

MEMORANDUM



DATE: 4/7/2025
TO: CBJ Assembly
FROM: Emily Wright, City Attorney
SUBJECT: Bid Review Board Decision

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The question is whether to award a contract bid to North River IT Services Co.

The CBJ Assembly, under Charter Article 9.14, has the ultimate authority over all competitive bidding procedures and the award of contracts.

Under CBJ Code 53.50.062, if a party believes that a purchasing bid was incorrectly awarded, they may file a bid protest. This protest is initially reviewed by the purchasing officer and, if not resolved, may be reviewed by the Bidding Review Board. The final decision of the Board must be submitted to the Assembly. During the pendency of the protest, the project is stayed, unless the Manager's Office finds that it is in the best interest of the city to proceed.¹

On December 30, 2024, a bid was awarded North River IT Services. The project is for the provision of internet services in the Juneau maritime industrial zone downtown (Proposal 25-190). The second ranked bidder, Snow Cloud, timely filed a protest. Snow Cloud bears the burden to show that the bid was incorrectly upheld by the CBJ Purchasing Officer. After a hearing, at which Snow Cloud presented its arguments and the Purchasing Officer responded, the Board found that Snow Cloud had met its burden, and the Purchasing Officer's decision to uphold the award of the bid was incorrect. The Bid Review Board found:

1. Under CBJC 53.50.050(c)(3), "Contracts in an amount estimated to be more than \$50,000.00 shall be by formal competitive sealed proposal after public notice and shall be awarded to the responsive and responsible offeror whose proposal is determined to be the most advantageous to the City and Borough." The bid review board did not believe that North River IT Services was a responsive and responsible bidder. The Board focused on North River IT's: (1) understanding of the electrical work to be completed, (2) use of infrastructure, such as light poles, (3) the presence of assumptions and "if" statements throughout the bid documents, and (4) extensive outsourcing of work.
2. The Board indicated concerns with the RFP process itself, finding that the RFP was confusing and lacking. The board noted the confusion over the pricing structures which resulted in a variety of pricing bids and the potential for manipulation of the pricing structures.
3. The Board believed that because the project is a combination of services and construction, the bid evaluation committee should have included someone with engineering experience.

The Board concluded that North River IT's bid was non-responsive and the structure of the pricing gave them an inappropriate advantage. The Board found that awarding the bid would not represent a responsible use of public funds or a proper award under code. As required under CBJC 53.50.061(l), the Board has presented the Assembly with a decision based on the facts presented, applicable case law, and generally accepted principals of purchasing.

The Assembly's role is to review the Board's decision and decide whether to award the bid or not. The Assembly must also consider the best interests finding made by the Manager's Office.

¹ In this instance, the Manager's office made a best interest finding and the project has continued during the appeal project.