



C O N S T R U C T I O N

Document [sample] LTS-004

Purchase Order Agreement [sample]

To/Vendor:

ABC Company, Inc.
123 Sesame Street Drive
Wonderland, CA 45678

Ship To:

GSE Construction Co., Inc.
1020 Shannon Court
Livermore, CA 94550

Note: A two working day notice is required prior to any material delivery to the job site. No partial shipments are allowed without prior written notice and approval.

Notify: Oscar the Grouch at 1-510-268-1128

PO Number	PO Date	Terms	FOB	Ship Via	Delivery Due
123-45678	8/13/2006	See body of Purchase Order	Somerset<WI. Full freight allowed	Best Way	See body of Purchase Order

WHEREAS the Contractor has entered into a Contract dated 8/8/06 with **City's Dirty Water Department** (herein after called the OWNER.)

FOR THE CONSTRUCTION OF: CENTRIFUGE AND ODOR CONTROL SYSTEM IMPROVEMENTS (herein after called the PROJECT.)

NOW THEREFORE it is agreed as follows:

SECTION 1. CONTRACT DOCUMENTS

The term "Prime Contract" as used herein refers to all the General and Special Conditions, Drawings, Specifications, Addenda, Amendments, Modifications, and all the other documents forming or by reference made a part of the Contract between the Contractor and the Owner. All of the aforesaid shall be considered a part of this Agreement by reference thereto and the Supplier agrees to be bound to the Contractor and the Owner by the terms and provisions thereof, **so far as they apply to the work hereinafter described**. One addendum is acknowledged.

SECTION 2. PURCHASE

The Supplier agrees to furnish all equipment, materials, supplies and services as described in detail below and in accordance with the plans and specifications. **Supplier shall provide eight sets of submittals by 9/28/2006 .**

Cost Code 11173A

Item	QTY	UOM	Description	Unit Price	Total
1	1	LOT	Hydraulic Power Units complete as per Specification Section 11173A. (4 each)	\$397,214.00	\$397,214.00
2	4	EA	Sludge Pump Control Panels	Included	Included
3	4	EA	Hopper Level Sensors	Included	Included
4	4	EA	Transition Pressure Sensor	Included	Included
5	1	EA	Operator Interface Terminal	Included	Included
6	1	LOT	Software	Included	Included
7	1	LOT	Spare Parts	Included	Included
8	1	LOT	Field Service as quoted	Included	Included
9	1	LOT	Hydraulic Power Tubing for all units	Included	Included
10	1	LOT	Freight to Jobsite	Included	Included
11	1	LOT	O & M Manuals	Included	Included

Tax 0.0875 = \$34,756.23

PO Total: \$431,970.23

Comments: 1. Hydraulic power Units shall meet all of the requirements of Contract Specification Section 11173A. Any deviations from the Specifications need to be approved as such by the Owner during the submittal process.
 2. The Clarifications and Exceptions Items 1 and 2 of the proposal are accepted and GSE will take care of this work and associated costs.
 3. The Clarifications and Exceptions Items 3 and 4 are acknowledged, however, approval of these exceptions needs to be requested and approved by the owner during the submittal process.
 4. Submittals shall be received by us by September 28, 2006.
 5. First Hydraulic Power Unit shall be delivered within 16 weeks after approval of submittals.
 6. Second Hydraulic Power Unit shall be delivered within 18 weeks after approval of submittals.
 7. Third Hydraulic Power Unit shall be delivered within 20 weeks after approval of submittals.
 8. Fourth Hydraulic Power Unit shall be delivered within 22 weeks after approval of submittals.

SECTION 3. PAYMENT

(a). The Contractor agrees to pay the Supplier for the performance of this Agreement the total sum as noted above subject to additions and deductions for changes agreed upon or determined, as provided in the project plans and specifications and hereinafter provided. Payment will be made within **30** days of receipt of invoices as per the following schedule:

1. 20% after approval of submittals.
2. 18.75% after receipt of each Hydraulic Units including O & M Manuals
3. 5% after start-up, receipt of all and Spare Parts and acceptance by the Owner.

When the Contract calls for the Supplier to furnish OPERATION AND MAINTENANCE MANUALS, payment will not be made for any of the units until such manuals have been received by the Field Office. When the Contract calls for the Supplier to furnish spare parts and/or the services of factory representatives for the start-up, testing and commissioning of the equipment

an appropriate amount of payment may be withheld until spare parts and/or factory services are complete. An amount equal to five percent of the purchase price will be retained until such **equipment** has been accepted by the owner.

(b). The Contractor may deduct from any amounts due or to become due to the Supplier any sum or sums owed by the Supplier to the Contractor in the event of any breach by the Supplier of any provision or obligation of this Purchase Agreement, or in the event of the assertion of other parties of any claim or lien against the Contractor or the premises arising out of the Supplier's performance of this Agreement. The Contractor shall have the right to retain out of any payments due or to become due to the Supplier an amount sufficient to completely protect the Contractor from any and all loss, damage or expense there from, until the situation has been satisfactorily remedied by the Supplier.

SECTION 4. CHANGES

The Contractor may at any time by written order of the Contractor's authorized representative, make any changes in, additions to and omissions to the Work to be performed under this Agreement, and the Supplier shall promptly proceed with the performance of this Agreement as so changed. Any increase or decrease in the Purchase price resulting from such changes shall be agreed to in writing by the parties hereto. Any claim for adjustment of the Purchase price under this Section must be made in writing within ten days from the date such changes are ordered.

SECTION 5. PROSECUTION OF THE AGREEMENT

The Supplier shall furnish all equipment materials and supplies necessary for the performance of this Purchase Agreement in a proper, efficient and workmanlike manner. Materials that are furnished by the Supplier here under, shall be furnished in sufficient time to enable the Contractor to perform and complete his work within the times provided herein. In the event the Supplier fails to comply or becomes unable to comply with the provisions herein, as to character or time of performance, and the failure is not corrected within two working days after written request from the Contractor to the Supplier, the Contractor, by Agreement or otherwise, may without prejudice to legal remedies, purchase the materials from other sources. Any additional costs incurred by GSE due to the failure of the supplier to perform will be the responsibility of the supplier.

SECTION 6. APPROVALS

All drawings and Manufacturer's literature shall be submitted for approval of the Architect or Engineer through the Contractor. Equipment and materials shall not be manufactured or delivered to the job site with out proper approval of the required submittals.

SECTION 7. COMMUNICATIONS

All communications between the Supplier and the Architect, Engineer or Owner with respect to the Work shall be transmitted through the Contractor.

SECTION 8. DISPUTES

In case of any disputes between the Supplier and the Contractor regarding interpretation of the plans and/or specifications of the Prime Contract, Supplier agrees to be bound to the Contractor to the same extent that the Contractor is bound to the Owner both by the terms of the Prime Contract and by any and all decisions or determinations made thereunder by the party or board so authorized in the Prime Contract.

If any action is brought by either party to enforce or have interpreted the provisions of this Purchase Order, both parties consent that any and all proceedings shall occur in Alameda County, California.

SECTION 9. ATTORNEY'S FEES

In the event either party institutes suit against the other party, or against the surety of the other party, in connection with any dispute or matter arising under this Agreement, the prevailing party shall be entitled to recover a reasonable attorney's fee in addition to any other relief granted.

IN WITNESS WHEREOF, the parties hereto have executed this Subcontract by their proper officers or duly authorized agents.

CONTRACTOR
GSE CONSTRUCTION COMPANY, INC.
DATE:

SUPPLIER
Schwing Bioiset
DATE: