

DOT&PF CONTRACTS OFFICER BULLETIN ¹
NO. 02 - 005

CANCELLATION OF A BID OR PROPOSAL

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Chief Contracts Officer: Mark O'Brien

The action to cancel or reject all opened bids or proposals requires the prior approval of the DOT&PF Commissioner (AS 36.30.350, and 2 AAC 12.860). The procurement officer must make request, with supportable facts, to the DOT&PF Chief Contracts Officer for review and approval on behalf of the DOT&PF Commissioner.

The bid evaluation process is governed by the Alaska Procurement Code (AS 36.30) and its' regulations (2 AAC 12), and by the contract documents. The determination of the issue of cancellation turns on the intent and interpretation of AS 36.30.350, and 2 AAC 12.860:

AS 36.30.350. Bid cancellation, rejection.

An invitation to bid, a request for proposals, or other solicitation may be cancelled or any or all bids or proposals may be rejected in whole or in part or the date for opening bids or proposals may be delayed when it is in the best interests of the state in accordance with regulations adopted by the commissioner. The reasons for cancellation, rejection, or delay in opening bids or proposals shall be made part of the contract file.

2 AAC 12.860. REJECTION OF ALL BIDS OR PROPOSALS.

After the opening of bids or proposals or after notice of intent to award but before award, all bids or proposals may be rejected in whole or in part by the chief procurement officer or the head of a purchasing agency issuing the solicitation. Reasons for rejection include the following:

- (1) the supplies, services, or construction being procured are no longer required;
- (2) ambiguous or otherwise inadequate specifications were part of the solicitation;
- (3) the solicitation did not provide for consideration of all factors of significance to the state;
- (4) prices exceed available money and it would not be appropriate to adjust quantities to accommodate available money;
- (5) all otherwise acceptable bids or proposals received are at unacceptable prices;
- (6) there is reason to believe that the bids or proposals may not have been independently arrived at in open competition, may have been collusive, or may have been submitted in bad faith; or
- (7) the award is not in the best interests of the state.

Eff. 1/1/88, Register 104.

Authority: AS 36.30.040, AS 36.30.350

An interested party may protest the cancellation of an invitation to bid or proposal, under 2 AAC 12.615, no more than 10 days after a notice of cancellation ("days" are calendar days).

¹ **CONTRACT OFFICER BULLETINS** - From time to time, it is expedient to issue information, guidance, or directives on certain construction contract matters. Such communications can best be accomplished through the medium of 'bulletins'. These bulletins are "interpretive" in nature and serve to inform and direct. They reflect the departments' policy on the issue being addressed. If a conflict between a bulletin and a statute or a formally adopted regulation is found to exist, the law/regulation takes precedence [ref. AS 44.62.640(a)(3)]. Comments or suggestions are appreciated and can be directed to Jim Beeson @ JIM.BEESON@dot.state.ak.us, phone, 465-6965, Fax 465-4010.

Visit our Website at <http://www.dot.state.ak.us/stwddes/proc/const/cob.html> for electronic access to Contract Officer Bulletins.