

SECTION III

TERMS AND CONDITIONS FOR SERVICES OR THE PURCHASE OF

APPARATUS, SUPPLIES, MATERIALS, OR EQUIPMENT

NOT SUBJECT TO A FORMAL BID

These Terms and Conditions, made and entered into on this purchase order date and between GREENVILLE UTILITIES COMMISSION OF THE CITY OF GREENVILLE, PITT COUNTY, NORTH CAROLINA, with one of its principal offices and places of business at 401 S. Greene Street, Post Office Box 1847, Greenville, Pitt County, North Carolina 27835-1847, hereinafter referred to as "GUC" and the vendor as identified on the purchase order, hereinafter referred to as "PROVIDER";

1.0 TAXES

No taxes shall be included in any bid prices. GUC is exempt from Federal Excise Tax. GUC is not exempt from North Carolina state sales and use tax or, if applicable, Pitt County sales and use tax. Such taxes shall be shown as a separate item on the invoice.

2.0 INVOICES

It is understood and agreed that orders will be shipped at the established contract prices and quantities in effect on dates orders are placed. Invoicing at variance with this provision may subject the contract to cancellation. Applicable North Carolina sales tax shall be invoiced as a separate line item. All invoices must bear the GUC purchase order number. Mail all invoices to Greenville Utilities Commission, Finance Department, P. O. Box 1847, Greenville, N.C. 27835-1847.

3.0 PAYMENT TERMS

Payments for apparatus, supplies, materials, equipment or services will be made after the receipt and acceptance and after submission of a proper invoice. GUC's normal payment policy is thirty (30) days. GUC will not be responsible for any goods delivered without a purchase order having been issued. Payment will be made in U. S. currency only.

4.0 CONDITION AND PACKAGING

It is understood and agreed that any item offered or shipped shall be new and in first class condition, that all containers shall be new and suitable for storage or shipment, and that prices include standard commercial packaging.

5.0 SPECIFICATIONS

Any deviation from specifications must be clearly pointed out, otherwise, it will be considered that items offered are in strict compliance with specifications, and the Provider will be held responsible. Deviations must be explained in detail. **The Provider shall not construe this paragraph as inviting deviation or implying that any deviation will be acceptable.**

6.0 AWARD OF CONTRACT

All purchases will be based on the lowest responsible, responsive offer that is most advantageous to GUC as determined upon consideration of such factors as prices offered, the quality of the article(s) offered, the general reputation and performance capabilities of the Provider, substantial conformity with the specifications the suitability of the article(s) for the intended use, the related materials needed, the date(s) of delivery and performance, and such other factors deemed by GUC to be pertinent or peculiar to the purchase in question.

Acceptance of the order includes acceptance of all terms, conditions, prices, delivery instructions, and specifications as shown on this set of Terms and Conditions and in this order or attached to and made a part of this order.

The conditions of this order cannot be modified except by written amendment in the form of "Amended Purchase Order," which has been approved by GUC's Purchasing Department.

In the event of a Provider's failure to deliver or perform as specified, GUC reserves the right to cancel the order or any part thereof, without prejudice to GUC's other rights. The Provider agrees that GUC may return part of or all of any shipment at Provider's expense. GUC may charge the Provider with all reasonable expenses resulting from such failure to deliver or perform.

7.0 MEDIATION/BINDING ARBITRATION

In the event of any dispute between the Parties, the Parties agree to submit any dispute to non-binding mediation before a mutually agreeable Mediator prior to initiating litigation. If the Parties are unable to agree upon a Mediator within thirty (30) days after demand therefore, either Party may petition a Court of competent jurisdiction for the designation of a qualified Mediator for these purposes. Each Party shall bear its own costs and expenses of participating in the mediation (including, without limitation, reasonable attorneys' fees), and each Party shall bear one-half (1/2) of the costs and expenses of the Mediator. Unless otherwise agreed, the Parties will hold the mediation in Greenville, North Carolina. The matters discussed or revealed in the mediation session shall not be disclosed in any subsequent litigation.

In the event the matter is not resolved in mediation, either Party may request arbitration. The parties shall jointly select an Arbitrator, and shall be bound by the decision of the Arbitrator with respect to any dispute between the parties with respect to this Agreement. If the parties are unable to mutually agree upon an Arbitrator, the Parties shall each select an Arbitrator, and the two Arbitrators so selected shall select a third Arbitrator, and the decision of the majority of the Arbitrators shall be conclusive and binding upon the Parties. The Parties at all times agree to equally split the costs of any Arbitrator(s) selected in an effort to resolve the dispute between the Parties. Any party desiring to resolve a dispute under the terms of this Agreement shall notify the other Party in writing, and the Parties shall seek to agree upon a mutually agreed-upon Arbitrator within a period of ten (10) days from the date of such written demand. If the Parties are unable to agree within such ten (10) day period, the Parties shall each select an Arbitrator, and the two (2) Arbitrators so selected shall select a third Arbitrator within fifteen (15) days from the date of the written demand for arbitration, and a decision shall be rendered by the Arbitrator(s) so selected within five (5) days after such Arbitrator(s) is selected.

8.0 GOVERNMENT RESTRICTIONS

In the event any Governmental restrictions may be imposed which would necessitate alteration of the material, quality, workmanship, or performance of the items offered on this bid prior to their delivery, it shall be the responsibility of the successful Provider to notify the GUC Purchasing Procurement Manager, at once, indicating in its letter the specific regulation which required such alterations. GUC reserves the right to accept any such alterations, including any price adjustments occasioned thereby, or, in the sole discretion of GUC, to cancel the contract.

9.0 INSURANCE

9.1 **Coverage** – The Provider at its sole cost and expense shall provide commercial insurance of such type and with the following coverage and limits:

9.1.1 **Worker's Compensation** – The Provider shall provide and maintain Worker's Compensation Insurance, as required by the laws of North Carolina, as well as employer's liability coverage with minimum limits of \$1,000,000 each accident, covering all Provider's employees who are engaged in any work under the contract. If any work is sublet, the Provider shall require the subcontractor to provide the same coverage for any of its employees engaged in any work under the contract.

9.1.2 **General Liability** – Commercial Liability Coverage written on an "occurrence" basis in the minimum amount of \$1,000,000 per occurrence.

9.1.3 **Automobile** – Automobile Liability Insurance, to include coverage for all owned, hired, and non-owned vehicles used in connection with the contract with a minimum combined single limit of \$1,000,000 per accident.

9.1.4 **Cyber** – The Vendor shall maintain Cyber Liability Insurance with limits of \$3,000,000 per occurrence, providing protection against liability for: (1) privacy breaches (including liability arising from the loss or disclosure of confidential information no matter how it occurs); (2) system breach; (3) denial or loss of service; (4) introduction, implantation, or spread of malicious software code; and (5) unauthorized access to or use of computer systems. Cyber Liability Insurance shall not include any exclusion or restriction for unencrypted portable devices or other media. Vendor shall provide evidence of continuation or renewal for a period of two (2) years following termination of the Agreement.

9.2 **Requirements** - Providing and maintaining adequate insurance coverage is a material obligation of the Provider. All such insurance shall meet all laws of the State of North Carolina. Such insurance coverage shall be obtained from companies that are authorized to provide such coverage and that are authorized to do business in North Carolina by the Commissioner of Insurance. The Provider shall at all times comply with the terms of such insurance policies and all requirements of the insurer under any of such insurance policies, except as they may conflict with existing North Carolina laws or this contract. The limits of coverage under each insurance policy maintained by the Provider shall not be interpreted as limiting the Provider's liability and obligations under the contract. It is agreed that the insurance carrier will provide 30 day written notice of cancellation by regular mail to the GUC's Procurement Manager. Any waiver of insurance must be approved by the Procurement Manager.

Waiver approved:

Procurement Manager

10.0 PATENTS AND COPYRIGHTS

The Provider shall hold and save GUC, its officers, agents, and employees, harmless from liability of any kind, including costs and expenses, including reasonable attorney fees, on account of any copyrighted articles or any patented or unpatented invention, device or appliance manufactured or used in the performance of this contract.

11.0 PATENT AND COPYRIGHT INDEMNITY

The Provider will defend or settle, at its own expense, any action brought against GUC to the extent that it is based on a claim that the product(s) provided pursuant to this agreement infringe any U.S. copyright or patent; and will pay those costs, damages, and attorney fees finally awarded against GUC in any such action attributable to any such claim, but such defense, settlements, and payments are conditioned on the following: (1) that Provider shall be notified promptly in writing by GUC of any such claim; (2) that Provider shall have sole control of the defense of any action on such claim and of all negotiations for its settlement or compromise; (3) that GUC shall cooperate with Provider in a reasonable way to facilitate the settlement of defense of such claim; (4) that such claim does not arise from GUC modifications not authorized by the Provider or from the use of combination of products provided by the Provider with products provided by GUC or by others; and (5) should such product(s) become, or in the Provider's opinion likely to become, the subject of such claim of infringement, then GUC shall permit Provider, at Provider's option and expense, either to procure for GUC the right to continue using the product(s), or replace or modify the same so that it becomes non-infringing and performs in a substantially similar manner to the original product.

12.0 ASSIGNMENT

No assignment of the Provider's obligations or the Provider's right to receive payment hereunder shall be permitted without the express written consent of GUC, provided however, upon written request approved by the GUC Purchasing Procurement Manager, solely as a convenience to the Provider, GUC may:

- Forward the Provider's payment check directly to any person or entity designated by the Provider, and
- Include any person or entity designated by Provider as a joint payee on the Provider's payment check.
- In no event shall such approval and action obligate GUC to anyone other than the Provider, and the Provider shall remain responsible for fulfillment of all contract obligations.

13.0 ACCESS TO PERSON AND RECORDS

GUC shall have reasonable access to persons and records of Provider as a result of all contracts entered into by GUC.

14.0 INSPECTION AT BIDDER'S SITE

GUC reserves the right to inspect, at a reasonable time, the item, plant, or other facilities of a prospective Provider prior to contract award and during the contract term as necessary for GUC's determination that such item, plant, or other facilities conform with the specifications/requirements and are adequate and suitable for the proper and effective performance of the contract. Provider may limit GUC's access to restricted areas.

15.0 AVAILABILITY OF FUNDS

Any and all payments of compensation of this specific transaction and any continuation or any renewal or extension are dependent upon and subject to the allocation of GUC funds for the purpose set forth in this Agreement.

16.0 GOVERNING LAWS

All contracts, transactions, or agreements are made under and shall be governed by and construed in accordance with the laws of the State of North Carolina.

17.0 ADMINISTRATIVE CODE

Quotes, bids, proposals, and awards are subject to applicable provisions of the North Carolina Statutes, Rules, Regulations, or Administrative Codes.

18.0 CLARIFICATIONS/INTERPRETATIONS

Any and all questions regarding these Terms and Conditions must be addressed to the GUC Purchasing Procurement Manager. Do not contact the user directly. **These Terms and Conditions are a complete statement of the parties' agreement and may only be modified in writing signed by Provider and GUC's Procurement Manager.**

19.0 SITUS

The place of all contracts, transactions, agreements, their situs and forum, shall be North Carolina, where all matters, whether in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

20.0 TERMINATION OF AGREEMENT

GUC or Provider may terminate this Agreement for just cause at any time. Provider will be paid for all labor and expenses incurred as of the termination date. Just cause shall be based on reasonable grounds, and there must be a fair and honest cause or reason for such action. The causes for termination, include, but are not limited to: (1) Provider's failure to comply with the services in this agreement, (2) Provider's failure to perform in accordance with this Agreement, (3) Provider's disregard of laws and regulations related to this Agreement, (4) Provider's violation of the provisions of the Agreement, (5) Provider's failure to perform in accordance with all project requirements, or (6) Provider's failure to work in accordance with GUC's policies and/or procedures.

21.0 DELIVERY

Time is of the essence with respect to all deliveries under this Agreement.

Delivery of all equipment, materials, or supplies shall be made Free on Board (FOB) GUC Warehouse, 701 Utility Way, Greenville, North Carolina 27834, unless otherwise specified. The agreed price for such equipment, materials, or supplies shall include all costs of delivery and ownership, and risks of loss shall not be transferred from Provider to GUC until express written acceptance of delivery and inspection by GUC. Delivery hours are between 8:00 AM and 4:30 PM Monday-Friday only. **GUC's purchase order number is to be shown on the packing slip or any related documents.** GUC reserves the right to refuse or return any delivery with no purchase order number or which is damaged. GUC will not be charged a restocking fee for any delivery which is refused or returned.

22.0 INDEMNITY PROVISION

Provider agrees to indemnify and save GREENVILLE UTILITIES COMMISSION of the City of Greenville, Pitt County, North Carolina, and the City of Greenville, North Carolina, its co-owners, joint venturers, agents, employees, and insurance carriers harmless from any and all Third Party claims, actions, costs, expenses, including reasonable attorney fees, judgments, or other damages resulting from injury to any person (including injury resulting in death), or damage (including loss or destruction) to third party tangible property arising out of the negligent performance of the terms of this Contract by Provider; including, but not limited to, Provider's employees, agents, subcontractors, and others designated by Provider to perform work or services in, about, or attendant to, the work and services under the terms of this Contract. Provider shall not be held responsible for any losses, expenses, claims, subrogations, actions, costs, judgments, or other damages, directly and proximately caused by the negligence of Greenville Utilities Commission of the City of Greenville, Pitt County, North Carolina. Insurance covering this indemnity agreement by Provider in favor of Greenville Utilities Commission of the City of Greenville, Pitt County, North Carolina, and the City of Greenville, North Carolina, shall be provided by Provider.

23.0 FORCE MAJEURE

Neither party shall be considered in default in the performance of its obligations hereunder to the extent that the performance of any such obligation is prevented or delayed by any cause, existing or future, which is beyond the reasonable control of such party. In any such event of force majeure, the parties shall advise each other of such event, and the parties shall negotiate an equitable adjustment to their respective obligations under this Agreement.

24.0 STANDARD OF CARE

The Provider hereby agrees to abide by the standard of care generally accepted in the engineering profession in the performance of services under this contract.

25.0 INTEGRATED CONTRACT

These Terms and Conditions represent the entire contract between the Parties. No verbal or other written agreement(s) shall be held to vary the provisions of this Agreement.

26.0 CONTRACT PROVISIONS

Each of the provisions of these Terms and Conditions shall apply to the full extent permitted by law, and the invalidity in whole or in part of any provision shall not affect the remainder of such provision or any other provisions.

27.0 E-VERIFY

E-Verify - I understand that E-Verify is the federal E-Verify program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with NCGS §64-25 et seq. I am aware of and in compliance with the requirements of E-Verify and Article 2 of Chapter 64 of the North Carolina General Statutes. To the best of my knowledge, any subcontractors employed by me as a part of this contract are in compliance with the requirements of E-Verify and Article 2 of Chapter 64 of the North Carolina General Statutes.

28.0 AFFIRMATIVE ACTION

The Provider will take affirmative action in complying with all Federal and State requirements concerning fair employment and employment of the handicapped, and concerning the treatment of all employees, without discrimination by reason of race, color, religion, sex, national origin, or physical handicap.

29.0 IRAN DIVESTMENT ACT CERTIFICATION

By acceptance of this purchase order, Vendor/Contractor certifies that, as of the date of the purchase order or contract, it is not on the Final Divestment List as created by the State Treasurer pursuant to N.C.G.S. § 143-6A-4. In compliance with the requirements of the Iran Divestment Act and N.C.G.S. § 143C-6A-5(b), Vendor/Contractor shall not utilize in the performance of the contract any subcontractor that is identified on the Final Divestment List.

30.0 UNIFORM GUIDANCE

Contracts funded with federal grant or loan funds must be procured in a manner that conforms with all applicable federal laws, policies, and standards, including those under the Uniform Guidance (2 C.F.R. Part 200).

31.0 SAFETY STATEMENTS

Safety Culture Commitment Statement:

At Greenville Utilities, we are committed to a culture of safety that prioritizes the well-being of our employees, contractors, and the communities we serve.

We believe that everyone deserves to work in a safe environment, and we are dedicated to fostering a culture where **safety is a core value, not just a priority.**

Here's what that means to us:

- **Employee and Contractor Safety:** We are committed to providing a safe work environment for all employees and contractors. We will invest in safety training, resources, and equipment to prevent accidents and injuries.

- **Open Communication:** We encourage open and honest communication about safety concerns. We believe everyone has a right and responsibility to speak up about unsafe work practices and potential hazards.
- **Continuous Improvement:** We are committed to continuous improvement in safety performance. We will learn from incidents and near misses, and we will actively seek ways to improve our safety processes and procedures.
- **Accountability:** We hold ourselves and our contractors accountable for safe work practices. This includes providing clear safety expectations, enforcing safety rules, and recognizing safe behavior.
- **Collaboration:** We believe in working collaboratively with employees, contractors, and regulatory agencies to achieve the highest level of safety.

Our commitment to safety extends beyond our employees. We work closely with our contractors to ensure they share our safety values. We expect them to implement robust safety programs, train their workers thoroughly, and adhere to all safety regulations.

We are confident that by working together, we can create a culture of safety where everyone goes home safe and healthy every day.

This commitment statement is a public declaration of our unwavering dedication to safety. We will continue to strive for zero incidents while promoting a positive safety culture that prioritizes the well-being of everyone involved in our utility operations.

Safety Management System Commitment Statement:

At Greenville Utilities, we are unwavering in our commitment to delivering safe and reliable utility service through a robust Safety Management System (SMS). This system forms the foundation of our safety culture, ensuring the well-being of our employees, contractors, and the communities we serve.

Our SMS commitment emphasizes:

- **Zero Incidents:** We believe all incidents are preventable. We strive for zero incidents by proactively managing risks and continuously improving our safety practices.
- **Empowered Workforce:** We foster a culture where safety is everyone's responsibility. This includes providing comprehensive safety training for both employees and contractors, empowering them to identify and report hazards.
- **Data-Driven Decisions:** We utilize data from inspections, incident investigations, and performance metrics to make informed decisions for risk mitigation and continuous improvement of our SMS.
- **Leadership Engagement:** Our leadership team actively demonstrates a commitment to safety by participating in safety reviews, audits, and promoting safety as a core value.
- **Contractor Collaboration:** We extend our safety commitment to our contractors. We require contractors working on our system to adhere to SMS principles, participate in safety briefings, and maintain strong safety programs within their own organizations.
- **Transparent Communication:** We believe in open communication about safety. We encourage employees and contractors to report concerns without fear of reprisal. We also maintain transparent communication with stakeholders about SMS performance.

This SMS commitment is a continuous journey, not a destination. We are dedicated to regularly reviewing and updating our system to reflect best practices and emerging technologies. Through continuous improvement and a commitment to a positive safety culture, we aim to remain an industry leader in safe and reliable utility service.

32.0 NOTICES

Notices to the Parties should be sent to the addresses specified on the first page of these Terms and Conditions.

Cleve Haddock, Lifetime CLGPO
Procurement Manager
Greenville Utilities Commission
401 South Greene Street
Greenville, N.C. 27834

Vendor Specified on Page 1 of Section III when awarded.