

Contract law. . analysis



Issue: The issue in this case is whether or not an enforceable contract was entered into between Wadsworth Construction and the of S. George, Utah.

Rules of Law:

An invitation to bid on a public contract is not an offer to contract but a solicitation for an offer. The contractor's bid is the offer to contract. To form a contract, the parties must mutually assent to the agreement.

In order for the contract to be enforceable: 1) it must be written as required by the Statute of Frauds; and, 2) the parties must mutually assent to the terms and conditions of the contract.

Application:

The Statute of Fraud which is a law in every state of America requires every contract to be in writing to be enforceable. 1 It must also be signed by the contracting parties, particularly the party to be charged. 2 In this case, the bid award must be signed by the authorized representative of the City of S. George, Utah for a greater chance for its enforceability.

Secondly, under the law of contracts, the elements of an enforceable contract are the following: offer, price, consideration, and acceptance. The offer must be accepted in its full terms in order for the contract to be binding. When the offeree made a counter-offer, the original offeror must communicate his acceptance to the counter offer in order for an enforceable contract to exist.

Lastly, in the case of Hadaller v Port of Chehalis (97 Wn. App. 750), the Court said:

" An invitation to bid on a public contract is not an offer to contract but a solicitation for an offerThe contractor's bid is the offer to contractTo form a contract, the parties must mutually assent to the agreementIn looking for

mutual assent, we do not consider the parties' subjective intent, instead, we ascertain intent from the objective manifestations, the parties statement and conduct."

In the said case, a contractor that bid on a public construction project sought damages from the public agency after the contract was awarded to another bidder. The Court held that an enforceable oral contract was not formed when the agency voted to award the contract to the contractor or when it informed the contractor he had been awarded the contract.

Applying the rules of law, the award of bid is not considered an enforceable contract because it was not reduced into writing which is a requirement under the Statute of Frauds. And considering it was reduced into writing, the contract is still unenforceable since no mutual agreement was entered into between the two parties which is an essential requisite in order for a contract to be enforceable.

Conclusion:

The Court should rule in favor of City of S. George, Utah because based from the facts of the case and applying the rules of law, no enforceable contract was formed between the two parties.

References

Baer, Miriam J. " When does a contract become enforceable'. Retrieved on April 12, 2009 at

Hadaller v Port of Chehalis (97 Wn. App. 750). Retrieved on April 12, 2009 at