

## SUMMARY STATEMENT

*Eagle Rock Timber, Inc. v. Teton County*

Docket No. 49373

This appeal concerned a dispute over a public works contract involving 1.6 miles of road reconstruction in Teton County, Idaho. After submitting the winning bid, Eagle Rock Timber, Inc. contracted with Teton County to reconstruct a stretch of Chapin Lane. During the course of the project, Eagle Rock claims it discovered unsuitable base material under portions of the road. Eagle Rock maintains Teton County's agent directed Eagle Rock to remove the material and said that the county would "make it right." However, when Eagle Rock sought payment for an amount in excess of the original contract price to cover its work, Teton County denied Eagle Rock's request, stating that it had not authorized any changes in the contract.

When the parties could not resolve this dispute over the amount owed, Eagle Rock brought suit. The district court granted Teton County's second motion for summary judgment, ruling that since Teton County's agent did not have actual or apparent authority to bind Teton County under the contract, the claims asserted by Eagle Rock failed as a matter of law. Eagle Rock timely appealed.

On appeal, the Idaho Supreme Court reversed the district court's grant of summary judgment because there were genuine issues of material fact precluding the grant of summary judgment. The Court held that the conflicting manifestations of authority—in both the contract and in the actions of Teton County's agent—created an issue of fact for a jury to resolve as to whether the agent had actual or apparent authority to authorize the additional work. The Court also reversed the district court's denial of leave to amend the complaint because the district court failed to set forth the basis for its conclusions and leave was not "freely given" by the district court as required. Accordingly, the grant of attorney fees below to Teton County was also reversed because Teton County should not have prevailed below. The Court, however, affirmed the district court in not considering the ratification issue because it was beyond the scope of the pleadings.

***\*\*\* This summary constitutes no part of the opinion of the Court, but has been prepared by court staff for the convenience of the public. \*\*\****