehensive and appropriate supporting documentation. Our Audit did not identify any material inconsistencies in expenses incurred, paid or recorded.

Sincerely,



Anthony Ollmann, CPA, CCA
Partner

Baker Tilly Advisory Group, LP

Project Title: Advocate Condell Medical Center
 Subject: Final Cost Report
 Permit Holder: Advocate Aurora Health Care
 Date: August 30, 2024

Category	Projected	Total Costs Incurred as 8/30/2024	Available Balance as of 8/30/2024	Estimated Costs to Completion	Variance From Approved
Preplanning Costs	\$ 480,244	\$ 365,542	\$ 114,702	\$ -	\$ 114,702
Site Survey and Soil Investigation	\$ 75,000	\$ 39,344	\$ 35,656	\$ -	\$ 35,656
Site Preparation	\$ 1,720,882	\$ 372,150	\$ 1,348,732	\$ -	\$ 1,348,732
New Construction Contracts	\$ 18,156,774	\$ 22,292,616	\$ (4,135,842)	\$ -	\$ (4,135,842)
Modernization Contracts	\$ 19,006,969	\$ 22,494,356	\$ (3,487,387)	\$ -	\$ (3,487,387)
Contingencies	\$ 3,703,243	\$ -	\$ 3,703,243	\$ -	\$ 3,703,243
Architectural/Engineering Fees	\$ 2,845,187	\$ 3,131,979	\$ (286,792)	\$ -	\$ (286,792)
Consulting and Other Fees	\$ 1,336,972	\$ 421,636	\$ 915,336	\$ -	\$ 915,336
Movable or Other Equipment (not in construction contracts)	\$ 9,322,966	\$ 4,137,034	\$ 5,185,932	\$ -	\$ 5,185,932
Bond Issuance Expense (project related)	\$ 576,378	\$ -	\$ 576,378	\$ -	\$ 576,378
Net Interest Expense During Construction (project related)	\$ 4,025,872	\$ -	\$ 4,025,872	\$ -	\$ 4,025,872
Other Costs To Be Capitalized	\$ 2,288,338	\$ 89,133	\$ 2,199,205	\$ -	\$ 2,199,205
Total	\$ 63,538,825	\$ 53,343,790	\$ 10,195,035	\$ -	\$ 10,195,035

Cash and Securities \$ 53,343,790
 Pledges
 Gifts and Bequests
 Bond Issues (Project related)
 Mortgages
 Leases (fair market value)
 Governmental Appropriations
 Grants
 Other Funds and Sources

Total Funds \$ 53,343,790*

*This project was funded solely through Cash and Securities. The CON application anticipated use of Bond Issues for funding; however, these amounts were not required for this project. Advocate may utilize bonds in the future for this project.