

LANDMARK LITIGATION

COURT RULES GREENE COUNTY TOWNSHIP ERRED IN CONTRACT AWARD

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By Mike Bucsko, Post-Gazette Staff Writer

A federal appeals court has upheld a lower court ruling that determined Greene County township officials violated regulations when they failed to award a contract to a business operated by a low-income couple.

The ruling by a three-judge panel of the 3rd U.S. Circuit Court of Appeals could have far-reaching impact because it marks the first time a federal appeals court has sided with low-income business owners who sought to perform administrative work on a housing rehabilitation contract.

The attorney who represented the plaintiffs in the case, Robert Brenner, executive director of Southwestern Pennsylvania Legal Services Inc., said there are several similar lawsuits across the country in which the Greene County case could be cited.

The federal case also could figure significantly in the resolution of three pending cases in Greene County Common Pleas Court. The state and federal cases involve the same plaintiffs -- Julia Mannarino and Ron Teska, who operate a business called Southwestern Community Ventures in Aleppo.

In each instance, municipal officials bypassed Southwestern Community Ventures and awarded a contract to Community Preservation Inc. of Uniontown.

Mannarino and Teska filed a lawsuit in U.S. District Court in 1999, two years

after supervisors in Morgan failed to award them a contract for administrative work for a housing rehabilitation program funded by a federal Community Development Block Grant.

Federal regulations for the use of community development funds require that the money be used "to the greatest extent feasible" for low-income people.

The appeals court upheld a ruling by U.S. Magistrate Judge Robert Mitchell that Morgan Township didn't use the "greatest extend feasible" standard. Consequently, Mannarino and Teska were deprived of their rights under federal law, Mitchell ruled.

The appeals court ruling also concluded that the township's method in the contract award, based on a point system, was "to a large degree subjective" and the Uniontown company that obtained the contract was not eligible because it was not located within Greene County.

In addition, Shirl Barnhart, chairman of the Morgan supervisors, failed to respond to a written request by Mannarino for the township to provide guidelines to appeal the contract award.

Dennis Makel, the Washington, Pa., attorney who represented Morgan in the appeal, declined to comment on the appeals court ruling.

The township will discuss the case at its next meeting June 3, he said.

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