



August 30, 2023

The City of Jennings  
Attn: Mayor Gary Johnson  
2120 Hord Ave.  
Jennings, MO 63136

**Re: Jennings City Hall and Community Center**  
**Hankins termination notice under Article 14.1.4 and 14.1.2:**

Dear Gentlemen and Ladies,

Please accept this letter as our Notice of Termination pursuant to Article 14.1.4 of the General Conditions of the contract between Hankins and the City on the project referenced above. This Termination is based upon the City having shut down the project for reasons entirely outside the responsibility of Hankins or its subcontractors for a duration far in excess of 60 days. We entered into the contract for the project on 9-14-2022, and the Contract provides us with 450 calendar days from the date of commencement to achieve substantial completion. The Notice to Proceed was issued on 11-30-2022, so that the project was contemplated to be substantially complete by the end of February 2024. Hankins developed its project schedule based on this requirement, with the goal of having the buildings dried-in before winter weather would affect the project in late Fall of 2023. This goal was initially made more difficult to achieve due to the fact that it took many months for the City to issue the Building Permit. Once that finally occurred, a Stop Work Order was issued that shut down the project for an infinite duration of time. It is our understanding that the City, under its new leadership, wanted to "reassess" and potentially modify the previously approved, competitively bid, and awarded project. Once this happened, Hankins made the City aware of the prejudice and cost both Hankins and its trades were bound to suffer if the stop work order remained in effect. Despite this, the City never rescinded or lifted the Stop Work Order. Now, with the turmoil in the city government, multiple resignations of high-level personnel, and legal actions, it seems even less likely that the Project can be re-started and get back on track in the foreseeable time, if at all.

Article 14.1.4 of the General Conditions provides that Hankins can terminate the contract upon 7 days notice after work is stopped for 60 consecutive days through no fault of Hankins or its trades due to repeated core owner failures like the repeated and still continuing failure to re-start the project, provide access to the project site, and to pay Hankins. In addition, termination under Article 14.1.2 is also proper in that the delays and suspensions accrued on the project this year already exceed 120 days. A termination pursuant to the aforementioned provisions entitles Hankins to recover its damages resulting from the City's default, as well as its reasonable overhead and profit for the entire project work, including unperformed work.

The termination declared by Hankins is effective seven days after the receipt of this Notice, at which point Hankins will proceed with a claim regarding its damages resulting from the City's breach unless the City, within the 7-day period, lifts the stop-work order and issues a change order to Hankins that places Hankins in a position where its rights are protected and addressed in accordance with the provisions in the contract documents. Specifically, any such change order should address, in a mutually agreeable fashion, the following points to secure that the

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Project can be re-started in a fashion that fairly addresses the detrimental effect of the project shutdown caused by the City:

- A mutually agreeable date for restarting the project work based on the availability of Hankins and its trades;
- Payment of the costs incurred by Hankins and its subcontractors associated with the arrangements put in place by them since receipt of the Notice to Proceed in November 2022 that will need to be duplicated to get the project back on track;
- Payment of the higher costs faced by Hankins as a result of the Stop Work Order and the resulting need to push the completion time back, including higher subcontractor and supplier costs;
- An extension of time for the time period during which the Stop Work Order was in effect, plus for any additional delays may result from having to line up the needed manpower once the project starts up again, plus a commitment for an extension for any complications that are expected to arise from the project ending later than prescribed by the Contract and the Notice to Proceed;
- Payment of the de- and remobilization costs actually incurred by Hankins and its subcontractors as a result of the Stop Work Order
- Payment of the cost increases resulting from Hankins and its subs and suppliers having to reshuffle and re-negotiate materials and labor previously lined up for the Project.

Note that Hankins' standby/delay costs to date resulting from the project shutdown amount to \$139,000.00, which are in addition to what has already been billed for the initial project work in Pay application No. 2. Should the City want to try to cure the City's default prior to the effective date of the above-declared termination, please respond to this Notice at your earliest convenience.

Sincerely,  
HANKINS CONSTRUCTION CO.

  
Stephen Hankins  
President

CC: Joel Kerschen, (KAI) Project Architect  
Irvetta Williams (Ijay Enterprise) Owners Representative  
Tony Dukes (Emanon Group) Owners Representative  
City of Jennings Council Members  
Sam Alton, City Attorney

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