A significant opinion was rendered by the Massachusetts Court of Appeals recently regarding a contractor's right to hold a material supplier to its bid.

In *Loranger Construction Corp. v. E. F. Hauserman Co.*, decided on March 23, 1978, the Court held that under the doctrine of promissory estoppel, a contractor can bind a material supplier to his bid when the contractor used the supplier's bid in computing its own bid. If the supplier thereafter withdraws its bid, it may be liable for the difference in cost to get the materials from another supplier.

The theory of promissory estoppel permits recovery if (1) a promisor makes a promise which he should reasonably expect to induce action of forebearance of a definite and substantial character by the promise, (2) the promise does, in fact, induce such action or forebearance, (3) injustice can be avoided only by enforcement of the promise. In the Massachusetts case, the Court found that the material supplier submitted its bid knowing that the contractor might use its figure in its general bid. The supplier knew that if the contractor were awarded the contract, it would be bound by its bid price. Therefore, when the supplier withdrew its bid, the general was able to recover his damages in finding another material supplier.

The Court pointed out that to recover under the doctrine of promissory estoppel, the contractor may not "unreasonably delay" in accepting the supplier's bid. What constitutes a reasonable time is a jury question. The Court left open the question of whether bid-shopping by the contractor would defeat his recovery under the doctrine of promissory estoppel.