

Standard Purchase Order (PO) Terms & Conditions

Version Date: April, 2021

1. Application of these Standard PO Terms & Conditions:

These Standard Purchase Order Terms and Conditions shall be incorporated into any duly issued District of Lake Country (the "District") Purchase Order (a "PO") and will be binding on the Supplier identified on the PO.

2. Complete Agreement:

The PO, including the following terms and conditions, plus any Contract Documents listed on the PO, shall constitute the entire contract between the parties for the goods and/or services covered by the PO. No revisions or modifications of the terms of the PO shall be binding on the District unless given in writing by an authorized employee of the District and confirmed by a written amendment to the PO.

These Standard PO Terms and Conditions are superseded when a duly executed Agreement between the Supplier and the District is executed and takes precedence.

These Standard PO Terms and Conditions shall take precedence over any terms and conditions that may be contained in, or referenced on, a Supplier's quotation. The Supplier shall be considered to have accepted these Standard PO Terms and Conditions when the Supplier is in receipt of the PO and commences the supply or services.

3. Required Documentation:

Failure to meet the following documentation requirements may result in the goods being returned at the Supplier's cost or invoices being rejected:

- a) The PO number must be shown on all related invoices, shipping papers, transportation bills, packages, packing lists and correspondence.
- b) A separate invoice must be generated for each shipment or delivery.
- c) A packing list is to be included with each shipment.
- d) Where applicable, serial numbers are to be shown on the invoice including serial numbers of trade-in equipment.
- e) The Supplier will provide the appropriate labels and Material Safety Data Sheets (MSDS) for WHMIS regulated products.
- f) No product containing asbestos shall be supplied at any time without written authorization.

4. Price and Price Adjustments:

The price(s) / rates(s) agreed to between the District and the Supplier and stated on the PO shall not be adjusted unless a written amendment to the PO has been issued by the District.

Where a "Not to Exceed" or "Fixed Lump Sum Price Fee" amount is specified on the PO, the Supplier shall not be entitled any compensation above this amount whatsoever, unless a written amendment to the PO has been issued by the District.

Except as expressly provided in the PO or PO Contract Documents, the Supplier shall be solely responsible for all costs and expenses associated with supplying the goods or performing the services and the Supplier's other obligations, including costs of manufacturing, assembly, storage, labour, supervision, management, overhead, insurance, goods, transportation, travel, fuel, delivery, tools, supplies and materials, office expenses, brokerage costs, import duties and taxes (except GST and PST on the goods and the services as applicable).

Unless as otherwise noted on the PO, prices shall include delivery and carriage to Lake Country, BC as per the Incoterms 2020 definition "DDP" (Delivered Duty Paid).

5. Invoices & Payment:

All invoices shall be sent to Accounts Payable at: accountspayable@lakecountry.bc.ca

Unless otherwise stated on the PO, invoices shall be paid within 30 calendar days of the date of invoice receipt.

Invoices shall provide a line item / detail on each separate good or service listed on the PO, along with the applicable price or unit as per the PO. Taxes are to be shown separately on all invoices.

6. Substitutions:

The substitution of goods, products and/or materials listed in the PO or PO Contract Documents will not be accepted unless an authorized District employee provides confirmation in writing that the substitution will be accepted. Authorization must be obtained by the Supplier in advance of supply. The District will generally not accept substitutions unless the substitution is equal or better in performance, durability, availability, or value.

7. Delivery and/or Completion:

Delivery of the goods and/or completion of the services will be made free and clear of all liens and encumbrances within the time frame, and to the destination as agreed on the PO (including Contract Documents listed on the PO).

In the event of failure to meet this condition, the District may, at its sole discretion, cancel the purchase of the goods and/or services without liability or penalty, and the Supplier will be held liable for any and all expenses or losses resulting from such failure. The District will also be entitled to the return of all monies paid by the District with respect to the purchase.

The Supplier will ensure and fully comply with the Transportation of Dangerous Goods Act and Regulations when shipping goods to the District.

8. Customs:

For any shipments originating outside of Canada, the Supplier shall attach all required customs documents to the shipment. Payment of duties will be as per the terms of the PO.

9. Order Fulfillment:

Time is of the essence. The Supplier must immediately advise the District contact person identified on the PO of a shortage or delay of any kind. If delivery of goods and/or services is not completed by the delivery date as stated in the PO or PO Contract Documents, then the District reserves the right to terminate this PO in whole or in part and to purchase substitute goods and/or services elsewhere and charge the Supplier with any incidental or consequential damages that might be incurred.

10. Inspection and Acceptance:

All goods and/or services may be subject to inspection and testing by the District and/or its representative and, in the event that the goods and/or services are defective in material or workmanship or otherwise not in accordance with the description or specifications stated in the PO or PO Contract Documents, the District will

have the right to reject the goods and/or services or require their correction.

The District will notify the Supplier of the rejection of any goods and/or services which are defective in material or workmanship or otherwise not in accordance with the description or specifications. All such rejected goods and/or services will be held subject to disposition at the Supplier's risk and expense. No acceptance by, or on behalf of, the District will release the Supplier of its obligations under guarantees as further stated hereunder.

Transfer of title will occur at time of final inspection and acceptance by the District.

11. Warranty:

Without limitation to any additional warranties provided by the Supplier, whether indicated on the PO / PO Contract Documents or otherwise provided, the Supplier warrants that:

- a) All goods/services shall be of merchantable quality and free from defects in workmanship and materials;
- b) All goods/services shall strictly conform to applicable PO Contract Documents, including any samples, specifications and drawings;
- c) All goods/services shall be fit for the purposes intended by the District;
- d) All goods/work shall be free and clear of liens, charges and encumbrances;
- e) All goods/services shall comply with the standards set forth by applicable federal, provincial, municipal and industry regulatory agencies;
- f) The shipping and handling of any hazardous materials will be made in accordance with all applicable laws and regulations; and
- g) The goods/services shall comply with all applicable environmental protection laws and regulations.

Unless a longer warranty period is specified on the PO / PO Contract Documents or is otherwise provided, the foregoing warranty shall be valid for 12 months from the date of delivery/completion and acceptance of the goods and services by the District. If at any time prior to the expiration of any applicable warranty period, any weakness, deficiency, failure, breakdown or deterioration in workmanship or material should appear or be discovered in the goods and/or services furnished by the Supplier, or if the goods and/or services do not conform to the terms and conditions of the PO or PO Contract Documents, the District may at its option:

- a) Require the Supplier to promptly replace, re-design or correct the defective and non-conforming goods and/or services at no expense to the District, or
- b) The District may replace or correct the defective goods and/or services and charge the Supplier with all expenses incurred by the District. The Supplier agrees to indemnify and save harmless the District, its members, officers, employees, assigns, agents, clients and the public from any liability, loss, cost and expense arising either directly or indirectly, from breach of any warranty given by the Supplier hereunder.

12. CSA & Electrical Safety:

All good supplied under this PO must meet or exceed CSA standards where this standard applies.

Any electrical equipment used in performance of the PO must be certified by an accredited certification organization acceptable to the District. All costs of approval will be at the Supplier's expense.

13. Software:

It is the Supplier's responsibility to ensure that the District has all licenses required to use any software that may be supplied by the Supplier pursuant to the PO.

14. Permits & Licenses:

The Supplier, their employees, agents and vehicles shall have and maintain valid permits and licenses as required by law for the execution of services detailed in the PO.

The Supplier shall conform to all federal, provincial, and District acts and regulations that may apply to the operation of the PO. The Supplier is required to obtain and pay for all necessary permits, licenses and inspection fees.

Certified copies of required permits/licenses will be made available upon request by the District.

15. Insurance:

All Suppliers / contractors providing services to the District are required at a minimum to carry the following insurance:

Type of Insurance:	Limit of Liability:
Comprehensive General Liability, which includes: <ul style="list-style-type: none"> • Products/Completed Operations; • Blanket Contractual; • Contractor's Protective; • Personal Injury; • Contingent Employer's Liability; • Broad Form Property Damage; • Non-Owned Automobile; and • Cross Liability Clause. 	\$2,000,000 per occurrence
Automobile Liability	\$2,000,000 per occurrence

Any deductible or reimbursable clause contained in any policy shall not apply to the District of Lake Country and shall be the sole responsibility of the Supplier / contractor.

16. WorksafeBC:

Any Supplier providing services to the District will strictly comply with all rules and regulations under the Worker's Compensation Act or any successor legislation.

The Supplier must, for the duration of the services, be registered as an 'Independent Business' with WorkSafeBC with a WorksafeBC Clearance Letter status showing the Supplier is "Active and in good standing". Additionally, the Supplier shall ensure WorksafeBC coverage is provided for the Supplier, all workers and any shareholders, directors, partners or other individuals employed or engaged in the performance of the services. If the Supplier is an individual or a partnership of individuals and does not have the benefit of mandatory workers compensation coverage under the Workers Compensation Act in British Columbia, the Supplier must apply for and maintain Personal Optional Protection under the Workers Compensation Act.

The Supplier agrees that it is the "Prime Contractor" for the purposes of the Worker's Compensation Act and Regulations, unless otherwise advised and accepted in writing by an authorized officer, employee or agent of the District.

17. Indemnification:

The Supplier shall be liable for all direct and consequential losses, damages, costs and expenses (including legal fees and disbursements on a solicitor and own client basis) incurred or suffered by the District, its past and present elected officials, officers, employees and agents (the "Indemnitees") including but not limited to damage to or loss of property, loss of use of property, and injury to or death of a person or persons resulting from the negligent acts, errors or omissions of the Supplier in its performance of the services under this PO, save and except to the extent that such losses, damages, costs and expenses are as a result of the negligent acts, errors or omissions of the Indemnitees and are actionable and sustainable against the Indemnitees pursuant to British Columbia law.

The Supplier shall defend, indemnify and hold harmless the Indemnitees from and against all claims, demands, actions, proceedings and liabilities whatsoever, and all losses, damages, costs and expenses (including legal fees and disbursements on a solicitor and own client basis) incurred in connection therewith, resulting from

the negligent acts, errors or omissions of the Supplier in its performance of the services under this PO, save and except to the extent that such claims, demands, actions, proceedings, liabilities, losses, damages, costs or expenses arise out of the negligent acts, errors or omissions of the Indemnitees and are actionable and sustainable as against the Indemnitees pursuant to British Columbia law.

The Supplier's obligations under this section do not limit or affect any other rights or remedies the District may have against the Supplier in relation to the Supplier's performance or breach of the terms and conditions of this PO.

This section shall survive expiry or termination of this PO.

18. Liability for Breach:

In the event that the Supplier breaches the terms of this PO, and regardless of the District's rights under Section 17 herein, the Supplier shall be liable to the District for all direct damages, costs and expenses (including legal fees and disbursements on a solicitor and own client basis) incurred or suffered by the District as a result of the Supplier's breach.

19. Business Registration:

All Suppliers conducting services at District facilities shall have a valid District of Lake Country or multi-region business license if required as per District of Lake Country Business License Bylaw No 1000, 2017.

20. Supplier's Employees:

The Supplier represents and warrants to, and covenants with, the District that the Supplier and the Supplier's employees who perform the services, including the Supplier personnel, have and shall have the education, training, skill, experience and resources necessary to perform the services in accordance with the PO and the Supplier acknowledges and agrees that the District has entered into this agreement relying on the Supplier's representations, warranties and covenants.

The Supplier's representatives shall be under the exclusive supervision of the Supplier. All responsibility and authority for hiring, training, supervision, direction, compensation, discipline, termination, and administration of the Supplier's representatives, and all cost or expenses related thereto, rest exclusively with the Supplier.

21. Waiver & Limitations of Liability:

The Supplier hereby waives and disclaims any right of action or claim against the District (other than for payment of the purchase price set forth on the PO) for any liability, loss, cost and expense arising directly or indirectly from its supply of the goods and/or services listed on the PO.

If, regardless of the foregoing, the District becomes liable on any basis to the Supplier, its liability shall not in the aggregate exceed the purchase price set forth on the PO.

22. Confidentiality:

Technical information, specifications, drawings, designs, building and floor plans and other documentation relating to the business or activities of the District disclosed by the District to the Supplier pursuant to this PO shall be held in strict confidence by the Supplier and shall remain the exclusive property of the District and may not be copied or reproduced without the express written consent of the District.

23. Conflict of Interest:

It is the Supplier's sole responsibility to disclose to the District if any Council member for the District or any District employee or agent involved in the award of the work under this PO (e.g. the request for quote process, or issue of the PO) has or will have a direct or indirect pecuniary interest in this order with the District.

24. Intellectual Property:

The Supplier shall defend, indemnify and hold harmless the District, its members, officers, employees, agents, clients, and the public from any expense, cost, loss, claim, damage, judgment or liability for infringement or alleged infringement of third party intellectual property rights including any patent, copyright, industrial design, trademark or trade secret with respect to the goods and/or services and their process of manufacture. The Supplier shall at its own expense defend or assist in the defence of, at the District's option, any action in which such infringement is alleged.

25. Governing Law:

This Purchase Order will be governed by, and construed according to, the laws of the Province of British Columbia, Canada and the Supplier agrees to attorn to the courts of British Columbia.

26. Freedom of Information & Protection of Privacy:

The Supplier acknowledges that the District is subject to the *Freedom of Information and Protection of Privacy Act* (the "FIPPA"), that the District may be legally obligated to disclose to a person parts, or all, of this PO and any documents legally connected to this PO, and that the authority of the District to refuse to disclose a record containing third party confidential information is limited as set out in Section 21 of the FIPPA.

27. No Promotion of Relationship:

The Supplier must not disclose or promote its relationship with the District, including by means of any verbal declarations or announcements and by means of any sales, marketing or other literature, letters, client lists, press releases, brochures or other written materials without the express prior written consent of the District.

28. Assignment:

No right of interest in this PO shall be assigned by either party without the written consent of the other and no delegation of any obligation owed, or of the performance of any obligation by either the District or Supplier shall be made without the written consent of the other party.

29. Changes/Modifications/Termination:

The District reserves the right at any time, to cancel or terminate this PO in whole or in part by written or verbal notice confirmed in writing or to make changes in any one or more of the following: quantity, specifications, methods of shipment or packing, and place or timing of delivery. If any such change causes a change in the cost of or the time required for performance of this PO, an equitable adjustment shall be mutually agreed in the price or delivery schedule, or both. No agreement or understanding to modify this PO shall be binding on the District unless it is confirmed in writing and authorized by the District's authorized employee.

30. Force Majeure:

The Supplier is not liable for failure to perform the obligations as set out in the PO as a result of acts of God (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, or act of foreign enemies. If the Supplier asserts Force Majeure as an excuse for failure to perform their obligations, they must prove that reasonable steps were taken to minimize delay or damages caused by foreseeable events, that the Supplier substantially fulfilled all non-excused obligations, and that the District was timely notified of the likelihood or actual occurrence of the event which invoked the force majeure.