

QUESTION 8 THE ANSWER TO THIS QUESTION SHOULD GO IN BLUEBOOK III OR IN EXAMPLIFY ANSWER SCREEN 8

Township sought a builder to construct a police station in accordance with architectural requirements prepared by Architect. Township's advertisement for bids stated:

Bids are irrevocable for thirty days. The contract will be deemed awarded when formal notice of acceptance is sent to the selected builder by Township or Architect.

On January 1, Builder submitted what turned out to be the lowest bid. On January 20, Architect mailed Builder a deposit for the project and a set of architectural requirements. On February 5, Township's governing board approved awarding the contract to Builder. The next day, Builder informed Township that it was revoking its bid because it did not receive a formal notice of acceptance within thirty days of submitting its bid.

Contractor was the second lowest bidder. Within 30 days of receiving Contractor's bid, the Township sent a formal notice to Contractor, expressly accepting the bid. Shortly after receiving the notice, however, Contractor was offered an even more lucrative deal to build a warehouse for an online retailer. Contractor informed Township that it would not build the police station.

Township sued both Builder and Contractor for breach of contract. In Township's suit against Builder, Township argued that according to industry practice, the mailing of a deposit and architectural requirements constitutes notice of acceptance. In Township's suit against Contractor, Contractor argued that no valid contract was formed because the parties did not indicate in any of the documents whether the amount owed would be paid in even installments or at specified benchmarks in the construction process.

Township offered evidence of industry practice that would show 1) that the mailing of a deposit and architectural requirements constitutes notice of acceptance; and 2) that the usual method of payment was at specified benchmarks in the construction process.

Applying Michigan contract law, explain how a court should rule on each of Township's claims.