

UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

Doctor Nui Loa Price, a/k/a Maui Loa v. United States General Services Administration

Doctor Nui Loa Price, a/k/a Maui Loa v. United States General Services Administration, 894 F.2d 323 (9th Cir. 1990) · No. No. 86-15002 · Decided January 16, 1990

SUMMARY

The Ninth Circuit held that the district court lacked subject matter jurisdiction over a bidder's claim for specific performance to compel the GSA to accept his bid for surplus land. The Little Tucker Act (28 U.S.C. §1346(a)(2)) does not authorize equitable relief against the United States, and no waiver of sovereign immunity permitted such a suit. The court vacated summary judgment and remanded for dismissal or possible transfer to the Claims Court, noting that 28 U.S.C. §1491(a)(3) grants the Claims Court exclusive jurisdiction over pre-award contract claims but does not expand district court jurisdiction. Key topics: sovereign immunity, Little Tucker Act, equitable relief, pre-award contract claims, Claims Court jurisdiction.

CASE DETAILS

COURT	United States Court of Appeals for the Ninth Circuit
WRITING FOR THE COURT	Kozinski, Alex; Sneed, Joseph Tyree III; Thompson, John B.
JURISDICTION	Federal
DECIDED	January 16, 1990
DOCKET	No. 86-15002
DISPOSITION	vacated_and_remanded
PROCEDURAL POSTURE	Appeal from grant of summary judgment for defendant
STANDARD OF REVIEW	de novo review for subject matter jurisdiction
PRECEDENTIAL VALUE	Published
PARTIES	Doctor Nui Loa Price, a/k/a Maui Loa v. United States General Services Administration

TOPICS

- appellate procedure
- civil procedure
- contracts

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the district court had subject matter jurisdiction over Price's claim for specific performance against the United States in a pre-award contract dispute.

HOLDINGS

1. The district court lacked subject matter jurisdiction because the Little Tucker Act does not authorize equitable relief and the United States has not consented to suits for specific performance of government contracts.

KEY QUOTATIONS

“An action seeking specific performance, rather than damages, against [the federal government] is an action against the sovereign and is not maintainable unless consented to.” (§ 7)

“the Tucker Act 'impliedly forbids' declaratory and injunctive relief and precludes a[n APA] Sec. 702 waiver of sovereign immunity in suits on government contracts.” (§ 5 (citing *North Side Lumber*))

FACTUAL BACKGROUND

In early 1983, the GSA issued an Invitation for Bids to sell 89.275 acres of surplus land in Waianae, Oahu, Hawaii. The property was appraised at \$2.4 million, but the highest bid (by plaintiff Price) was \$89,000. Because all bids were far below the appraised value, the GSA rejected all bids and canceled the sale. Price sued for specific performance, alleging bad faith and violations of internal agency policies.

PROCEDURAL HISTORY

Price filed suit in district court on September 16, 1983, seeking specific performance of an auction contract. The district court granted summary judgment for the government on August 15, 1986, holding that the GSA's action was supported by a rational basis. Price appealed.

DISPOSITION

vacated_and_remanded

REMAND INSTRUCTIONS

On remand, the district court is directed to dismiss the action for lack of jurisdiction, unless the court determines that transfer to the Claims Court would be appropriate under 28 U.S.C. § 1631.

CASES CITED

- *North Side Lumber Co. v. Block*, 753 F.2d 1482 (9th Cir.), cert. denied, 474 U.S. 931 (1985)
- *Lee v. Blumenthal*, 588 F.2d 1281 (9th Cir. 1979)
- *Sharp v. Weinberger*, 798 F.2d 1521 (D.C. Cir. 1986)

- Chemung County v. Dole, 781 F.2d 963 (2d Cir. 1986)
- Ulstein Maritime, Ltd. v. United States, 833 F.2d 1052 (1st Cir. 1987)
- Coco Bros., Inc. v. Pierce, 741 F.2d 675 (3d Cir. 1984)
- Rex Systems, Inc. v. Holiday, 814 F.2d 994 (4th Cir. 1987)
- Rowe v. United States, 633 F.2d 799 (9th Cir. 1980), cert. denied, 451 U.S. 970 (1981)
- Laguna Hermosa Corp. v. Martin, 643 F.2d 1376 (9th Cir. 1981)
- Parola v. Weinberger, 848 F.2d 956 (9th Cir. 1988)
- American General Leasing, Inc. v. United States, 587 F.2d 54 (Ct. Cl. 1978)
- Contract Custom Drapery Service v. United States, 6 Cl. Ct. 811 (1984)
- Emrich v. Touche Ross & Co., 846 F.2d 1190 (9th Cir. 1988)

OPINION

KOZINSKI, J.

894 F.2d 323 36 Cont.Cas.Fed. (CCH) 75,780 Doctor Nui Loa PRICE, a/k/a Maui Loa, Plaintiff-Appellant, v. UNITED STATES GENERAL SERVICES ADMINISTRATION, Defendant-Appellee. No. 86-15002. United States Court of Appeals, Ninth Circuit. Argued Nov. 3, 1989. Submission Deferred Nov. 15, 1989. Resubmitted Nov. 23, 1989. Decided Jan. 16, 1990. Walter R. Schoettle, Honolulu, Hawaii, for plaintiff-appellant.

Sharon B. Takeuchi, Asst. U.S. Atty., Honolulu, Hawaii, for defendant-appellee. Appeal from the United States District Court for the District of Hawaii. Before SNEED, KOZINSKI and THOMPSON, Circuit Judges. KOZINSKI, Circuit Judge: 1 Dr. Nui Loa Price appeals the district court's grant of summary judgment for the government in an action to compel the GSA to accept his bid in an auction of surplus land.

We consider only whether the district court had jurisdiction over Price's action. 2 * In early 1983, the General Services Administration issued an Invitation for Bids (IFB) to sell 89.275 acres of surplus land located in Waianae, Oahu, Hawaii.

The land had been used by the Coast Guard as the site of a transmitting station and was vacant except for one heavily vandalized building. 3 Under the IFB, the GSA reserved the right to "reject any or all bids or portions thereof." IFB at T. By the time bidding closed in June 1983, the GSA had received 14 sealed bids ranging from \$1 to \$89,000, the highest submitted by plaintiff Dr. Nui Loa Price.

However, because the bids were far below the appraised value of the property,¹ the GSA decided to reject them and canceled the sale. Thus, although Price was the high bidder, his bid was rejected along with that of 13 others. 4 On September 16, 1983, Price brought suit against the GSA alleging bad faith and violations of internal agency policies in connection with the agency's failure to award a contract for the sale of the Waianae property.

Price sought specific performance in the form of an order compelling the GSA to accept his bid and transfer the property to him. On August 15, 1986, the district court granted the government's motion for summary judgment, holding that the GSA's action was "supported by a rational basis and was in no way an abuse of discretion or contrary to law, i.e., that these matters have been established as uncontested facts."

Order Granting Motion for Summary Judgment at 2. Price appeals this order. II 5 Before we may reach the merits, we must first consider whether the district court had subject matter jurisdiction over Price's claims.² Because the United States was a defendant in this action, the district court's jurisdiction was governed by the Little Tucker Act, 28 U.S.C. Sec. 1346(a)(2) (1982).

The Little Tucker Act authorizes the district courts to hear monetary claims against the United States, so long as they do not exceed \$10,000. The Act does not, however, authorize the district courts to grant declaratory or equitable relief against the United States. *North Side Lumber Co. v. Block*, 753 F.2d 1482, 1485 (9th Cir.), cert. denied, 474 U.S. 931, 106 S. Ct.

265, 88 L. Ed. 2d 271 (1985); *Lee v. Blumenthal*, 588 F.2d 1281, 1282 (9th Cir.1979); see also *Sharp v. Weinberger*, 798 F.2d 1521, 1523 (D.C.Cir.1986); *Chemung County v. Dole*, 781 F.2d 963, 970-71 (2d Cir.1986).³ This is true even when such relief is requested in an action brought pursuant to section 702 of the Administrative Procedure Act, 5 U.S.C. Sec. 702 (1982).

North Side Lumber, 753 F.2d at 1485. 6 Price contends that 28 U.S.C. Sec. 1491(a)(3) denied the district court jurisdiction to hear a pre-award contract case such as this one. Section 1491(a)(3) provides that the United States Claims Court "shall have exclusive jurisdiction" to grant relief on "any contract claim brought before the contract is awarded." Despite this clear language, at least two circuits have held that the district courts have retained any jurisdiction they had over pre-award cases prior to the enactment of this section.

See *Ulstein Maritime, Ltd. v. United States*, 833 F.2d 1052, 1057-58 (1st Cir.1987); *Coco Bros., Inc. v. Pierce*, 741 F.2d 675, 678 (3d Cir.1984); but see *Rex Systems, Inc. v. Holiday*, 814 F.2d 994, 997-98 (4th Cir.1987) (28 U.S.C. Sec. 1491(a)(3) precludes district court jurisdiction over every pre-award contract claim).

However, we need not resolve this issue, because the district court plainly lacked jurisdiction over Price's claim for a more fundamental reason.⁴ 7 "An action seeking specific performance, rather than damages, against [the federal government] is an action against the sovereign and is not maintainable unless consented to." *Lee*, 588 F.2d at 1282.

We can find no consent by the United States to equitable relief of the kind plaintiff requests in this case. Although the Tucker Act, 28 U.S.C. Sec. 1491(a)(3) (1982), authorizes the Claims Court "to grant declaratory judgments and such equitable and extraordinary relief as it deems proper" in pre-award contract cases, it grants no such authority to the district courts.

The parties have made no other credible claims for jurisdiction in the district court.⁵ Therefore, we must vacate the judgment of the district court for lack of jurisdiction. III 8 On remand, the district court is directed to dismiss the action for lack of jurisdiction, unless the court determines that transfer to the Claims Court would be appropriate under 28 U.S.C. Sec. 1631.

We express no opinion on the propriety of such a transfer. 1 The property was appraised in early 1983 at \$2.4 million. This appraisal was updated in 1984 and 1985, showing the value of the property at those times to be \$1 million and in excess of \$600,000 respectively. See Declaration of Peter G. Herbert, Director of the Real Property Disposal Division, GSA (July 3, 1986) at 1-2 2 While neither party raised the issue of subject matter jurisdiction in the district court, the issue is never waived.

See *Emrich v. Touche Ross & Co.*, 846 F.2d 1190, 1194 n. 2 (9th Cir.1988) 3 Our decisions in *Rowe v. United States*, 633 F.2d 799 (9th Cir.1980), cert. denied, 451 U.S. 970, 101 S. Ct. 2047, 68 L. Ed. 2d 349 (1981), and *Laguna Hermosa Corp. v. Martin*, 643 F.2d 1376 (9th Cir.1981), are inapposite since both involved unique statutory rights not at issue here.

In *Rowe*, we held that, under the Alaska Native Claim Settlement Act, 43 U.S.C. Sec. 1613(g), a court may compel the Secretary of the Interior to award an oil and gas lease on the Alaska North Slope. 633 F.2d at 801-02. Likewise, in *Laguna Hermosa*, we held that the district court had jurisdiction to determine whether the Bureau of Reclamation had exceeded its statutory authority under the Reclamation Development Act of 1974.

643 F.2d at 1378-79. We noted, moreover, that the plaintiff had not sought specific performance on an actual or implied contract. *Id.* at 1379. We have since held that the holdings of *Rowe* and *Laguna Hermosa* are limited to the facts of those cases. *North Side Lumber*, 753 F.2d at 1485; see also *Sharp*, 798 F.2d at 1524 n. 3 (describing our circuit's limitation on the *Rowe* and *Laguna Hermosa* holdings) 4 We reject any notion that section 1491(a)(3) expands the jurisdiction of the district courts.

See *Ulstein Maritime*, 833 F.2d at 1057-58 ("This grant of equitable jurisdiction to the Claims Court was intended to enlarge the powers of that court, but not to alter the preexisting equitable powers of the district courts."). Indeed, such a holding would be absurd because the section primarily grants jurisdiction to the Claims Court 5 The government relies on *Parola v. Weinberger*, 848 F.2d 956 (9th Cir.1988), for the proposition that the United States has waived sovereign immunity for equitable relief in actions challenging the award of government contracts.

Parola affirmed a preliminary injunction against the award of a government contract, holding that section 702 of the Administrative Procedure Act is "a waiver of sovereign immunity in suits seeking judicial review of agency actions where judicial review has not been expressly authorized by statute." 848 F.2d at 958 Although *Parola* seems out of place among our circuit's other opinions

in this area, see, e.g., *North Side Lumber Co.*, 753 F.2d at 1485 ("the Tucker Act 'impliedly forbids' declaratory and injunctive relief and precludes a[n APA] Sec. 702 waiver of sovereign immunity in suits on government contracts"), our decision today does not conflict with *Parola*.

Unlike *Price*, the plaintiff in *Parola* did not bring a claim for specific performance. Rather, the plaintiff there was only seeking to enjoin the grant of a government contract to another bidder. 848 F.2d at 958. Even if successful, the plaintiff in *Parola* could not have assured himself of the contract, as the government could have chosen to cancel the entire solicitation.

See *American General Leasing, Inc. v. United States*, 587 F.2d 54, 58-59, 218 Ct. Cl. 367 (1978); *Contract Custom Drapery Service v. United States*, 6 Cl.Ct. 811, 818 (1984).