Alternative Dispute Resolution (ADR)

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The dispute between Jerry's Pizza and Dazzling Dough Co. there is a need to determine the legitimacy of the contract. Dazzling Dough Co. sells pizza dough to pizza makers. Jerry's pizza requested Dazzling Dough Co. to purchase pizza dough along with some other items. They responded back in the form of a contract which stated that Jerry's pizza agrees to purchase 200 pounds of pizza dough and other items for $30000. The contract was signed by Jerry's pizza, and after few days all the items were sent to them by Dazzling Dough Co. these included 125 pounds of pizza dough and 75 pounds of other items. Here, the source of dispute is the lack of proper communication between both the parties. Neither Jerry's pizza clearly mentioned the quantity of each item they requested nor the other party got clarification and clearly break down the items with the quantity they will be sent to Jerry's pizza. Jerry's pizza without knowing what exactly they are going to get signed the contract.

Both the parties' interpreted the contract in a different way and assumed that they had done their job. Dazzling Dough Co. assumed that they had communicated already what they would send and Jerry's pizza assumed that they would get 200 pounds dough along with other items, however, the contract at did not specify the quantity. Both parties have interpreted wrong on their ends. The seller must have clearly mentioned that they will be sending 125 pounds of dough and 75 pounds of other items, what they understood that Jerry's pizza wanted. At the same time, Jerry's pizza must have asked the quantity and price of each item before signing the contract. After they signed the contract, it means that they agree with the seller. Clear break down of quantity and price of each item was the missing factor in the contract that became the reason of dispute. It is proposed that revising the contract language with clarification of quantity of each item provided, for instance, “Jerry’s Pizza agrees to purchase 125 pounds of pizza dough and 75 pounds of other items (toppings, desserts and soft drinks) for $30000”. This makes the contract clear on which Jerry’s pizza could request for more before signing it.

It is unethical to enforce the terms of the contract at a party when the other party fails to understand. The fact of misinterpretation of the terms of the contract should be considered. The contract was vague in its terms and the language used had several interpretations. Therefore, both the parties should have room for flexibility in terms of the contract and can renegotiate.

The possible recommendations that can be made are to reduce the quantity of dough because Jerry’s has already bought the required quantity of dough from another seller. One more settlement option is that both the parties accept their mistakes and agree to settle the contract as none of them is solely responsible for ambiguity. If the price is overcharged, then Dazzling Dough Co. must agree to repay the additional amount. Few methods are available for dispute resolution that can be applied to this case and can be proposed to Dazzling Dough Co. Mediation will help in identifying the interest for both parties and solution will be based on that. alternative dispute resolution is recommended because it is fast, lest costly and resolve issues in a fair manner (“Contract enforcement and dispute resolution - OECD,” n.d.). Arbitration will allow the third party to take the decision after listening to opinions from both sides (“What are the Three Basic Types of Dispute Resolution?,” 2019). Negotiation is the most helpful way in which both parties settle to one single decision without the involvement of the third party.

References

Contract enforcement and dispute resolution - OECD. (n.d.). Retrieved January 21, 2019, from https://www.oecd.org/investment/toolkit/policyareas/investmentpolicy/contractenforcementanddisputeresolution.htm

What are the Three Basic Types of Dispute Resolution? What to Know About Mediation, Arbitration, and Litigation. (2019, January 15). Retrieved from https://www.pon.harvard.edu/daily/dispute-resolution/what-are-the-three-basic-types-of-dispute-resolution-what-to-know-about-mediation-arbitration-and-litigation/