A lawn service company agreed in writing to purchase from a supplier all of its requirements for lawn care products during the next calendar year. In the writing, the supplier agreed to fulfill those requirements and to give the company a 10% discount off its published prices, but it reserved the right to increase the published prices during the year. After the parties had performed under the agreement for three months, the supplier notified the company that it would no longer give the company the 10% discount off the published prices.

Does the company have a viable claim against the supplier for breach of contract?

A. No, because the absence of a minimum quantity term rendered the company's promise illusory.

B. No, because the supplier could, and did, revoke its offer with respect to future deliveries.

C. Yes, because part performance of the agreement by both parties made it enforceable for the full year.

D. Yes, because the company's agreement to buy all of its lawn care products from the supplier made the agreement enforceable.

Explanation:

Contract terms for sale of goods

(Article 2 UCC)

Terms	**Requirements**	**Effect if missing**
Goods to be sold	Must be reasonably identified	No contract
Quantity	Must be certain or able to be made certain by reference to objective facts	
Price	N/A	Gap-filler: reasonable price at time of delivery
Time of delivery		Gap-filler: reasonable time

UCC = Uniform Commercial Code.

Article 2 of the **Uniform Commercial Code** (UCC) governs contracts for the **sale of goods**. Under the UCC, an offer becomes irrevocable once it is accepted. The resulting contract must contain **definite terms** that:

reasonably identify the goods to be sold *and*

specify a **quantity of goods** to be sold that is certain or **capable of being made certain** by reference to **objective facts**.

The quantity term is sufficiently definite in a requirements contract—ie, a contract for the sale of as many goods as the buyer needs during a specified period—because the buyer's actual requirements can be determined objectively.

Here, the lawn service company and the supplier entered into a requirements contract wherein the lawn service company agreed to buy all of its lawn care products from the supplier for one year at a 10% discount.* Although this contract did not contain a certain quantity, the terms were sufficiently definite because the company's actual requirements could be determined objectively. Therefore, the contract was enforceable for its entire one-year term, and the supplier breached the contract by refusing to give the discount three months later **(Choice B)**.

*The supplier reserved the right to increase its published prices—not to revoke the 10% discount on those prices.

(Choice A) A promise is illusory, and therefore unenforceable, if the promisor has *discretion* whether to perform at all (eg, X promises to buy such goods as X wishes to order from Y). But here, the absence of a minimum quantity term does not render the company's promise illusory since it is still *required* to buy (and the supplier is still required to sell) all lawn care products it actually needs.

(Choice C) A contract whose terms would otherwise be too vague to be enforced may become enforceable based on part performance if the parties' subsequent acts supply the needed clarification of the terms (not needed here).

Educational objective:

Contracts for the sale of goods must specify a quantity of goods to be sold that is certain or capable of being made certain by reference to objective facts—eg, the buyer's actual requirements for a product can be used to determine quantity under a requirements contract.

References

U.C.C. § 2-306 cmt. 2 (Am. Law Inst. & Unif. Law Comm'n 2020) (explaining that the quantity term is sufficiently definite in output and requirements contracts).