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| **[The Mechanics of Bid Calling Contracts](https://public-api.wordpress.com/bar/?stat=groovemails-events&bin=wpcom_email_click&redirect_to=https%3A%2F%2Fmikebrandlyauctioneer.wordpress.com%2F2025%2F05%2F12%2Fthe-mechanics-of-bid-calling-contracts%2F&sr=0&signature=4aa95a5f919e327363109c336a29d46d&blog_id=10481119&user=a539b849fce1c4b185e14f3978a07912&_e=&_z=z)**   |  |  |  | | --- | --- | --- | | |  |  | | --- | --- | | A white and blue pattern  AI-generated content may be incorrect. | By **Mike Brandly** on May 12, 2025 |   Let's begin with a fact: Bid-calling (whether live, simulcast, or online) treats bids and acknowledgments as offers and acceptance. We have written about this topic numerous times, including the following:   * 2009: [https://mikebrandlyauctioneer.wordpress.com/2009/11/21/does-bid-calling-form-contracts/](https://mikebrandlyauctioneer.wordpress.com?action=user_content_redirect&uuid=88de3a4ccad140b059ce59a9e5f74fb649978f9769690baa293f712ecdfcf3ba&blog_id=10481119&post_id=65589&user_id=0&subs_id=131159709&signature=a3698d6a3802a10554917534047d58a9&email_name=new-post&user_email=john@auctionjohn.com&encoded_url=aHR0cHM6Ly9taWtlYnJhbmRseWF1Y3Rpb25lZXIud29yZHByZXNzLmNvbS8yMDA5LzExLzIxL2RvZXMtYmlkLWNhbGxpbmctZm9ybS1jb250cmFjdHMv&email_id=872b1ccfff50d4cd0a2b2a5c64f571b2) * 2014: [https://mikebrandlyauctioneer.wordpress.com/2014/08/11/bid-calling-is-just-numbers/](https://mikebrandlyauctioneer.wordpress.com?action=user_content_redirect&uuid=671705770105a2d8f28f31959a818ce51bfba34b8cead4fe78ac8f99f2d0013c&blog_id=10481119&post_id=65589&user_id=0&subs_id=131159709&signature=7481d765171c8b7018bce5078deb3671&email_name=new-post&user_email=john@auctionjohn.com&encoded_url=aHR0cHM6Ly9taWtlYnJhbmRseWF1Y3Rpb25lZXIud29yZHByZXNzLmNvbS8yMDE0LzA4LzExL2JpZC1jYWxsaW5nLWlzLWp1c3QtbnVtYmVycy8&email_id=872b1ccfff50d4cd0a2b2a5c64f571b2) * 2017: [https://mikebrandlyauctioneer.wordpress.com/2017/01/02/15-things-a-bid-calling-law-primer/](https://mikebrandlyauctioneer.wordpress.com?action=user_content_redirect&uuid=ef4a8e7d898699cd8ae8b2b192753c65256312b431176ac78bf9dea7b5da3a2c&blog_id=10481119&post_id=65589&user_id=0&subs_id=131159709&signature=e2f506cfedd23c951a1ebe38f52a6fda&email_name=new-post&user_email=john@auctionjohn.com&encoded_url=aHR0cHM6Ly9taWtlYnJhbmRseWF1Y3Rpb25lZXIud29yZHByZXNzLmNvbS8yMDE3LzAxLzAyLzE1LXRoaW5ncy1hLWJpZC1jYWxsaW5nLWxhdy1wcmltZXIv&email_id=872b1ccfff50d4cd0a2b2a5c64f571b2) * 2023: [https://mikebrandlyauctioneer.wordpress.com/2023/03/28/yes-auction-bid-calling-or-online-creates-contracts/](https://mikebrandlyauctioneer.wordpress.com?action=user_content_redirect&uuid=bec4af42b968a0a10c0302599eb9da672d32d7975661c7e0860a2a0bb1a06f6e&blog_id=10481119&post_id=65589&user_id=0&subs_id=131159709&signature=1db51554cc2c144557fc1e865a99bbce&email_name=new-post&user_email=john@auctionjohn.com&encoded_url=aHR0cHM6Ly9taWtlYnJhbmRseWF1Y3Rpb25lZXIud29yZHByZXNzLmNvbS8yMDIzLzAzLzI4L3llcy1hdWN0aW9uLWJpZC1jYWxsaW5nLW9yLW9ubGluZS1jcmVhdGVzLWNvbnRyYWN0cy8&email_id=872b1ccfff50d4cd0a2b2a5c64f571b2)   As we've shown, a contract is formed with each bid made by a bidder and the auctioneer's acknowledgment of that bid. Each bid is a legal offer, and each acknowledgment by the auctioneer is an acceptance, resulting in a binding contract for each transaction. Here's how this process unfolds:   * Invitation for Offers (by the Auctioneer) The auctioneer opens the auction by inviting bids (“invitation to treat” with intent) to contract. This is merely an invitation to make an offer. The auctioneer's call for bids does not itself create a binding contract. Instead, the auctioneer asks the public to make offers, and each bid placed is considered an offer to purchase the lot at the bid price. * Offer (by the Bidder) Each bid placed by a bidder constitutes an offer to buy the lot at that price, based on the auction terms set by the auctioneer and the bidder's intent to contract. The bid is a unilateral offer: the bidder is offering to purchase the lot under the terms and conditions stated by the auctioneer (e.g., payment method, buyer’s premium, and sale date). This offer is conditional until the auctioneer acknowledges it. * Acceptance (by the Auctioneer) Each time the auctioneer acknowledges a bid, it is an acceptance of the offer, forming a binding contract between the auctioneer and the bidder. This acceptance can occur verbally or through a nod or other gesture that signals the bidder's offer has been accepted. *"I have $75,000 here, and I want $80,000"* is one example of how the auctioneer acknowledges the acceptance (of $75,000), but any acknowledgment, whether verbal or non-verbal, results in a contract for that bid. * Each Bid is an Offer Each bid is an offer, and when the auctioneer accepts a bid, a binding contract is formed between the bidder and the auctioneer (on behalf of the seller). This contract is enforceable once the offer is accepted, meaning each transaction is treated independently. * Subject to Outbidding Even though each bid leads to a binding contract upon acceptance, a higher bid *-- placed before the auctioneer acknowledges the final acceptance of the current bid --* may replace it. In this way, a bidder’s offer can be outbid or replaced by a new offer and acceptance. * Subject to Retraction of Offers Bidders can retract their bids (offers) [voiding the contract] before the auctioneer denotes, *"Sold!"* forming a non-contingent contract with that bidder. After *"the hammer falls,"* the contract is binding and cannot be undone. The contract formed by the auctioneer’s final acceptance is enforceable regardless of the bidder's change of mind, provided there is no fraud or mistake. * Subject to Seller Withdrawal In a reserve auction, the seller has the right to withdraw the property [voiding the contract] at any time before the auctioneer’s final non-contingent acceptance. However, in an absolute auction, once the property is up for bid and a bid is made within a reasonable time, the seller is generally bound to sell and cannot withdraw the property, regardless of the bid amount. * In summary, each bidder's bid (offer) and acknowledgment (acceptance) by the auctioneer creates a contract with the following ingredients:   + Terms and conditions   + A valid bid (offer)   + Acknowledgment (acceptance) by the auctioneer   + Consideration (the agreed-upon payment)   + Legal capacity (from both parties)   + A lawful purpose (the lot must be legal to sell)   + Contingencies (higher bid, retraction, and possibly withdrawal)   + Freedom from fraud, duress, or mistake   In live, simulcast, and online auctions settings, each bid is a separate offer, and the auctioneer’s acknowledgment of that bid forms a binding contract. These contracts are enforceable individually for each transaction and are subject to retraction or outbidding (or possibly seller withdrawal) until the auctioneer officially closes the bidding (Sold!) to the highest bidder with a new contract lacking any of these aforementioned contingencies.  *Mike Brandly, Auctioneer, CAI, CAS, AARE has been an auctioneer and certified appraiser for over 30 years. His company’s auctions are located at*[*Mike Brandly, Auctioneer*](https://mikebrandlyauctioneer.wordpress.com?action=user_content_redirect&uuid=9a9bb62969940e62dc95317dfce2dbed92535abdc05487c79062cabf31e65f66&blog_id=10481119&post_id=65589&user_id=0&subs_id=131159709&signature=50b3348c7b798c6216f6199f7929e707&email_name=new-post&user_email=john@auctionjohn.com&encoded_url=aHR0cDovL3d3dy5tYmF1Y3Rpb25lZXIuY29tLw=&email_id=872b1ccfff50d4cd0a2b2a5c64f571b2)*,*[*Brandly Real Estate & Auction*](https://mikebrandlyauctioneer.wordpress.com?action=user_content_redirect&uuid=ebed0384066d14189fcf650b10f8f9dfb783359be507dfe8d8c5f1e8fb2c2b5c&blog_id=10481119&post_id=65589&user_id=0&subs_id=131159709&signature=695d4b807844ce0c1bf864c5e82f2288&email_name=new-post&user_email=john@auctionjohn.com&encoded_url=aHR0cDovL3d3dy5taWtlYnJhbmRseS5jb20v&email_id=872b1ccfff50d4cd0a2b2a5c64f571b2)*, and formerly at*[*Goodwill Columbus Car Auction*](https://mikebrandlyauctioneer.wordpress.com?action=user_content_redirect&uuid=9444a920c4f8ffaa2eab729c6276a1e0ecde9baa7288ee6609c58752064db20a&blog_id=10481119&post_id=65589&user_id=0&subs_id=131159709&signature=4fa3fe7817ef85d8af24893de228fb0c&email_name=new-post&user_email=john@auctionjohn.com&encoded_url=aHR0cHM6Ly93d3cuZ29vZHdpbGxjb2x1bWJ1cy5vcmcvZG9uYXRlL3ZlaGljbGVzLw=&email_id=872b1ccfff50d4cd0a2b2a5c64f571b2)*. He serves as Distinguished Faculty at*[*Hondros College*](https://mikebrandlyauctioneer.wordpress.com?action=user_content_redirect&uuid=6781f56b5f969b2ca428f58965b621c0925fc798d892c6232468687d8dccf815&blog_id=10481119&post_id=65589&user_id=0&subs_id=131159709&signature=ddb9c4d57a34a3fbc5471b017226d540&email_name=new-post&user_email=john@auctionjohn.com&encoded_url=aHR0cDovL3d3dy5ob25kcm9zLmNvbS8&email_id=872b1ccfff50d4cd0a2b2a5c64f571b2)*, Senior Instructor,*[*Colibri Group*](https://mikebrandlyauctioneer.wordpress.com?action=user_content_redirect&uuid=f8d0202f0edfa4a97c851b981a19aba2bb46403b73f0d9bd071698c2690870f7&blog_id=10481119&post_id=65589&user_id=0&subs_id=131159709&signature=289a416bfcdc0faa467b989c01886bfc&email_name=new-post&user_email=john@auctionjohn.com&encoded_url=aHR0cHM6Ly93d3cuY29saWJyaWdyb3VwLmNvbS8&email_id=872b1ccfff50d4cd0a2b2a5c64f571b2)*, Executive Director of*[*The Ohio Auction School*](https://mikebrandlyauctioneer.wordpress.com?action=user_content_redirect&uuid=f8a29a30072192bd9f6f0b1c9235ac4d73700b8dba39b06dc745fd201a2c32d3&blog_id=10481119&post_id=65589&user_id=0&subs_id=131159709&signature=cba07ac28929f282d97e2cc8e533e39f&email_name=new-post&user_email=john@auctionjohn.com&encoded_url=aHR0cDovL3d3dy50aGVvaGlvYXVjdGlvbnNjaG9vbC5jb20v&email_id=872b1ccfff50d4cd0a2b2a5c64f571b2)*, and*[*Western College of Auctioneering*](https://mikebrandlyauctioneer.wordpress.com?action=user_content_redirect&uuid=5eb945bfb9c5998643453727b561c8308b397a80b6471a4f0ee6357faf836f86&blog_id=10481119&post_id=65589&user_id=0&subs_id=131159709&signature=b17f972e60975a2f4d8dd2c0fe712c8f&email_name=new-post&user_email=john@auctionjohn.com&encoded_url=aHR0cHM6Ly93d3cuYXVjdGlvbnNjaG9vbHMuY29tLw=&email_id=872b1ccfff50d4cd0a2b2a5c64f571b2)*, and is approved by The Supreme Court of Ohio for attorney education. He has served as faculty at the*[*Certified Auctioneers Institute*](https://mikebrandlyauctioneer.wordpress.com?action=user_content_redirect&uuid=8ad50b0eb51fbcf39985ed85fd848293377d9d91e52a9cb773e30d326299be3a&blog_id=10481119&post_id=65589&user_id=0&subs_id=131159709&signature=53778f83e85cad75cce4c3b55ac6028d&email_name=new-post&user_email=john@auctionjohn.com&encoded_url=aHR0cHM6Ly93d3cuYXVjdGlvbmVlcnMub3JnL2NhaQ=&email_id=872b1ccfff50d4cd0a2b2a5c64f571b2)*held at*[*Indiana University*](https://mikebrandlyauctioneer.wordpress.com?action=user_content_redirect&uuid=afedf87912d58036110411c61af5924d362f67546c9446713e26b25ea349ff65&blog_id=10481119&post_id=65589&user_id=0&subs_id=131159709&signature=94330be0c51245b3669fc35308a4772b&email_name=new-post&user_email=john@auctionjohn.com&encoded_url=aHR0cDovL3d3dy5pdWIuZWR1Lw=&email_id=872b1ccfff50d4cd0a2b2a5c64f571b2)*and the*[*National Auction Association’s*](https://mikebrandlyauctioneer.wordpress.com?action=user_content_redirect&uuid=409aae02b9157f707ae50a8431a9cf118727405f8d463853337efac3dfb39443&blog_id=10481119&post_id=65589&user_id=0&subs_id=131159709&signature=f6774aeb5de6c1287dad0643816bdf8a&email_name=new-post&user_email=john@auctionjohn.com&encoded_url=aHR0cHM6Ly93d3cuYXVjdGlvbmVlcnMub3JnLw=&email_id=872b1ccfff50d4cd0a2b2a5c64f571b2)[*Designation Academy*](https://mikebrandlyauctioneer.wordpress.com?action=user_content_redirect&uuid=faefc0b47cac415267e66afc8a42b94a86db3c599808aace35cbb30c1e58c8a5&blog_id=10481119&post_id=65589&user_id=0&subs_id=131159709&signature=baba7fcd953c17e2311a7cde731105a8&email_name=new-post&user_email=john@auctionjohn.com&encoded_url=aHR0cHM6Ly93d3cuYXVjdGlvbmVlcnMub3JnL2Rlc2lnbmF0aW9uc19hbmRfY2xhc3Nlcw=&email_id=872b1ccfff50d4cd0a2b2a5c64f571b2). |  |  |  |  |  | | --- | --- | --- | --- | | |  |  | | --- | --- | | |  | | --- | | [Comment](https://public-api.wordpress.com/bar/?stat=groovemails-events&bin=wpcom_email_click&redirect_to=https%3A%2F%2Fmikebrandlyauctioneer.wordpress.com%2F2025%2F05%2F12%2Fthe-mechanics-of-bid-calling-contracts%2F%23respond&sr=0&signature=8362917497d1c1aebbb9bac9ee8bc619&blog_id=10481119&user=a539b849fce1c4b185e14f3978a07912&_e=&_z=z) | | |  | | |  |  | | --- | --- | |  | You can also reply to this email to leave a comment. | | | |