

Contract Terms & Conditions for Purchase Orders

1. **Packing:** All items shall be prepared and packaged for shipment in a manner that will prevent damage in transit. Purchaser is not liable for extra charges for packing, cartage, or anything else unless stated in this order.
 2. **Inspection:** All goods and services shall be subject to inspection and approval by Purchaser at all reasonable times including inspection during manufacture. Inspection and approval by Purchaser at Seller's plant does not preclude rejection for defects upon discovery by subsequent inspection. Any goods and services rejected by Purchaser shall be promptly repaired or replaced at Seller's expense. Any and all costs incurred by Purchaser in connection with the return of goods rejected by Purchaser as defective, shall be at Seller's risk and expense.
 3. **Acceptance:** Seller shall suitably pack, mark and ship in accordance with their normal procedure and the requirements of common carrier of any written instructions from Purchaser. Seller shall secure the lowest cost transportation available consistent with the services required. Delivery of any goods or services shall not be deemed to be complete until actually received and accepted by Purchaser. Purchaser's count will be accepted as final and conclusive on all shipments. Items delivered in error shall be returned at Seller's expense at Purchaser's option.
 4. **Risk of Loss:** Regardless of FOB point, Seller agrees to bear all risks of loss, injury or destruction of goods and materials ordered herein which occur prior to delivery; and such loss, injury or destruction shall not release Seller from any obligation hereunder.
 5. **Warranty:** Seller warrants that it has good and merchantable title to the goods sold hereunder and that said goods shall conform to the description and applicable specifications and samples. Such goods shall be of good merchantable quality and fit for the known purpose for which sold, and are free and clear of all liens and encumbrances. Seller and Purchaser agree that this order does not exclude, or in any way limit, other warranties provided for in this agreement or by law.
 6. **Compliance with Laws:** Seller represents and warrants that the performance of this order and the furnishing of goods called for shall be in accordance with the applicable standards, provisions and stipulations of all pertinent federal state or city laws, rules, regulations, and ordinances including but not limited to the Fair Labor Standards Act, the Equal Employment Opportunity rules and regulations, the Transportation Safety Act and the Occupational Safety and Health Acts.
 7. **Assignment:** Either this contract or any claim against Purchaser arising directly or indirectly out of or in connection with this contract shall be assignable by Seller without Purchaser's consent in writing
 8. **Amendments:** No amendment, modification or supplement to this contract shall be binding unless it is in writing, signed by a corporate officer or his authorized representative. All notices under this contract shall be in writing and addressed to Purchaser or Seller as the case may be, and directed to the individuals specified on the face of this contract.
 9. **Termination:** When in the city's best interest, the city at its own option, may cancel this agreement at any time, whether or not Seller is in default of any of its obligations hereunder. Upon any such cancellation, Seller agrees to waive any claim for damages, including loss of anticipated profit on account hereof. However, Purchaser agrees that Seller shall be paid for items already accepted by Purchaser, but in no event shall Purchaser be liable for any loss of profits on the order or portion thereof so terminated. Either party may terminate this agreement at any time for the failure of the other to comply with any of its terms and conditions.
 10. **Waive of Breach:** No waiver by either party of any breach of any of the covenants or conditions herein contained, performed by the other party, shall be construed as a waiver of any succeeding breach of the same or of any other covenant or condition.
 11. **Agreement:** This agreement shall be governed by the laws of the State of Michigan. The parties agree that the conditions of purchase stated herein and all statements on the purchase order hereof set forth their entire agreement. If a Contract number is referenced on the purchase order, the Contract takes precedence to this document.
 12. **Liability and Indemnity:** Seller agrees to protect, defend, reimburse, indemnify and hold Purchaser, its affiliates and the employees and agents of Purchaser and affiliates free and harmless at all times from and against any and all claims, liabilities, expenses, losses, demands, damages, fines and causes of action of every kind and character made, incurred, sustained or initiated by any party hereto, any party acquiring any interest hereunder, any agent or employee of any party hereto, any third or other party whomsoever, or any government agency, arising out of, incident to, or in connection with this order, or in the performance, nonperformance or purported performance of the work or services or breach of the terms hereof.
 13. **Insurance:** During the performance of all work hereunder, Seller shall take out, carry and maintain in insurance company or companies, and in policies of insurance acceptable to Purchaser, the following insurance with limits not less than indicated for the respective items or as otherwise agreed.
 - a. WORKER'S COMPENSATION, including Employer's Liability Insurance, complying with laws of the State in which the work is to be performed or elsewhere as may be required. Employer's Liability Insurance shall be provided with a limit not less than \$100,000.
 - b. COMPREHENSIVE GENERAL LIABILITY INSURANCE, including Contractual Liability and Products-Completed Operations Liability as well as coverage on all Seller's equipment (other than motor vehicles licensed for highway use) owned, hired or used in the performance of this contract, with limits not less than: \$500,000 – Bodily Injury & Property Damage combined each occurrence and aggregate.
 - c. If performance of this contract requires use of motor vehicles licensed for highway use, Seller shall provide the following insurance: AUTOMOTIVE LIABILITY INSURANCE, including Contractual Liability, covering all motor vehicles owned, hired or used in the performance of this contract, with limits not less than: \$500,000 – Bodily Injury & Property Damage combined each occurrence.
- Should Purchaser so request, Seller shall supply certificates evidencing coverage of such insurance during the term of this contract.
14. **Ownership:** The seller shall assign ownership to the city for any materials developed for city use, including, but not limited to CAD, blueprints, logos, negatives, camera ready art, videos, as-built drawings and designs.
15. **Payment Terms:** Payment shall be made within 30 days of the submittal of a correct invoice for work performed or goods received, unless otherwise agreed upon in writing and duly authorized by both parties. Expenses shall be billed at cost, and must be supported by actual receipts. Mileage and per diem rates, if applicable, shall not exceed the federal rates.

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