

RESOLUTION NO. _____

**A RESOLUTION DECLARING MECHANICAL CONCEPTS OF ILLINOIS, INC. IN
DEFAULT ON ITS CONTRACT WITH THE CITY OF CREST HILL FOR
MECHANICAL SERVICES DATED MARCH 25, 2020, TERMINATING THE
CONTRACT, AND AUTHORIZING THE CITY ATTORNEY TO NOTIFY THE
SURETY AND MAKE CLAIM ON THE PERFORMANCE BOND DATED APRIL 9,
2020**

WHEREAS, the Corporate Authorities of the City of Crest Hill, Will County, Illinois, have the authority to adopt resolutions and to promulgate rules and regulations that pertain to the City's government and affairs and protect the public health, safety, and welfare of its citizens; and

WHEREAS, the City of Crest Hill on or about March 25, 2020 entered into a contract with Mechanical Concepts of Illinois, Inc. for HVAC and Mechanical Services to be performed at the new Crest Hill City Center "the Contract", a copy of which is attached hereto and incorporated herein by reference as Exhibit A; and

WHEREAS, Mechanical Concepts of Illinois, Inc. has only partially performed the mechanical services required by the Contract; and

WHEREAS, the City of Crest Hill, through its representative, Harbour Contractors, Inc. has made repeated attempts to secure from Mechanical Concepts of Illinois, Inc. performance of the remaining services required by the Contract; and

WHEREAS, despite those multiple and repeated attempts to obtain performance by Mechanical Concepts of Illinois, Inc., the City of Crest Hill has been made aware that all of Harbour's attempts to communicate with Mechanical Concepts have gone without response; and

WHEREAS, Harbor Contractors, Inc. has been advised by various sources that Mechanical Concepts of Illinois, Inc. has ceased operations; and

WHEREAS, the City of Crest Hill has been advised by Harbour Contractors that Mechanical Concepts of Illinois, Inc. has not paid its subcontractors and suppliers and has failed to identify to the City all of its subcontractors and suppliers; and

WHEREAS, the City has been made aware that some of the purportedly unpaid subcontractors and suppliers have threatened to file Lien Claims; and

WHEREAS, on or about April 9, 2020, Performance Bond HA10100625, ("the Performance Bond) by and between Hudson Insurance Company, as Surety, the City of Crest Hill as Owner, and Mechanical Concepts of Illinois, Inc., as Contractor was provided to the City. A copy of the Performance Bond is attached hereto and incorporated herein as Exhibit B; and

WHEREAS, pursuant to the terms of the Performance Bond, the Surety and Contractor jointly and severally bound themselves to the City, as Owner, for the performance of the Construction Contract; and

WHEREAS, there has been no Default by the City, as Owner, on the Contract; and

WHEREAS, pursuant to the terms of the Performance Bond, the City, as Owner, where there has been no Default by the Owner, the Surety's obligation shall arise after Notice is provided to the Contractor and Surety that the Owner is considering declaring a Contractor Default, the Owner declares the Default and terminates the Construction Contract and notifies the Surety; and

WHEREAS, pursuant to direction by the Corporate Authorities of the City of Crest Hill, the City Attorney on February 16, 2023 notified the Contractor and Surety, in writing, by overnight and certified mail, that the City of Crest Hill was considering declaring a Contractor Default for the above-referenced refusal to perform the remainder of the services required by the Contract; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Crest Hill, Illinois, pursuant to its statutory authority, as follows:

SECTION 1: PREAMBLE. The City Council hereby finds that all of the recitals contained in the preamble to this Resolution are true, correct and complete and are hereby incorporated by reference thereto and made a part hereof.

SECTION 2: The City Council hereby declares Mechanical Concepts of Illinois, Inc. in default on the Contract for Mechanical Services dated March 25, 2020.

SECTION 3: Pursuant to Section 14.2.1 of the Contract, the City Council hereby terminates the Contract for Mechanical Services dated March 25, 2020 for non-performance and the aforementioned reasons;

SECTION 4: The City agrees to pay the Balance of the Contract Price in accordance with the terms of the Contract to the surety or to a contractor selected to perform the remaining work required by the Contract.

SECTION 5: The City Attorney is directed to provide this Resolution to the Surety and make claim to the Surety pursuant to the terms of the Performance Bond.

SECTION 6: SEVERABILITY. If any section, paragraph, clause or provision of this Resolution is held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any other provision of this Resolution.

SECTION 7: REPEALER. All ordinances, resolutions or orders, or parts thereof, which conflict with the provisions of this Resolution, are to the extent of such conflict hereby repealed.

SECTION 8: EFFECTIVE DATE. This Resolution shall be in full force and effect immediately upon its passage and publication according to law.

PASSED THIS 21ST DAY OF FEBRUARY, 2023.

	Aye	Nay	Absent	Abstain
Alderman John Vershay	_____	_____	_____	_____
Alderman Scott Dyke	_____	_____	_____	_____
Alderwoman Claudia Gazal	_____	_____	_____	_____
Alderman Darrell Jefferson	_____	_____	_____	_____
Alderperson Tina Oberlin	_____	_____	_____	_____
Alderman Mark Cipiti	_____	_____	_____	_____
Alderman Nate Albert	_____	_____	_____	_____
Alderman Joe Kubal	_____	_____	_____	_____
Mayor Raymond R. Soliman	_____	_____	_____	_____

Christine Vershay-Hall, City Clerk

APPROVED THIS 21ST DAY OF FEBRUARY, 2023.

Raymond R. Soliman, Mayor

ATTEST:

Christine Vershay-Hall, City Clerk