

Protest from bidder puts VA clinic on hold



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by [Tammy Sakry](#)

Staff writer

Although the preliminary site plan for a new Veterans Administration (VA) Community Based Outpatient Clinic (CBOC) is on the Ramsey City Council agenda, the project itself is hold.

Officials and veterans thought the process was finally over in July when VA officials announced Ramsey as the chosen spot for the clinic, but now due to a protest by an unsuccessful bidder, it seems the bidding process has been opened back up once again for the four finalists in Ramsey and Elk River.

While Minneapolis VA Medical Center public affairs officer Ralph Heussner confirmed unsuccessful Elk River bidder Jon Hempel protested the award for a nearly \$8 million community-based outpatient clinic in Ramsey to PSD LLC, he would not comment of the protest process or if it reopens the bidding process.

PSD LLC signed a lease agreement with the VA on July 19 and had planned to have the a 20,000-square-foot clinic ready to open in summer of 2012.

On Aug. 20, Jim Deal, co-owner of PSD LLC, and the other three finalist in Ramsey and Elk River received a letter notifying them of the protest.

While the protest caught Deal off guard, "it was not a surprise," he said.

"This is not uncommon for government contracts," he said.

Even though PSD has a contract with the VA, the letter asked for additional information from all the bidders.

The questions asked for more detailed financial information, what contractors would be used, what the time frame of completion would be, zoning requirements, proof of property ownership, technical qualifications of the engineers and other professionals working on the property, operation and maintenance of the property and geographical convenience to the veterans.

PSD's proposal already meets the zoning requirements for The COR property, located on the northeast corner of Sapphire Street and Civic Center Drive and it already owns the land, Deal said.

It also has 40,000-50,000 veterans in range of the clinic, more than 27,000 veterans in Anoka County alone, he said.

Even though the project is suspended pending a decision on the protest, the Ramsey City Council will likely make a decision on preliminary site plan during its Sept. 28 meeting.

"We had scheduled to have the final plat into the city by Oct. 12 and break ground by end of October," Deal said.



Although the sign at the corners of Sunwood Drive and Sapphire Street in Ramsey says the Veteran's Administration Outpatient Clinic will open in 2011, that may now be delayed. Photo by Tammy Sakry

The protest will delay the project and could potentially add more cost, but at this time Deal said “by how much, I don’t know.”

“It’s just a waiting game,” he said.

“We just have to wait for them to decide what they are doing.”

Despite the protest by Hempel, PSD is moving ahead with the planning process.

“We were disappointed (to hear about the protest) because we wanted to see the project move forward in a timely manner,” said City Administrator Kurt Ulrich.

The city of Ramsey was also a finalist for the project and responded to the VA’s request for more information.

The city kept its proposal the same and also gave its support to the original award to PSD, Ulrich said.

The city is looking forward to the project moving ahead and anticipate the original site will be selected, he said.

No timeline has been set for the protest decision, said Heussner.

Elk River interests

Ron Touchette, who owns Rock Solid Companies, is part of the Zane Commons Group that has been bidding for an Elk River site all along.

He said on Aug. 20 he was asked to resubmit a new proposal by Sept. 1, and then the deadline was changed to Sept. 3.

Since it resubmitted, Touchette said the company hasn’t heard anything.

“We have not heard ‘boo,’ and as far as I know, I don’t think anybody has heard,” he said.

Touchette said the 24,000 square foot building they are proposing, which is located across from Elk River Walmart and The Home Depot, is an “exceptional” site.

Aside from having a large building, the infrastructure is all in place for the clinic in Elk River, he said, adding there are also nearby shops, lunch spots and even dry cleaning for area veterans to utilize while making the trip to the clinic.

“Elk River also has so many support services and community organization that can be utilized by the veterans,” Touchette said.

Aside from that, Touchette said it was his understanding that a protest had been sent in, but he did not know from who and said it was not the Zane Commons Group.

However, Touchette said even though they did not protest, it doesn’t mean they agreed with the bidding process or the end choice, it’s just that they decided having a clinic for the veterans - either in Elk River or Ramsey - was more important.

“Our decision was that the need for the center was more important than protesting,” he said.

Even still - whether it’s Elk River or Ramsey that ends up with site - Touchette said the ball just needs to get rolling.

“They just need to get this going and be done with it,” he said. “Whether it’s in Ramsey or Elk River, we need it to move forward... we are doing a terrible disservice to our veterans by not having proper health care for them.”

As of now, people are struggling to get back and forth to either Minneapolis or St. Cloud, and it’s just not right, Touchette said.

According to Heussner, Hempel, the owner of Maple Grove-based Hempel Properties, protested the award Aug. 3.

During the original bidding process it was rumored Hempel Properties had put in a bid for property next to Aldi’s and across the street from Menard’s in Elk River, although VA officials could not comment on or confirm received bids and locations.

Hempel, the president of Hempel Properties, e-mailed a response to the Elk River Star News saying he is not ready to discuss any matters related to the protest.

“At this point I have no comment on the situation,” he wrote.

Editor’s note: Liz Nelson of the Elk River Star News contributed to this story.

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