



# Purchase Order (Goods, Works and Services): Terms and Conditions

**SOLOMON ISLANDS WATER AUTHORITY trading as Solomon Water**

## **PURCHASE ORDER (GOODS, WORKS AND SERVICES): TERMS AND CONDITIONS**

1. **ENTIRE AGREEMENT:** This Purchase Order, including these general terms and conditions, and any special conditions, specifications, drawings and other documents herein constitutes the entire agreement between the parties.

2. **DEFINITIONS:**

"SW" means Solomon Island Water Authority, trading as Solomon Water

"Supplier" means supplier to SW.

"Goods" means those articles, material, supplies, drawings, data and other property, and performance of all specified or required services, including but not limited to design, drafting, manufacturing, packing, loading, transportation, quality surveillance and testing, to be supplied by the Supplier to SW in accordance with the Purchase order and as described therein.

"Services" means the act of performing work for SW such as training and maintenance

"Works" means the delivery of some level of construction work for SW

"Purchase Order" means the several documents listed in the Purchase Order.

"Delivery Point" means the location where the receipt of the Goods, Service or Works will be accepted by SW

3. **ACKNOWLEDGMENT AND ACCEPTANCE OF PURCHASE ORDER:** The Supplier, by accepting a copy of the Purchase Order is accepting the terms and conditions governing the Purchase Order. The Supplier may also signify acceptance of the Purchase Order by sending an email to SW, Attention: Procurement.
4. **PRICE AND PAYMENTS:** The price of the Goods, Works or Services stated in the Purchase Order shall constitute the full compensation to the Supplier for the Goods, and shall include, unless otherwise stated, all costs, tax deductions

- (WHT), fees and other charges of any kind quoted by the Supplier or per SW terms and conditions as a separate line item prior to delivery. Payment will be made in accordance with the applicable provisions of the Purchase Order.
5. **PROGRESS PAYMENTS:** Each progress payment made to the Supplier, shall only be made when SW is fully satisfied that the requirements for the payment, as specified and as set out in the Purchase Order have been met in full.
  6. **SHIPPING:** Details of Shipping and other Documents to be furnished by the Supplier are: bill of lading (original); packing list (original); detailed dimensions and weights of all packages; test reports issued by manufacturer (original); Supplier's warranty certificate (original); manuals (original) and others as defined in the Specification.
  7. **TERMINATION:** SW may at any time, at its option, terminate this agreement, in whole or in part, by giving written notice to the Supplier. In the event of such termination, the amount due under the Purchase Order shall be subject to an equitable adjustment, provided only that SW shall not be required to pay the Supplier for the Goods ordered, but not delivered, which are part of the Supplier's standing stock. If the Supplier becomes insolvent or bankrupt, or enters into liquidation, or gives SW reasonable evidence of its inability to deliver the Goods as specified or fails to correct any nonconformity in the Goods, or performs in bad faith by wilfully not observing the terms and conditions of this agreement, SW may, upon expiry of five (5) day's written notice of default, terminate this agreement in whole or in part.
  8. **DELAYS:** Time is of the essence. Failure by the Supplier to deliver the Goods within the time specified in the Purchase Order or within a reasonable period of time if no time is specified shall, at the option of SW, relieve SW of its obligations to accept and pay for the Goods, Works or Services. Where delays in delivery are due to causes beyond the Supplier's reasonable control (such as act of nature, act of government, fire, general strike, flood, epidemic, war, riot or civil commotion), delivery shall be subject to an extension of the period of time for performance, provided the Supplier has given SW written notice of delay within three (3) days of its commencement. The extent of any extension to the performance period shall be equal to the time actually lost by the Supplier as a result of the delay. In case the Supplier fails to deliver any or all the requirements within the time period specified in the Purchase Order, SW may, without prejudice to any other remedy it may have under the order, deduct from the order value, as liquidated damages, a sum equivalent to one-tenth of one percent (0.01 %) of the contract value for each day of delay in delivery subject to a maximum amount of five percent (5%) of the order value.
  9. **INSPECTION, TESTING AND ACCEPTANCE:** In the case of Goods and Works, SW's authorized representatives shall have the right to inspect at any time

- including during manufacture, construction and prior to shipment, and within a reasonable period of time after their arrival at the place of final acceptance.
10. **ACCEPTANCE** Final acceptance shall be given by SW only upon satisfactory completion of such final inspection and meeting deliverable requirements as defined in the Specification.
  11. **WARRANTY:** The Supplier warrants that the Goods and Works shall be free from defect in design, material, workmanship and title; shall conform in all respects with the terms of the Purchase Order; and shall be of the best quality if no quality is specified. If any such defect in the Goods becomes evident within one year of operation, and SW so notifies the Supplier within a reasonable period of time after discovery of the defect, the Supplier shall thereupon promptly correct the defect at its expense. If the Supplier does not replace or repair the Goods or Works as notified to the Supplier as being defective within a period of time reasonable in the circumstances, SW shall have the right to remedy the said defect at the Supplier's risk, cost and expense.
  12. **PATENT-OF-DESIGN INDEMNITY:** The Supplier shall, at its expense, hold harmless and defend SW against any claim based upon a claim, rightful or otherwise that infringe a patent or registered design of the country of manufacture, sale or use.
  13. **ASSIGNMENT:** Any assignment of the Purchase Order or of any rights hereunder, in whole or in part, without the prior consent of SW is not allowed.
  14. **LANGUAGE:** All communications and documents relating to the Purchase Order shall be in English.
  15. **LEGAL STATUS OF SW:** SW is a State Owned Enterprise, established under the Solomon Islands Water Authority Act, (1993) and is subject to the State Owned Enterprises Act, (2007)
  16. **GOVERNING LAW AND ARBITRATION:** The governing law of the Purchase Order shall be the law of Solomon Islands. Any dispute arising out of or in any way relating to this Purchase Order or its interpretation or performance shall be referred to arbitration which shall take place in Honiara, Solomon Islands, and shall be settled in accordance with the laws of Solomon Islands. The award of arbitration shall be final and binding on both parties and shall be in lieu of any other remedy. Each party shall bear its own costs.
  17. **LIMIT OF LIABILITY:** Neither SW or the Supplier shall be liable to the other party for any indirect or consequential loss or damages except for any obligation of the Supplier to pay SW liquidated damages. The aggregate limit of the Supplier's liability shall not exceed 100 per cent of the Purchase Order value.