

Club Italia Soccer & Sports Organization, Inc. v.
Charter Township of Shelby, Mich.,
470 F.3d 286, (6th Cir. 2006)
Authored by Rich Symmes

Plaintiff, Club Italia Soccer & Sports Organization, Inc., (Club Italia) appealed an order granting summary judgment in favor of defendant, Charter Township of Shelby (Shelby), to dismiss plaintiff's due process and equal protection claims. Club Italia alleged that Shelby violated the due process and [equal protection clauses of the Fourteenth Amendment](#) by accepting a soccer complex development proposal from Soccer City, Inc. (Soccer City) without first granting plaintiff the opportunity to submit a bid on terms equal to those granted to Soccer City. Shelby first accepted a bid from Soccer City without taking bids from other developers. Club Italia protested the process and Shelby gave other bidders three weeks to come up with a proposal, which Italia claimed was not enough time. The district court dismissed Club Italia's claims for lack of standing, holding that Club Italia did not allege an injury in fact because plaintiff failed to demonstrate the existence of a protected liberty or property interest. While the Court of Appeals found that the Club Italia did have standing, the appeals court affirmed the order of the district court on the ground that Club Italia failed to state a claim for relief.

In order to have standing a plaintiff must be able to show that (1) they have suffered a personal injury in fact, (2) that the injury was traceable to the defendant, (3) and that the plaintiff's injury is likely to be redressed by a favorable decision in court. In addition a plaintiff must meet the prudential standing requirements which are judicially self imposed restraints on standing. In order to meet this requirement a plaintiff may not raise generalized grievances and a plaintiff may not raise the rights of third parties. Finally a plaintiff must be able to show that the zone of interest test is met. In determining whether the plaintiff suffered an injury in fact, the court reasoned that the plaintiff was not a disappointed bidder; they did not bid at all and, therefore, suffered an injury in fact. Shelby's refusal to allow Club Italia to bid on the contract allegedly caused it to suffer an economic injury by precluding plaintiff from being considered for a lucrative contract. Furthermore, plaintiff had no trouble meeting the other two requirements of constitutional standing as Club Italia's injury was traceable to the actions of the defendant and it is possible that Club Italia can succeed on the claims. In addition, the prudential barriers to standing were met as Club Italia was not bringing a generalized grievance or representing the rights of third parties. Finally, the court reasoned that Club Italia was able to show that the interests it seeks, the right to be heard, fell within the zone of interest of the constitutional guarantees of the due process clause as Club Italia's claim alleged that the Shelby treated them differently from Soccer City without a rational basis for their actions. Therefore, Plaintiff had standing to assert its due process and equal protection claims.

Next the court looked at whether the plaintiff's alleged injuries violated the due process clause of the 14th amendment which prohibits states from "depriving ... any person of life, liberty, or property without due process of law." Club Italia claimed that they were denied a property or liberty interest in the opportunity to bid without due process of law. Club Italia had to show (1) that it was deprived of a protected liberty or property interest, and (2) that such deprivation occurred without the requisite due process of law. A liberty interest refers to the right of the individual to contract, and to engage in any of the common occupations of life. A state actor's decision to deny a plaintiff a single contract only amounts to a restraint on business when those actions

preclude the plaintiff from entering into other contracts with the state, or besmirch the plaintiff's good name. The court reasoned that the defendant did not besmirch the plaintiff's name, nor did it preclude plaintiff from entering into any other contracts with the state, therefore the plaintiff failed to allege the deprivation of a liberty interest. A constitutionally protected property interest in a publicly bid contract can be demonstrated in two ways: a bidder can show that it was awarded the contract and then deprived of it, or that the county had limited discretion, which it abused, in awarding the contract. The court stated that the plaintiff was unable to show either of the requisite showings as the plaintiff was never deprived of a contract as it never bid, and that there was no abuse in discretion by the state. Therefore the court dismissed the due process claim.

To establish a claim for relief under the equal protection clause, a plaintiff must demonstrate that the government treated the plaintiff disparately as compared to similarly situated persons and that such disparate treatment burdens a fundamental right, targets a suspect class, or has no rational basis. The plaintiff asserts that the defendant had no rational basis for their actions. In order for the plaintiff to succeed under this claim they must prove that the defendant's decision was so unrelated to the achievement of any combination of legitimate purposes that the court can only conclude that the government's actions were irrational. The plaintiff would have to negative every conceivable basis which might support the government action, or demonstrate that the challenged government actions were motivated by ill will. The court concluded that the plaintiff cannot prove that the defendant lacked a rational basis for its actions because it appeared the defendant wanted to expedite the project and gave no indication of ill will. Therefore plaintiff's equal protection claim was dismissed and the order of the district court was affirmed.

The court of appeals decided that the Club Italia had standing to bring a claim under the due process and equal protection clauses of the 14th Amendment, but that the claim lacked a liberty or property interest. Bidding on projects is customary in the construction business and this case will help solidify a bright line rule for those who have not actually made a bid, but are potential bidders who feel that they have been wronged.