



**Request for City Council Committee Action
From the City Attorney's Office**

Date: June 28, 2005
To: Ways & Means/Budget Committee
Referral to:

Subject: Authorization to Initiate Legal Action against Internet Exposure, Inc.

Recommendation: That the City Council authorize the City Attorney's Office to initiate legal action as necessary against Internet Exposure, Inc. for breach of contract and other claims relating to the development of the Solid Waste Information System

Previous Directives:

Prepared by: Burt T. Osborne, Assistant City Attorney Phone: 673-2473

Approved by: _____
Jay M. Heffern
City Attorney

Presenter in Committee: Burt T. Osborne

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact:

Neighborhood Notification
City Goals:
Comprehensive Plan
Zoning Code
Other

Background/Supporting Information

Internet Exposure, Inc. responded to a Request for Proposals for the development of the Solid Waste Information System in 2002. Internet Exposure, Inc. was the successful proposer. The City of Minneapolis entered into a contract with Internet Exposure, Inc. that was terminated in November of 2003 for non-performance of the vendor. Internet Exposure, Inc. failed to deliver functioning products and failed to

adhere to the contractual change procedures for product design. As a result, the City was financially damaged based upon payments made to Internet Exposure, Inc. and the underlying project was significantly delayed.

The City subsequently entered into a contract with another vendor for the development of the Solid Waste Information System and the system was successfully developed and installed.

The City Attorney's Office now seeks authority from your Committee to initiate legal proceedings against Internet Exposure, Inc. to recoup money that the City paid to the company, and pursue any other monetary claims the City may have against Internet Exposure, Inc.

02A-01195