

**CITY OF LAREDO
CITY COUNCIL MEETING
M-2017-S-02
CITY COUNCIL CHAMBERS
1110 HOUSTON STREET
LAREDO, TEXAS 78040
February 21, 2017
5:30 P.M.**

SUPPLEMENTAL AGENDA

I. GENERAL COUNCIL DISCUSSIONS AND PRESENTATIONS

1. Request by Council Member George Altgelt
 - a. Discussion of procurement procedures and non compliance issues relating to Sunset Pools contract as it relates to the Sisters of Mercy Water Park (formerly known as Lazy River Project) and others, with possible action. (Co-Sponsored by Council Member Nelly Vielma and Council Member Charlie San Miguel)

Rogelio Rivera, City Engineer, briefly explained the bid award process. He noted that Mr. Cutiño prescreened and reviewed the bid proposal, and this package was forwarded to the legal department for further review. He stated that Sunset Pools' insurance lapsed. Consequently, the department requested for the company to renew such insurance. He noted that in order to avoid any further issues, they will request for companies to submit proof of insurance with their monthly invoices.

Lakshmana "Vish" Viswanath questioned Sunset Pools' proof of insurance. He stated that the insurance was obtained a day after the open records request was made.

Cm. Balli clarified that the Open Records Request submitted by "Vish" was misleading.

Robert A. Eads, Assistant City Manager, noted that the company did have an existing insurance. He noted that the Workers Compensation Insurance is not expired. The project is fully bonded. All insurances are current. The project is moving forward. No claims have been made.

Kristina L. Hale, City Attorney, stated that there might be a breach of contract but nothing major that would void the contract. However, City Council can direct staff to stop the company from completing the project.

Cm. Rodriguez questioned the grounds for placing this item on the agenda. He stated that certain City Council members continue to question the legality of this contract yet there has been no claims or

complaints surrounding the performance of the company. He noted that he didn't vote for this project, instead he inherited. He is trying to complete it in order to better serve his constituency.

Jesus M. Olivares, City Manager, explained that the project is 60% completed.

Cm. Torres noted that this is a substantial completed project, citizens from such area should not face the consequences of stopping this project. He stressed the fact the the company was only out of compliance for four months. He suggested to introduce an insurance verification program to randomly monitor and inspect compliance. He suggested for City Council to be courteous to contractors and to all people who approach Council.

Mellie Hereford noted that districts should adhere to their own district budgets and allocate their monies to their corresponding districts as opposed to transferring monies from one district to another.

Juan Antonio Ayala, Sunset Pools, noted that he has cooperated with the City. He explained that his insurance never lapsed; there were certain policies changes but his insurance never lapsed. However, Vish's request was vague. He invited them to read the contract. He stated that City Council should respect and adhere to the terms of the contract. He expressed that that Julia Wallace from Laredo Morning Times retracted herself as she had published on the newspaper that Sunset Pools were behind on their taxes.

Cm. Balli stressed the importance of respecting business partnerships. He advised City Council to take the time to properly review the facts before bringing an item like this in front of Council.

Cm. San Miguel sympathized with Mr. Ayala as an owner of a construction company. He promoted efficiency and responsibility. He encouraged the City of Laredo to include an actual name in all city and contractor correspondence.

Miguel A. Pescador, Purchasing Agent, noted that they could include language in the terms and conditions section of the contract.

Motion to include a contractual obligation to notify the City of Laredo that a contractor possess insurance, and they are not delinquent on City Taxes. Also, to include Mr. Rogelio Rivera name in all correspondence.

Moved: Cm. Balli

Second: Cm. San Miguel

For: 8

Against: 0

Abstain: 0

ADJOURNMENT

Motion to adjourn.

Moved: Cm. Balli

Second: Cm. San Miguel

For: 8

Against: 0

Abstain: 0