

# Council Questions/Comments and Staff Responses Report for April 13, 2015

*as of April 13, 2015 1:00 p.m.*

## CONSENT AGENDA

**Alderman** Karen Schmidt

**Item 7H.** Reject all Bids for the Traffic Line Paint and Beads, Waive the Formal Bid Process and Approve an Agreement with Diamond Vogel Paint

**Question/Comment:** : If the bid bond is important enough to be part of a required bid package, and no one submitted one; and if we have 2 (two) equal bids with the same delivery specs at the same price, I'm not sure I understand how we select Diamond Vogel over Sherwin-Williams. I do understand that we have had a good experience with Diamond-Vogel but how do we know we wouldn't have as good as or better experience with Sherwin-Williams? Can we just ignore the bid bond requirement?

**Staff Response:** The City takes the requirement to provide bid bonds, when included in the bidding requirements, as very serious and does not consider the failure to do so a waivable offense. Accordingly, because of the time constraints on getting this project moving, City staff did not want to recommend waiving the bid bond requirement. Instead, City staff is recommending waiving the bid requirements in their entirety and then authorizing the negotiation of a contract with Diamond Vogel based on their previously bid price. The bid bond, as well as all other requirements, would still need to be met under this new contract. As stated, both Diamond Vogel and Sherwin-Williams submitted bids for the original project and both bids were identical. Since the bids were identical, staff is recommending contracting with Diamond Vogel based on their previous experience. The waiving of the bidding requirements will allow the City to continue to maintain the importance of providing bid bonds, when required, while at the same time allowing the contract to go forward as needed prior to the end of the month. Since the project was originally bid and Diamond Vogel is willing to stand by this bid, City staff is comfortable that it is getting the best price for the work.

**Alderman** Diana Hauman

**Item 7M** Application of Lincoln Springs Center, LLC, d/b/a Lincoln Springs Center, located at 1611 S. Morrissey Dr., Unit 1, requesting an EAS liquor license which allows the sale of all types of alcohol by the glass for consumption on the premises seven (7) days a week

**Item 7N** Application of Lupita's Hispanic and American Grocery, Inc., d/b/a Lupita's Hispanic & American Grocery, located at 1512 W. Market St., requesting a PAS liquor license which would allow the sale of all types of packaged alcohol for consumption off the premises seven (7) days a week

I was at the meeting when the two (2) above referenced liquor items were voted on by the commission. Why does the Council not approve applications after the requirements have been met?

**Staff Response:** In general, it is best if an applicant for a liquor license has complied with all requirements for a license prior to creation of a license by the Council. However, at the stage when many license applicants come before the Liquor Commission, they are in the process of developing their businesses and business plans. The nature and extent of those plans can be greatly affected by whether and under what circumstances they can obtain a liquor license. For example, a prospective business owner who is considering buying a building and spending a good deal of money remodeling the premises into a restaurant may be reluctant to spend that money if they don't have some reasonable assurance of the likelihood that they will receive a liquor license after those amounts have been expended.

Approval of the license based upon specified criteria allows the prospective owner to have a reasonable idea of the things they will need to accomplish to obtain a liquor license.

In the case of Item 7M, all contingencies have been satisfied and the license will issue upon approval. In the case of Item 7N, the applicant has complied with all requirements, but the building owner needs to

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address some issues, so that, if Council approves creation of a license, a license will not issue unless and until staff have verified those issues have been addressed.

Prepared by: Renee Gooderham, Interim City Clerk