Difference Between Offer and Invitation treat

An offer is, if the maker of the statement clearly intends to be bound by acceptance of the stated terms the statement will amount to an offer. On the other hand, an invitation to treat is simply an expression of willingness to enter into negotiations. Distinction relies on intention.

An invitation to treat is when a client invites contractors to make him/her an offer. For example, when the client advertises a job on internet or newspaper, it is usually an invitation to treat rather than an offer. The offer only comes into existence after the client reviews the tenders handed in by the contractors and accept the offer.

An offer on the other hand is when the client offers the job to one contractor without advertising the job or having contractors to submit in the tender.

Making an invitation to treat, rather than an offer, protects the client from finding him/her self agreed into a contract he/she cannot fulfil. Instead the client can refuse the contractor’s offer for many different reasons.This can be a very important protection for the client making the offer if the advertisement for the job offers at long distance: for example, through the internet or newspaper. Always ensure that any website, advertisement etc make it clear that it is only an invitation to treat, not an offer.

Clients and contractors should have a clear understanding of the rules of offer and the invitation to treat in order to have a contract. Offer and invitation are the essential of a contract because without them there would not be a contract. The building contractor can negotiate with the client through the use of quoting and tendering and the client can choose the contractor based on the tender pricing, experiences, reputations, available of resources and so on. The client can decline the contractor for any reason because of the invitation to treat. The contractors are invited to bid for the work and the final decision is up to the client.