

August 6, 2025

**Via Email/Overnight Service**

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

Re: Project 24-015 Advocate Good Shepherd Lab and Pharmacy Modernization (the “Project”)

**Annual Progress Report**

Advocate Health and Hospitals Corporation d/b/a Advocate Good Shepherd  
Hospital, Advocate Aurora Health, Inc. Advocate Health Inc.  
Construction Project – Lab and Pharmacy Modernization

Dear Mr. Kniery:

Advocate Good Shepherd Hospital is pleased to submit to you our annual progress report on the Project referenced above in accordance with the requirements of the 77 Ill. Adm. Code 1130.760. The Project includes the construction of a replacement Lab and Pharmacy in a previously undeveloped shell space. The Review Board granted the permit for this Project on August 8<sup>th</sup>, 2024.

**1. Current status of the Project:**

**Obligation:**

- The Project was financially committed (obligated) by amendment to a construction contract with Pepper Construction on September 30<sup>th</sup>, 2024
- The Lake County issued a building permit for the Lab and Pharmacy Modernization on November 14<sup>th</sup>, 2024.
- Percentage of the project finished: Construction is approximately 57% complete as of July 31st, 2025

**Components of Project Finished:**

- Slab on Grade
- Above Ceiling MEP
- Wall Framing
- MEP In Wall
- Drywall/Taping

- First Coat
- Exterior Shaft Steel and CFMF
- ACT Grid
- Flooring
- Millwork
- Accessories
- Lockers
- Wall Protection
- MEP Trim Above and Inwall

**Components yet to be finished:**

- FF&E installation.
- Final Painting

**Commitment of Funds:**

- As of July 31,2025, 88% of the total funds assigned to the project costs were expended by signed contracts.

**Changes in scope and size:**

- The project remains substantially consistent with the scope of work of the Project as approved by the Review Board.

**2. Costs**

Costs incurred to date, an itemized listing of the total current estimated Project costs, and a comparison of those costs to the approved permit amounts are shown on the attached Exhibit A.

**3. Method of financing the Project and sources of Funds**

| SOURCE OF FUNDS               | TOTAL        |
|-------------------------------|--------------|
| Cash and Securities           | \$6,852,994  |
| Bond Issues (project related) | \$19,561,558 |
| TOTAL SOURCES OF FUNDS        | \$26,414,552 |

**4. Anticipated date of completion**

The Project is proceeding with due diligence and in compliance with the permit due date of June 1, 2026.

Please contact me at (630) 929-5577 or Roberto Orozco at (847) 723-8520 or via email at [roberto.orozco@aah.org](mailto:roberto.orozco@aah.org) if you have any questions about this report.

Sincerely,

A handwritten signature in cursive script that reads "James J. Kokaska".

James Kokaska

System Vice President, Design & Construction  
Advocate Health and Hospitals Corporation

CC: Karen Lambert, President, Advocate Good Shepherd Hospital  
Roberto Orozco, Director, Design and Construction  
Myndee Balkan, Director, Health Facilities Planning  
Paul Neff, Construction Manager, Design and Construction

|                                                                        | Exhibit A                            |               |                |
|------------------------------------------------------------------------|--------------------------------------|---------------|----------------|
| GSHP Lab and Pharmacy Modernization IDPH Project 24-015                |                                      |               |                |
| USE OF FUNDS                                                           | COST INCURRED TO<br>DATE (7-28-2025) | PERMIT AMOUNT | DIFFERENCE     |
| Pre-Planning                                                           | \$ 229,000                           | \$231,425     | \$ 2,425       |
| Site and Facility Planning                                             |                                      | 55,625        |                |
| Programming thru Conceptual Planning                                   |                                      | 175,800       |                |
| Site survey (investigation, assessments)                               |                                      | \$25,650      | \$ 25,650      |
| Site Preparation                                                       | \$ 605,000                           | \$610,000     | \$ 5,000       |
| Prep Work (Demo, Temp. Construction , shoring<br>& Utility Relocation) |                                      | 610,000       |                |
| Off-Site Work                                                          | \$ 125,000                           | \$129,050     | \$ 4,050       |
| Misc. Concrete                                                         |                                      | 52,750        |                |
| Gas (Metering thru construction)                                       |                                      | 76,300        |                |
| New Construction                                                       |                                      |               |                |
| Modernization Contracts                                                | \$ 15,735,541                        | \$13,214,508  | \$ (2,521,033) |
| Contingencies                                                          |                                      | \$1,987,322   | \$ 1,987,322   |
| Architect/ Eng. Fees                                                   | \$ 1,320,536                         | \$1,245,196   | \$ (75,340)    |
| Consulting and Other Fees                                              | \$ 59,851                            | \$1,493,779   | \$ 1,433,928   |
| Reimbursable & Other fees                                              |                                      | 191,260       |                |
| Operation Efficiency Consultants                                       |                                      | 245,519       |                |
| MEP /Envelope, LEED Commissioning                                      |                                      | 185,000       |                |
| Sustainability                                                         |                                      | 92,000        |                |
| Miscellaneous                                                          |                                      | 780,000       |                |
| Movable / Equipment                                                    | \$ 666,539                           | \$1,099,479   | \$ 432,940     |
| Lab Equipment                                                          |                                      | 780,439       |                |
| Pharmacy Equipment                                                     |                                      | 254,040       |                |
| Misc. Equipment                                                        |                                      | 65,000        |                |
| Bond Issuance / Finance Expense                                        |                                      | \$241,501     | \$ 241,501     |
| Net Interest                                                           |                                      | \$744,589     | \$ 744,589     |
| Other Costs to be Capitalized                                          | 1,436,422.01                         | \$5,392,053   | \$ 3,955,631   |
| FF&E                                                                   |                                      | 515,200       |                |
| Security Systems and Head End Equipment                                |                                      | 225,520       |                |
| Site Signage/digital signage                                           |                                      | 195,000       |                |
| Data Infrastructure, wireless, telecom                                 |                                      | 357,115       |                |
| Miscellaneous costs                                                    |                                      | 825,600       |                |
| Costs CON, Lake County, IDPH                                           |                                      | 800,600       |                |
| Digital Information Technology Costs                                   |                                      | 1,178,018     |                |
| Automation Costs                                                       |                                      | 1,295,000     |                |
| TOTAL                                                                  | \$ 20,177,889                        | \$26,414,552  | \$ 6,236,663   |