

# [This in my opinion, the city has a](https://assignbuster.com/this-in-my-opinion-the-city-has-a/)

This is a case studyrelated to contract law between two parties, the City of Waterloo and asoftware development company, SoftX. SoftX programmers entered a tenderingprocedure conducted by the City of Waterloo to develop a custom software. Theirbid of $600, 000 was the lowest received, thus the bid was later accepted. However, at a later point, SoftX realized that the cost needed for this projectwould result in a deficit with the bid entered. SoftX attempted to withdrawfrom the contract but was declined by the City of Waterloo. The City contractedthe offer to the next highest bidder with $680, 000. Since SoftX revoked theirprevious contract, the City also decided to sue SoftX for the $80, 000difference.

The question arises, is the action brought by the City likely to besucceeded by the standpoint of law? In my opinion, the city has a greaterchance of winning based on the results of precedent cases and principles of lawestablished. The SoftX vs the City ofWaterloo case developed in a similar manner compared to the Imperial GlassLtd. v.

Consolidated Supplies Ltd. 1 case that occurred in 1960, BritishColumbia. Consolidated Supplies Ltd. prepared a bid using an incorrect pricefor its materials, the mistake was obvious which significantly lowered the costof the contract.

The supplier realized their mistake only after the contractwas solidified. The attempt of withdrawing from the contract only resulted infailure. In both cases, the tender offeror makes an unilateral mistake bymiscalculating the price figure of the offer, attempts to withdraw from it whenthe offer was already accepted. Also, both plaintiffs are aware of thepotentially mistakes made by the offeror and decide not do act upon it beforesigning. In the 1960 case, the court’s final judgement did not overturn themistake and put the offeror at fault. Due to the undeniable similaritiesbetween the two cases, it is expected that the decision of the court, of theSoftX case, would be identical.             Another major concept of law in thetendering process is Contract A.

Contract A forms when one partyresponses to the tender with a valid bid. It is stated that, “ Contract A, likeall contracts, could also include implied obligations” 2. In the case betweenSoftX and the City of Waterloo, it is stated that with the submission of the$600, 000 bid, “ the bid of was made irrevocable with a seal” 3. Therefore, withdrawing the bid is definitely a breach of contract by the side SoftX.             From the standpoint of law, it is hard toput the City at fault. Although it is debatable whether it is morally andethically correct to stay silent, instead of rejecting the opposing party beforean unilateral mistake is made.

The City, however, simply chose the best optionby procedure. In the end, it is rather difficult to condemn the plaintiff froma legal standpoint.             In conclusion, due to the similarities withprecedent cases and major principles of law applied on the case, it can be predictedthat the plaintiff, the City of Waterloo, would likely win the lawsuit againstSoftX in a convincing manner.