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the city has a



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This is a case study related to contract law between two parties, the City of Waterloo and a software development company, SoftX. SoftX programmers entered a tendering procedure conducted by the City of Waterloo to develop a custom software. Their bid 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 project would result in a deficit with the bid entered. SoftX attempted to withdraw from the contract but was declined by the City of Waterloo. The City contracted the offer to the next highest bidder with \$680,000. Since SoftX revoked their previous contract, the City also decided to sue SoftX for the \$80,000 difference.

The question arises, is the action brought by the City likely to be succeeded by the standpoint of law? In my opinion, the city has a greater chance of winning based on the results of precedent cases and principles of law established. The SoftX vs the City of Waterloo case developed in a similar manner compared to the Imperial Glass Ltd. v.

Consolidated Supplies Ltd. 1 case that occurred in 1960, British Columbia. Consolidated Supplies Ltd. prepared a bid using an incorrect price for its materials, the mistake was obvious which significantly lowered the cost of the contract.

The supplier realized their mistake only after the contract was solidified. The attempt of withdrawing from the contract only resulted in failure. In both cases, the tender offeror makes an unilateral mistake by miscalculating the price figure of the offer, attempts to withdraw from it when the offer was already accepted. Also, both plaintiffs are aware of the potentially mistakes

made by the offeror and decide not to act upon it before signing. In the 1960 case, the court's final judgement did not overturn the mistake and put the offeror at fault. Due to the undeniable similarities between the two cases, it is expected that the decision of the court, of the SoftX case, would be identical. Another major concept of law in the tendering process is Contract A.

Contract A forms when one party responds to the tender with a valid bid. It is stated that, "Contract A, like all contracts, could also include implied obligations" 2. In the case between SoftX and the City of Waterloo, it is stated that with the submission of the \$600,000 bid, "the bid 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 to put the City at fault. Although it is debatable whether it is morally and ethically correct to stay silent, instead of rejecting the opposing party before an unilateral mistake is made.

The City, however, simply chose the best option by procedure. In the end, it is rather difficult to condemn the plaintiff from a legal standpoint. In conclusion, due to the similarities with precedent cases and major principles of law applied on the case, it can be predicted that the plaintiff, the City of Waterloo, would likely win the lawsuit against SoftX in a convincing manner.