

## **CITY OF PELICAN RAPIDS COUNCIL MEETING MINUTES – 07-16-04**

The City Council of Pelican Rapids met in continued session at 1:35 p.m., Friday, 07-16-04, Council Chambers, City Hall, 315 N. Broadway. Mayor Wayne Runningen, Council Members Ben Woessner, John E. Waller, III, Denise Magnusson, David Gottenborg were present. Administrative Assistant Richard A. Jenson, Deputy Clerk-Treasurer Glenys Ehlert, City Attorney Greg Larson and David Shultz of Shultz Torgerson were also present.

Mayor Runningen reconvened the meeting to discuss the Public Works Garage.

City Attorney Greg Larson presented information on correspondence with first low bidder Cleary Building and Capitol Indemnity Corporation. Capitol Indemnity Corporation issued the bid bond to Cleary.

Larson and City Architect David Shultz agreed that the next step is to contact next lower bidder D&W Construction of Alexandria and proceed with negotiations.

“There is a lack of trust and respect with Cleary and the whole project with Cleary should be scrapped,” Larson said.

Council Member Gottenborg said he would be comfortable going with D&W Construction and not letting Cleary out of bid bond.

Council discussed the suggestion to make contract offer to Cleary null and void and put in claim on bond.

Council Member Woessner asked about bidding project again. Consensus was that this was not necessary and it would delay the project.

Motion by Gottenborg, seconded by Waller to authorize Schulz Torgerson to negotiate with next lowest bidder, D&W Construction, and that at this time the City will not release Cleary from the bid bond. Motion passed unanimously.

Regarding potential claim from Cleary’s, Council Member Woessner said, “We offered them a contract and they would not sign a contract.”

The focus of letters sent to Cleary’s were to respond and sign the contract or the offer is off the table. City has not released them from the bid bond, but Cleary’s is not going to build the building because they refused to build it.

Efforts will be made to be present a recommendation regarding the contract at the next Council meeting, Tuesday, 07-27-04, 4:00 p.m.

Meeting adjourned at 2:20 p.m.

Glenys Ehlert,

Dep. Clerk-Treasurer