

JOHNSTOWN CITY COUNCIL  
SPECIAL MEETING MINUTES  
Monday, September 30, 2019

City Council met in a stated session for the general transaction of business.  
Mayor Frank Janakovic called the meeting to order at 6:00 p.m.

Reverend King offered the invocation. The Pledge of Allegiance was recited.

The following members of Council were present for roll call:

Mayor Janakovic, Reverend King, Mrs. Mock, Mrs. Stanton, Mr. Vitovich,  
Mr. Williams (6).  
Absent: Mr. Britt (1).

George Hayfield, City Manager; and Carl Beard, Esquire, City Solicitor, were also present.

PUBLIC COMMENT-AGENDA ITEMS ONLY

None.

RESOLUTIONS

Resolution No.

RESOLUTION OF CITY COUNCIL OF THE CITY OF JOHNSTOWN,  
PENNSYLVANIA, AUTHORIZING THE CITY MANAGER TO SIGN A  
CONTRACT WITH LECKEY'S DEMOLITION SERVICE IN THE  
AMOUNT OF \$160,531.95 FOR CONTRACT NO. 2019-25, CDBG  
STRUCTURE DEMOLITION PROGRAM TO DEMOLISH SEVENTEEN  
(17) STRUCTURES THROUGHOUT THE CITY OF JOHNSTOWN.

[Expense from CDBG Fund/ 04.609.29.290.17/ Demo Clearance Grant Expenses  
/2018]

Mrs. Mock made a motion to remove the resolution from table. Mr. Vitovich  
seconded the motion.

Mr. Williams stated the resolution was tabled on August 14, 2019, until the next  
meeting. The City Manager explained that both resolutions regarding this  
matter were withdrawn at the last meeting.

Mr. Williams referred to the public notice that noted bids would be open on June 25,  
2019, and that bids would be held by the City for a period not to exceed 60

days. He stated it had been 95 days, and the bid will need to be re-advertised. Mr. Beard was given the notice to review.

Mr. Williams reviewed the bid sheets containing three bids for the 17 properties that did not follow the regulations. The bids were to be on a per parcel basis. He stated the bid of \$160,000 was in excess, not based on a parcel bid basis as required, and in excess of 60 days. He suggested the matter be rebid and submitted in accordance with HUD rules, the bids be calculated to ensure the lowest responsible bid, and resubmitted for approval.

Mr. Hayfield stated the company has verbally noted it would hold its current bid, that all three bids did not break down the bid amount for each parcel, all had the same numbers, and all bids covered the 17 parcels. Mr. Beard advised there was no reason put off, rescind or otherwise rebid the matter. He offered an additional explanation.

Mrs. Stanton commented that her handwritten notes from the last meeting indicated that the City Manager withdrew Resolution 5 and that Resolution 6 was tabled. Mr. Hayfield explained that he withdrew both resolutions. Mrs. Stanton stated there was no Exhibit A attachment with the resolution.

She agreed with Mr. Williams that the bids are on a per parcel basis and that Council was obliged to accept the lowest bidder. Mr. Williams stated the \$160,000 figure does not reflect the amount bid for each of the 17 properties to properly identify the lowest bidder on a particular property. Mrs. Stanton stated she would be "kind of leery" to vote for something using CDBG money without having the proper information. There was further discussion regarding the matter.

Mrs. Mock stated the properties need to be demoed and that Mr. Williams and Mrs. Stanton are "roadblocks" in the demolition.

Mr. Williams read a portion of HUD Regulation 24 CFR 85.36 (f) into the record as follows: Must perform a cost or price analysis in connection with every procurement action, that grantees must make independent estimates before receiving bids or proposals.

Mr. Beard advised to rely on Mr. Hayfield as he was seeing this resolution for the first time, but that he noticed the pages go from 8 and then 14, 15. In addition, he inquired of Mr. Hayfield if when the bids went out, whether the bid identified per parcel or 17 or 18 structures. Mr. Hayfield stated the Department of Community and Economic Development conducted the bidding process, which made the recommendation verbally.

Mr. Williams stated the matter would need clarified "to cover the City from being hit with illegible costs." Mrs. Stanton responded to Mrs. Mock's comment that she and Mr. Williams are roadblocks, stating that the "roadblock is the City Manager", that all information had not been included with the resolution and would be in violation of HUD guidelines.

Mayor Janakovic commented that in his ten years on Council, matters such as this had never been bid per parcel. Similar matters had always been grouped and never previously brought up or discussed.

Mr. Beard opined if everybody was on the same level playing field and placed their bid knowing what they bid on, this would be no different from an AIA contract, like a 201 or a general conditions contract that states everything is incorporated by reference. He noted on page two it stated, as solicited by the bids for such demolition and site clearances, subject to terms, conditions and provisions of the various contract documents, demolition and site clearance, such documents included.

Mr. Beard directed the question to Mr. Hayfield whether the bids were consistently distributed to all parties and DCED (corrected to state HUD and not DCED). He also questioned Mr. Hayfield as to whether there were any objections after having an opportunity to review the results of the bid, and whether all documents were reviewed in order to proceed.

Mr. Hayfield stated the City is compliant with HUD regs. If it gets to the point that a per structure bid is directed, then the City would not be compliant.

Mrs. Stanton read an bulletin excerpt from the Office of Inspector General, that in government contracting we cannot afford the luxury of mistakes, that we must be aware of what is going on and what you can do to protect both the government and yourself. She commented that if the other Council members feel okay with passing resolutions without all the proper documentation, "let that weigh on your conscience."

Mayor Janakovic made a motion to table based on clarification. The motion was seconded by Mrs. Mock and passed by the following vote:

Yeas: Mayor Janakovic, Reverend King, Mrs. Mock, Mrs. Stanton,  
Mr. Vitovich, Mr. Williams (6).

Nays: None (0).

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Mr. Williams requested that Mr. Beard and Ms. Benjamin review the matter further with the City Manager. He commented that there was something wrong when information is not verified before being provided to Council, which would "avoid what we just went through."

RECESS/ADJOURNMENT

The meeting adjourned at 6:30 p.m.

EXECUTIVE SESSION

NEXT SCHEDULED MEETING

Wednesday, October 9, 2019, Regular Meeting.