

SUPREME COURT OF GEORGIA

International Business Machines Corp. v. Evans

265 Ga. 215 (1995) · Decided February 20, 1995

SUMMARY

The Georgia Supreme Court held that sovereign immunity did not bar IBM's action seeking injunctive relief against the Georgia Department of Administrative Services and its commissioner. The court recognized an exception for actions seeking to restrain illegal conduct by state officials and remanded for consideration of whether DOAS violated the terms of its request for proposals in evaluating IBM's bid. The court emphasized that judicial interference is permitted only under demanding standards, including action wholly outside statutory authority, arbitrary or capricious decision-making, clear error, or violation of constitutional rights.

CASE DETAILS

COURT	Supreme Court of Georgia
WRITING FOR THE COURT	Fletcher, Justice; Benham, P. J.; Hunt, Justice; Hunstein, Justice
JURISDICTION	Georgia
DECIDED	February 20, 1995
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	IBM sought injunctive relief against the award of a state computer-system contract to Hitachi Data Systems or, alternatively, a rebid. The trial court dismissed the complaint on sovereign-immunity grounds. IBM appealed.
STANDARD OF REVIEW	A court may not substitute its judgment for that of the state or its employees and may interfere with an exercise of statutory and regulatory authority only when the state acted wholly outside its authority, arbitrarily and capriciously, clearly erroneously, or in violation of constitutional rights.
PRECEDENTIAL VALUE	Published opinion; precedential Georgia Supreme Court decision.
PARTIES	International Business Machines Corp. v. Georgia Department of Administrative Services, David Evans, in his official capacity as commissioner of the Georgia Department of Administrative Services

TOPICS

bid protests

government contracts

judicial review of agency action

administrative law

equitable relief

PRACTICE AREAS

administrative law

government contracts

sovereign immunity

equitable relief

QUESTIONS PRESENTED

1. Whether sovereign immunity bars IBM's action seeking injunctive relief against DOAS and its commissioner in his official capacity to restrain an allegedly unlawful state-contract award.
2. Whether the alleged violation of the RFP could support injunctive relief under the standard governing judicial interference with state administrative action.
3. Whether the 1991 amendment to the Georgia Constitution eliminated the longstanding exception to sovereign immunity for suits seeking to enjoin illegal official action.

HOLDINGS

1. Sovereign immunity does not bar a suit seeking injunctive relief to restrain an illegal act by the state or a public official acting outside the scope of lawful authority.
2. The 1991 amendment to the Georgia Constitution did not eliminate the longstanding exception to sovereign immunity for actions seeking injunctive relief against illegal state action.
3. The complaint was not barred by sovereign immunity, and the case had to be remanded for the trial court to determine whether DOAS acted without lawful authority or beyond the scope of its official power by allegedly violating the RFP.

KEY QUOTATIONS

"The underlying, though often unstated, premise in these cases is that the executive branch of government cannot cloak itself in the mantle of sovereign immunity when an injured party seeks to enjoin an illegal action." (265 Ga. at 216)

"A court may not substitute its judgment for that of the state or its employees." (265 Ga. at 217)

FACTUAL BACKGROUND

DOAS issued an RFP under OCGA § 50-5-67(a) to procure a mainframe computer. The RFP stated that the contract would be awarded to the responsible offeror whose proposal was most advantageous to the State under the specified evaluation factors, and a DOAS technical team scored the proposals. Hitachi received the highest score and was awarded the contract, while IBM alleged that DOAS failed to award it points that the RFP issuing officer had orally represented IBM would receive.

PROCEDURAL HISTORY

The Georgia Department of Administrative Services issued an RFP for procurement of a mainframe computer and awarded the contract to Hitachi Data Systems after its proposal received the highest evaluation score. IBM alleged that DOAS violated the RFP by failing to award IBM points allegedly promised orally by the RFP

issuing officer. The trial court dismissed IBM's complaint as barred by sovereign immunity; the Supreme Court of Georgia reversed and remanded for consideration of whether the alleged RFP violation entitled IBM to injunctive relief.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The trial court must consider, in light of the Supreme Court of Georgia's opinion, whether IBM's allegations that DOAS violated the terms of the RFP establish that DOAS acted without lawful authority or beyond the scope of its official power and thereby entitle IBM to injunctive relief.

CASES CITED

- *Chilivis v. Nat. Distrib. Co.*, 239 Ga. 651, 654, 238 S.E.2d 431 (1977)
- *Irwin v. Crawford*, 210 Ga. 222, 224, 78 S.E.2d 609 (1953)
- *Undercofler v. Seaboard Air Line R. Co.*, 222 Ga. 822, 827, 152 S.E.2d 878 (1966)
- *Evans v. Just Open Government*, 242 Ga. 834, 843-44, 251 S.E.2d 546 (1979)
- *Cannon v. Montgomery*, 184 Ga. 588, 591-92, 192 S.E. 206 (1937)
- *Curtis v. Bd. of Regents*, 262 Ga. 226, 228, 416 S.E.2d 510 (1992)
- *Donaldson v. Dept. of Transp.*, 262 Ga. 49, 50, 56, 414 S.E.2d 638 (1992)
- *City of Thomasville v. Shank*, 263 Ga. 624, 625, 437 S.E.2d 306 (1993)
- *Bentley v. Chastain*, 242 Ga. 348, 352, 249 S.E.2d 38 (1978)
- *Amdahl Corp. v. Dept. of Admin. Svcs.*, 260 Ga. 690, 696, 398 S.E.2d 540 (1990)
- *State of Ga. v. U. S. Oil Co.*, 194 Ga. App. 1, 2, 389 S.E.2d 498 (1989)
- *Gilbert v. Richardson*, 264 Ga. 744, 750, 752, 452 S.E.2d 476 (1994)