



Blanket Order Terms & Conditions

1. Quantities

Quantities identified in this Blanket Order are estimates of the City of Vernon's annual consumption. However, requests and/or subsequent delivery shall be taken only in accordance with actual requirements of the City. The City shall not be obligated to purchase any or all of the material specified herein.

2. Quality Assurance

The specifications as identified herein shall govern any or all materials not conforming to the specification and/or not considered acceptable to the City which shall be returned to the Vendor at the Vendor's expense. No substitution of materials will be permitted unless previously agreed to by the Buyer. Materials and workmanship shall meet or exceed all applicable specifications and Vendor shall be responsible for all inspection and testing specified or required by law, applicable codes, and sound manufacturing and industry practice.

3. Warranty

Vendor shall warrant the goods/services furnished hereunder to be free from defects in material and workmanship for a period of twelve (12) months from the installation, commissioning, or commercial operations / use (unlimited hours) or eighteen (18) months from the date of receipt by the City, whichever occurs first.

4. Freight & Shipment Schedule

Shipments (hereinafter called "releases") shall be made as requested by the City on an as required basis. All freight shall be **prepaid**. The City will not accept freight charges.

5. Packaging

All shipments shall be suitably packaged by release to prevent loss or damage to contents at not charge to the City. Vendor shall clearly identify the purchase order number and Releaser's name on the package. Where applicable the Vendor shall clearly identify all toxic materials and provide the Buyer in advance with procedures for safe handling in accordance with W.H.M.I.S. regulations.

6. Authorized Releaser

Only the authorized Releaser (identified on the Purchase Order) shall request materials / services. Vendor shall prepare two (2) copies of the invoice and one (1) packing slip as available for confirmation and payment which shall accompany each release shipment. Releases shall be placed via telephone, fax or email.

7. Stocking Requirements

Vendor shall carry adequate inventory at all times to ship required materials within two (2) days from date of release. Vendor further guarantees that a minimum average of ninety-five percent (95%) of all releases shall be shipped complete within two (2) days from date of release, and one hundred percent (100%) of all releases shall be shipped complete within five (5) days from date of release. The City reserves the right to purchase elsewhere any items not shipped within the required period of time.

8. Renegotiation

This blanket order shall be subject to renegotiation at the City's request following results of the City's audit and / or periodic assessment of Vendor's performance hereunder and / or for the purposes of clarification (increase / decrease) to scope of supply / work upon thirty (30) days prior written notice to Vendor. This blanket order shall be subject to renegotiation at Vendor's request by submission of detailed justification for negotiation in writing upon thirty (30) days prior notice to the City. Renegotiation including consideration of Vendor's request to renegotiate shall occur at the City's sole discretion with resolution within ninety (90) days from the date of notification. The terms and conditions contained herein shall apply during renegotiation.

9. Cancellation

The City shall cancel this blanket order for reasons of unsatisfactory performance by the Vendor upon thirty (30) days written notice to the Vendor. The sole judge of satisfactory performance shall be the City. This blanket order shall be cancelled for any or all of the following reason:

Inadequate quality, quantity and / or services, failure of Vendor to comply with the terms and conditions contained herein, or if agreement is not reached within ninety (90) days from date of written offer to renew / renegotiate.

10. Renewal

This blanket order may be renewed (extended) for an additional period not exceed twelve (12) months at the City's sole discretion provided that the Vendor has submitted a written offer to renew not later than sixty (60) days prior to the expiration date of this order and that such offer complies in all respects to the terms and conditions contained herein. The City shall accept or reject Vendor's written offer to renew within thirty (30) days prior to the expiration date of this blanket order. Renewal, if accepted, shall be authorized by written revision to this blanket order or by issuance of a replacement blanket order.

11. Expiration

This blanket order shall expire automatically on the expiry date as shown. Upon expiry, the City shall not be obligated to purchase any portion of Vendor's inventory held on behalf the City.

12. Return Privileges

The City reserves the right to return goods, freight prepared to Vendor's facility during the term of this blanket order as a result of the City-caused reasons limited to release quantity error or release item error. The City reserves the right to return goods, freight collect to Vendor's facility during the term of this blanket order as a result of other reasons such as (but not limited to) inadequate quality, quantity, or service, product obsolescence, or the City overstock. Full one hundred percent (100%) credit shall apply for all returned goods.

13. Reports

Vendor shall provide usage reports on an as requested basis to the City. The following reports are to be submitted to the Buyer's attention:

- Total monthly value of releases showing part number and quantity
- Total monthly value of releases

14. Acceptance

Vendor agrees to the terms and conditions contained herein. Execute and return via fax to the Buyer:

Vendor: _____

Authorized Rep: _____

Title: _____

Signature: _____

Date: _____

May 18, 2011