

**SUPPLY OF GOODS AND SERVICES TO GOVERNMENT OF BERMUDA**

THIS CONTRACT FOR SUPPLY OF GOODS AND SERVICES is made the \_\_\_\_ day of \_\_\_\_\_  
20\_\_\_\_, (the “Effective Date”)

BY AND BETWEEN:

(1) **Ministry:** \_\_\_\_\_

**Department:** \_\_\_\_\_

**Address:** \_\_\_\_\_

\_\_\_\_\_ (hereinafter called the “Government”) of the one part; and

(2) The supplier as set out in Schedule 1 supplier, (hereinafter called the “Supplier” or “you”) of the other part.

The Government and the Supplier are collectively referred to herein the “Parties” and each individually as a ‘Party’.

**WHEREAS**, the Supplier specializes in and provides certain goods and related services in Bermuda;

**WHEREAS**, the Government wishes to procure the services of the Supplier to supply certain goods and related services to the Government in accordance with the requirements and such other terms and conditions as are provided herein.



NOW THEREFORE, in consideration of the mutual agreements below and intending to be legally bound, the Parties hereby agree as follows:

## 1. DEFINITIONS

**“Agreement”** means this Agreement for the Supply of Goods and Services and includes any statement of works, schedules, appendices or annexes attached in accordance with the obligations or deliverables under this Agreement;

**“Business Days”** means Monday to Friday, when not a public holiday, between 9am – 5pm in Bermuda;

**“Claims”** means any written or oral claims, actions or demands for money or services or for any allegation of a breach in rendering or failure to render any Goods or Services performed or which ought to have been performed. Claims also includes patent, trade secret, copyright, or other intellectual property right claims, costs, penalties, fees and expenses (including legal and professional fees, charges or expenses);

**“Confidential Information”** means the terms of this Agreement as well as any information or data disclosed by one party to the other party which (i) if in tangible form, is marked clearly as proprietary or confidential, (ii) if oral, is identified as proprietary, confidential, or private on disclosure or (iii) any other information relating to proprietary information, business and operational affairs (including Ministerial and Departmental affairs), whether tangible or oral, which upon receipt by the non-disclosing party should reasonably be understood to be confidential and any personal data for which the Government is the data controller, provided, however, that such information or data is provided under or in contemplation of this Agreement;

**“Default”** means any breach of the obligations of the Supplier (including but not limited to including abandonment of this Agreement in breach of its terms) or any other default (including material Default), act, omission, negligence or statement of the Supplier, of its sub-contractors or any Supplier personnel howsoever arising in connection with or in relation to the subject-matter of this Agreement and in respect of which the Supplier is liable to the Agreement;

**“Delivery”** means the date and time that the Goods are actually received by the Government;

**“Delivery Date”** means the date that the Goods are due to be delivered to the Government;

**“Delivery Location”** means the address for delivery of the Goods, as set out in the Contract Details;

**“Fee”** means any fee(s) or charge(s) to be paid to the Supplier for the supply and/or installation of Goods and Services provided in accordance with Schedule 1;

**“Goods”** means the goods as set out in Schedule 1 that will be provided by the Supplier or a Representative, to the Government;



**“Good Industry Practice”** means the exercise of that degree of skill, care, prudence, efficiency, foresight and timeliness as would be expected from a leading company within the relevant industry or business sector that provides such goods or services in Bermuda;

**“in writing”** shall mean any fax, letter or purchase order on the Government’s letterhead bearing the signature of an authorised person or an e-mail emanating from the personal e-mail address of an authorised person;

**“Insurance Policies”** means an amount of not less than the minimum level of insurance required by law or regulatory body or that is required to cover for similar services as are provided in this Agreement or the amount as set out in Schedule 1, whichever is greater, covering the Supplier, or its directors, officers, employees, agents, or subcontractors with professional negligence and errors and omissions insurance coverage which shall be on an “occurrence” basis. “The Government of Bermuda” shall be endorsed as an additional insured on the required policy or policies and the insurances afforded to the Government of Bermuda shall be the primary insurance;

**“Loss”** means all losses, actions, claims, damages, costs, fees, charges, penalties, expenses including legal and professional fees and disbursements, costs of investigation, litigation, settlement, judgment and interest, lost revenue, loss of opportunity to make money, loss of contracts or for the inability to fulfill customer contracts, lost or damaged data or other commercial or economic loss, whether based in contract, tort (including negligence) or any other theory of liability or other loss not limited to those contemplated at the time of entering into this Agreement and whether such loss or liabilities are direct, indirect, incidental, special or consequential, whether foreseen, foreseeable, unforeseen or unforeseeable;

**“Order”** means the Government's order for the Goods submitted by the Government;

**“Order Form”** means the order form containing details of the Government's order for the Goods;

**“Representative(s)”** means, the person(s) providing the Goods or Services on Supplier’s behalf and includes any person engaged by the Supplier;

**“Services”** means the provision of services in support of the delivery and installation of the Goods;

**“Schedule 1”** means the schedule which forms a part of this Agreement and contains details of the Supplier, Goods being ordered, Warranty Period, Services, Fees, Insurance and contact details of the Government;

**“Schedule 2”** means the schedule which forms a part of this Agreement and contains special instructions related to the Goods and Services;

**“SOW”** means the statement of work provided by the Supplier and set out in Appendix 1;

**“Specification”** means the specification for the Goods, including any related plans and drawings or other technical data that is agreed in writing between the Government and the Supplier as set out in this Agreement;



“**Standards**” means any:

- (a) standards published by BSI British Standards, the International Organisation for Standardisation or other reputable or equivalent bodies (and their successor bodies) that a skilled and experienced operator in the same type of industry or business sector as the Supplier would reasonably and ordinarily be expected to comply with;
- (b) standards detailed by the Government in the Order Form or agreed between the Parties from time to time; and
- (c) relevant Government codes of practice and guidance applicable from time to time.

“**Termination Date**” means the date that this Agreement terminates as set out in Schedule 1;

“**Term**” means the period of this Agreement commencing from the Effective Date and ending on the Completion Date as set out in Schedule 1 and includes any Warranty Period or extensions; and

“**Warranty Period**” means the warranty period in relation to any Goods received by the Government which begins when the Goods have been accepted by the Government.

## 2. INTERPRETATION AND CONSTRUCTION

- 2.1 A reference to this Agreement includes the schedules, annexes and appendices.
- 2.2 A reference to a statute or statutory provision is a reference to such statute or provision as amended or re-enacted. A reference to a statute or statutory provision includes any subordinate legislation made under that statute or statutory provision, as amended or re-enacted.
- 2.3 Any phrase introduced by the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 2.4 Any reference to currency is to Bermuda currency.
- 2.5 Every right or remedy conferred by this Agreement upon or reserved to the Parties shall be cumulative and shall be in addition to every right or remedy now or hereafter existing at law or in equity, and the pursuit of any right or remedy shall not be construed as an election.
- 2.6 The failure of a Party to insist upon the performance of any provision of this Agreement or an attachment hereto, or to exercise any right or privilege granted hereunder, shall not be construed as waiving any such provision and the same shall continue in force.
- 2.7 The rights and obligations of this Agreement which by their nature extend beyond its expiration or termination shall remain in full force and effect and shall bind the Parties and their legal representatives, successors, heirs, and assigns.

## 3. COMMENCEMENT AND TERM

This Agreement shall commence on the Effective Date and shall continue during the Term, unless terminated earlier in accordance with its terms, subject to the sections which continue beyond the termination or expiry of this Agreement.



#### **4. ORDERS AND SCOPE OF SERVICES**

- 4.1 The Government may submit an Order for Goods at any time.
- 4.2 The Supplier shall use its best endeavours to supply Goods and Services in accordance with the Good Industry Practise, the Standard's, an Order or Order Form and Schedule 1 and Schedule 2, during the Term, or, if none is specified, within Twenty (20) Business Days of submitting an Order or an Order Form.
- 4.3 The Government may amend or cancel an Order in whole or in part at any time before Delivery by giving the Supplier written notice. The Government shall pay the Supplier fair and reasonable compensation for any work in progress on the Goods and Services at the time of termination, but such compensation shall not include any Claims or Loss.
- 4.4 The Supplier and any Representative shall perform all duties hereunder in accordance with Good Industry Practice and in accordance with the terms and conditions provided herein.

#### **5. REPRESENTATIONS AND WARRANTY**

- 5.1 Each Party represents and warrants that:
- (a) it has full capacity and authority to enter into and to perform this Agreement;
  - (b) this Agreement is executed by its duly authorised Representative;
  - (c) there are no actions, claims or proceedings or regulatory investigations before any court or administrative body or arbitration tribunal pending or, to its knowledge, threatened against it (or, in the case of the Supplier, any of its Affiliates) that might affect its ability to perform its obligations under this Agreement;
  - (d) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms subject to applicable (as the case may be for each Party) bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or law); and
  - (e) it will remain compliant with the *Bribery Act 2016* and will not, and will not attempt to, bribe, corrupt or offer any improper inducement or bribe to any person at any time.
- 5.2 The Supplier represents and warrants that:
- (a) it is validly incorporated, organised and subsisting in accordance with the laws of its place of incorporation;
  - (b) it and its Representatives, have all necessary consents (including, where its procedures so require, the consent of its parent company) and regulatory approvals to enter into this Agreement;
  - (c) its execution, delivery and performance of its obligations under this Agreement does not and will not constitute a breach of any law or obligation applicable to it;



- (d) as at the Effective Date, all written statements and representations in any written submissions made by the Supplier as part of the procurement process, its tender, its response to a request for proposal and any other documents submitted remain true and accurate except to the extent that such statements and representations have been superseded or varied by this Agreement;
  - (e) it shall take all steps, in accordance with Good Industry Practice, to prevent the introduction, creation or propagation of any disruptive elements (including any virus, worms and/or trojans, spyware or other malware) into systems, data, software or the Government's Confidential Information (held in electronic form) owned by or under the control of, or used by, the Government;
  - (f) it shall procure the benefit of any warranties or guarantees in respect of Goods and Services and provide copies of such warranties or guarantees to the Government;
  - (g) it is not subject to any contractual obligation, compliance with which is likely to have a material adverse effect on its ability to perform its obligations under this Agreement;
  - (h) that all payments to the Government, including but not limited to, taxes and social insurance, are current. In the event that any payments are delinquent, the Government may deduct, in part or in full, any payments made to it under this Agreement;
  - (i) it will inform Government promptly of all known or anticipated material problems relevant to the delivery of Goods or Services;
  - (j) it will notify the Government immediately if it has any actual or potential conflict of interest which might affect its ability to provide the Goods or Services;
  - (k) it is not affected by an insolvency event and no proceedings or other steps have been taken and not discharged (nor, to the best of its knowledge, are threatened) for the winding up of the Supplier or for its dissolution or for the appointment of a receiver, administrative receiver, liquidator, manager, administrator or similar officer in relation to any of the Supplier's assets or revenue; and
  - (l) for the Term and for a period of twelve (12) months after the termination or expiry of this Agreement, the Supplier shall not employ or offer employment to any staff of the Government which have been associated with the provision of the Goods and delivery of purchased Goods without written approval or the prior written consent of the Government which shall not be unreasonably withheld.
- 5.3 Each of the representations and warranties set out in Section 5.1 and 5.2 shall be construed as a separate representation and warranty and shall not be limited or restricted by reference to, or inference from, the terms of any other representation, warranty or any undertaking in this Agreement.
- 5.4 If at any time a Party becomes aware that a representation or warranty given by it under Clauses 5.1 and 5.2 has been breached, is untrue or is misleading, it shall immediately notify the other Party of the relevant occurrence in sufficient detail to enable the other Party to make an accurate



assessment of the situation.

5.5 For the avoidance of doubt, the fact that any provision within this Agreement is expressed as a warranty shall not preclude any right of termination the Government may have in respect of breach of that provision by the Supplier which constitutes a material Default.

5.6 The Supplier acknowledges that:

- (a) the Government has delivered or made available to the Supplier all of the information and documents that the Supplier considers necessary or relevant for the performance of its obligations under this Agreement;
- (b) it has undertaken all necessary due diligence and has entered into this Agreement in reliance on its own due diligence alone;
- (c) it acknowledges and warrants that it is fully satisfied as to the scope and nature of the duties and obligations under this Agreement; and
- (d) it shall not be excused from the performance of any of its obligations under this Agreement on the grounds of, nor shall the Supplier be entitled to recover any additional costs or charges, arising as a result of any:
  - (i) misinterpretation of the requirements of the Government in the Order Form or elsewhere in this Agreement;
  - (ii) failure by the Supplier to satisfy itself as to the accuracy and/or adequacy of the due diligence information; and/or
  - (iii) failure by the Supplier to undertake its own due diligence.

## 6. GOODS

6.1 The Supplier shall ensure that the Goods:

- (a) correspond with their description and any applicable Specification;
- (b) be of satisfactory quality (within the meaning of the *Sale of Goods Act 1978, Supply of Goods and Services (Implied Terms) Act 2003*, as amended) and fit for any purpose held out by the Supplier or made known to the Supplier by the Customer expressly or by implication, and in this respect the Customer relies on the Supplier's skill and judgement;
- (c) where they are manufactured products, be free from defects in design, material and workmanship and remain so for twelve (12) months after Government receives the Goods; and
- (d) comply with all applicable statutory and regulatory requirements relating to the manufacture, labelling, packaging, storage, handling and delivery of the Goods.

6.2 The Government has the right to inspect and test the Goods at any time before receipt of the Goods.

6.3 If following such inspection or testing the Government considers that the Goods do not conform



or are unlikely to comply with the Supplier's undertakings at Section 6.1, the Government shall inform the Supplier and the Supplier shall immediately take such remedial action as is necessary to ensure compliance.

- 6.4 Notwithstanding any such inspection or testing, the Supplier shall remain fully responsible for the Goods and any such inspection or testing shall not reduce or otherwise affect the Supplier's obligations under this Agreement and the Government shall have the right to conduct further inspections and tests after the Supplier has carried out its remedial actions.

## **7. LICENSE GRANT**

During the Term, the Supplier grants to the Government, and Government accepts, an unlimited, non-exclusive, royalty free, transferable, sub-licensable license(s) for software contained within the Goods, services or any material or documents provided to the Government to access and use the Goods or Services.

## **8. WARRANTY OF THE GOODS**

- 8.1 The Supplier hereby guarantees the Goods for the Warranty Period as set out in Schedule 1 against faulty Goods and workmanship.

- 8.2 If the Government shall within such Warranty Period or within twenty five (25) Business Days thereafter give notice in writing to the Supplier of any defect in any of the Goods as may have arisen during such Warranty Period under proper and normal use, the Supplier shall (without prejudice to any other rights and remedies of the Customer howsoever arising) promptly remedy such faults or defects (whether by repair or replacement as the Customer shall elect) free of charge.

## **9. OBLIGATION TO REMEDY DEFAULT IN THE SUPPLY OF THE GOODS**

- 9.1 Subject to the Indemnity Section and without prejudice to any other rights and remedies of the Government howsoever arising in this Agreement, the Supplier shall, where practicable:

- (i) remedy any breach of its obligations in this Agreement within three (3) Business Days of becoming aware of the relevant Default or being notified of the Default by the Government or within such other time period as may be agreed with the Government (taking into account the nature of the breach that has occurred); and
- (ii) meet all the costs of, and incidental to, the performance of such remedial work.

## **10. ADDITIONAL GOODS**

- 10.1 Additional goods or services, if any, may be required after the date of execution of this Agreement and may be performed upon prior written approval of the Government. Such written approval shall be evidenced by an authorization for changes in the services ("**Change Order**") or such other written authorization as approved by the Government. In such case, a Change Order shall be issued within a reasonable time thereafter.

- 10.2 All Change Orders are subject to the terms and conditions of this Agreement.





10.3 Fees for additional goods or services shall be agreed by the Parties in writing prior to any additional goods or services being provided.

## **11. DELIVERY**

11.1 Time is of the essence in connection with the delivery of the Goods. The Supplier shall perform expeditiously to meet the requirements hereunder and shall deliver the Goods to the Government within fourteen (14) Business Days or such other time as specified by the Government. In the event that the Supplier is unable to provide the Goods within the required time, the Supplier shall notify the Government the time the request is made or promptly thereafter to allow the Government sufficient time to purchase from an alternative supplier.

11.2 The Supplier shall ensure that:

- (a) the Goods are properly packed and secured in such manner as to enable them to reach their destination in good condition;
- (b) each delivery of Goods is accompanied by a delivery note which shows the order number, the type and quantity of Goods (including the code number of the Goods, where applicable), special storage instructions (if any) and, if the relevant Order is being delivered by instalments, the outstanding balance of Goods remaining to be delivered; and
- (c) if the Supplier requires the Customer to return any packaging material to the Supplier, that fact is clearly stated on the delivery note. Any such packaging material shall be returned to the Supplier at the cost of the Supplier.

11.3 The Supplier shall deliver the Goods specified in each Order:

- (a) on or before its relevant Delivery Date;
- (b) at the Delivery Location; and
- (c) during the Government's normal business hours, or as instructed by the Government.

11.4 Delivery of Goods is completed on the completion of unloading of those Goods at the Delivery Location.

11.5 If the Supplier delivers more or less than the quantity of Goods ordered, and the Government accepts the delivery, a pro rata adjustment shall be made to the invoice for the Goods.

11.6 If the Supplier:

- (a) delivers less than [50]% of the quantity of Goods ordered, the Government may reject the Goods; and
- (b) delivers more than [105]% of the quantity of Goods ordered, the Government may at its discretion reject the Goods or the excess Goods.

11.7 If the Government rejects any Goods they are returnable at the Supplier's risk and expense. If the Supplier fails to collect rejected Goods within a reasonable period after notification of the rejection, the Government may charge the Supplier storage costs and sell or dispose of the



rejected Goods. The Government will account to the Supplier for the proceeds of sale (if any) after deducting the purchase price paid for the Goods, storage costs and its reasonable costs and expenses in connection with the sale.

11.8 The Supplier shall not deliver Orders in instalments without the Government prior written consent.

11.9 Where it is agreed that Orders may be delivered by instalments, such instalments shall be invoiced separately. However, failure by the Supplier to deliver any one instalment on time or at all, or any defect in an instalment, shall entitle the Customer to the remedies set out in Section 6.

11.10 Continuing Obligation to Provide the Goods:

(a) The Supplier shall continue to perform all of its obligations under this Agreement and shall not suspend the provision of the Goods, notwithstanding:

(i) any withholding or deduction by the Government of any sum due to the Supplier pursuant to the exercise of a right of the Customer to such withholding or deduction under this Agreement;

(ii) the existence of an unresolved dispute; and/or

(iii) any failure by the Government to pay any Fees or Expenses,

unless the Supplier is entitled to terminate this Agreement as a result of the Government's failure to pay undisputed Fees.

## 12. INSPECTION AND ACCEPTANCE

12.1 The Government shall at all times retain the right to inspect the Goods provided by the Supplier and shall have the right to review, require correction or additional follow up, if necessary, and accept the Goods or Services.

12.2 The Government will notify the Supplier of its contact who shall be responsible for reviewing, inspecting and approving Delivery of the Goods and Services.

12.3 The Government shall have the right to reject the Goods or refuse acceptance of the Goods if:

(a) the Goods, or any portion thereof, are not in conformance with this Agreement;

(b) the Goods, or any portion thereof, are not in conformance with the Specifications provided to the Supplier at the time the order for the Goods was placed; or

(c) the Supplier fails to deliver the Goods within the time specified by Government following receipt of the Order or such other time as specified by the Government.

12.4 Upon such rejection of the Goods, the Supplier shall arrange for return of the Goods to the Supplier, at the Supplier's risk and expense, and the Supplier shall promptly reimburse the Government for any payments made in connection with the delivery and return of the rejected Goods or any part of the Goods.

12.5 Following rejection of any Goods in accordance with this Section, the Government shall have the



right to require the Supplier to make another delivery of Goods which conform to this Agreement and/or the Specifications provided or, to purchase the Goods or substitutes thereof from alternative sources. The Supplier shall reimburse the Government, upon demand, all additional costs incurred by the Government, if any, in obtaining the Goods or substitutes thereof

- 12.6 The Government may confirm, in writing, acceptance of the Goods at the time of Delivery or at any time thereafter.
- 12.7 Written acceptance of the Goods by the Government shall release the Supplier from any obligation to remedy any nonconformity of the accepted Goods or reimburse the Government for any additional costs incurred in obtaining other Goods or substitutes thereof but does not relieve Supplier from any warranty, guarantees or service obligations. The Government shall have the right to inspect the Goods prior to, or at the time of Delivery or within thirty (30) days following Delivery for compliance with this Agreement and other Specifications required by the Government.
- 12.8 Supplier's failure to proceed with reasonable promptness to make necessary corrections shall be a Default. If Supplier fails to provide corrected Goods or Supplier fails to correct performance of Service within a timeframe as set by Government, the Government may terminate this Agreement, reduce the Fee and/or reject the hours submitted in connection with such work to reflect the reduced value of Goods and Services received.

### **13. OWNERSHIP AND RISK OF GOODS**

- 13.1 Risk and Ownership in Relation to the Goods
- (a) Without prejudice to any other rights or remedies of the Government howsoever arising title to the Goods shall pass to the Government upon Delivery to the Government at the Delivery Location.
- (b) In the event that an advance payment is made, title to the Goods shall not pass to the Government and all risk in the Goods remain with the Supplier until Government has accepted the Goods in writing.
- (c) Risk of loss or damage to the Goods shall only pass to the Government at the time of acceptance of the Goods by the Government.

### **14. INVOICES AND PAYMENT**

- 14.1 Within sixty (60) days following receipt of a proper and correct invoice, the Government shall compensate the Supplier for Goods and Services provided under this Agreement in accordance with the prices as set forth in Schedule 1. Invoices for each order shall be submitted to the Government's designated representative.
- 14.2 A proper and correct invoice and supporting documentation must include:
- (a) the Supplier's name and address;
- (b) invoice date and invoice number;



- (c) Government's name and address where the Goods were delivered;
  - (d) total amount payable and cost per unit;
  - (e) a description of the Goods supplied including specific quantities consistent with the Agreement requirements and orders placed;
  - (f) a description of the Services provided related to the Goods;
  - (g) mailing address and the person to whom payment is to be sent or the banking institution and account information for a payment by wire transfer (unless such information has previously been provided and processing has been confirmed by the Government); and
  - (h) contact telephone number, fax number and e-mail address.
- 14.3 Invoices must be submitted within sixty (60) days of Delivery of the Goods. Advance payments will not be made unless specifically authorized in writing by the Accountant General.
- 14.4 The Supplier's failure to timely submit a proper invoice as set forth in this Clause may result in a delay in payment by the Government. The Government shall not pay interest on any late payment to the Supplier resulting from the Supplier's failure to submit a proper invoice or otherwise comply with the terms of this Clause. The Supplier agrees that the Government is not responsible, nor will it be liable to the Supplier under law or equity for any and all expenses that the Supplier may incur resulting from any delays in payment caused by the Supplier's failure to comply with the terms of this Article.
- 14.5 Proper invoices remaining unpaid for more than sixty (60) days following the due date shall bear interest at the rate of 1% per annum. The Supplier shall have the right to suspend or terminate delivery of Goods for non-payment of such invoices upon fourteen (14) Business Days' written notice delivered to the Government at the address provided herein for notices.
- 14.6 No additional expenses shall be allowed for reimbursement under this Agreement. The Supplier shall deliver the Goods at its own expense.
- 15. GOVERNMENT REMEDIES**
- 15.1 If the Goods are not delivered on the relevant Delivery Date at the Delivery Location, or do not comply with the undertakings set out in the Representation and Warranty section then, without limiting any of its other rights or remedies, and whether or not it has accepted the Goods, the Government may exercise any one or more of the following remedies:
- (a) terminate the Agreement;
  - (b) reject the Goods (in whole or in part) and return them to the Supplier at the Supplier's own risk and expense;
  - (c) require the Supplier to repair or replace the rejected Goods, or to provide a full refund of the price of the rejected Goods (if paid);
  - (d) refuse to accept any subsequent delivery of the Goods which the Supplier attempts to make;



- (e) recover from the Supplier any costs incurred by the Customer in obtaining substitute goods from a third party; and
  - (f) claim damages for any other Loss suffered or incurred by the Government which are in any way attributable to the Supplier's failure to carry out its obligations under this Agreement.
- 15.2 If the Goods are not delivered on the Delivery Date, the Government may at its option claim or deduct **20%** per cent of the price of the Goods for each week's delay in delivery by way of liquidated damages, up to a maximum of **50%** per cent of the total price of the Goods.
- 15.3 This Agreement shall apply to any repaired or replacement Goods supplied by the Supplier.
- 15.4 The Government's rights and remedies under this Agreement are in addition to its rights and remedies implied by statute and common law.
- 16. INDEMNITY AND LIMITATION OF LIABILITY**
- 16.1 Indemnity: Supplier shall indemnify, keep indemnified and defend the Government against:
- a) any Claim or Loss arising from any breach by the Supplier or a Representative; or
  - b) any Claim or Loss arising from a third party as a result of negligent act, errors, omission or wilful misconduct by the Supplier or anyone engaged by the Supplier; or
  - c) any Claim or Loss in connection with:
    - (i) any claim made against the Government for actual or alleged infringement of a third party's intellectual property rights arising out of or in connection with the supply or use of the Goods, to the extent that the claim is attributable to the acts or omissions of the Supplier, its employees, agents or subcontractors;
    - (ii) any claim made against the Government by a third party for death, personal injury or damage to property arising out of or in connection with defects in Goods or defects occurring during the installation of the Goods, to the extent that the defects in the Goods or occurring during installation of the Goods are attributable to the acts or omissions of the Supplier, its employees, agents or subcontractors; and
    - (iii) any claim made against the Government by a third party arising out of or in connection with the supply of the Goods, to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of the Agreement by the Supplier or Representatives or sub-contractors.
- 16.2 The Government may satisfy such indemnity (in whole or in part) by way of deduction from any payment due to the Supplier.
- 16.3 Limitation of Liability: Without limiting the provisions of this Section, Government's maximum aggregate liability, for all Claims or Loss in connection with this Agreement or the performance thereof arising during its entire term shall be limited to the Fees paid to the Supplier under this Agreement for the month immediately preceding the date the on which the latest Claim(s) or Loss first arose.



16.4 Nothing in this Agreement shall exclude or limit any liability for wrongful use of Confidential Information, misrepresentation, fraud, willful misconduct or any liability which cannot be lawfully limited or excluded and you shall accordingly maintain in full force and effect during the Term, the Insurance Policies.

16.5 All Claims against the Government must be commenced in court within one (1) year after the cause of action has accrued or the act, omission or event occurred from which the Claim arises, whichever is earlier, without judicial extension of time, or said Claim is barred, time being of the essence.

## **17. CONFIDENTIALITY**

17.1 The Parties shall only use Confidential Information disclosed under the terms of this Agreement for the purpose of this Agreement, subject to privilege of the Legislature.

17.2 The Parties shall receive and hold any Confidential Information in confidence, and shall take all reasonable and necessary care to maintain the confidentiality of such information.

17.3 The Parties may disclose Confidential Information to their legal or professional advisors on a need to know basis under non-disclosure obligations at least as protective as under this Agreement. Each Party shall remain responsible for the use of Confidential Information by its Representatives and in the event of discovery of unauthorized disclosure, either Party must promptly notify the other Party.

17.4 Neither Party shall disclose to any third party, publish or otherwise use for its own benefit or the benefit of a third party any Confidential Information without the prior written consent of the other Party.

17.5 Any disclosure of Confidential Information to a third party, after written approval from the other Party, shall be done only under an agreement that fully protects the rights of the Government.

17.6 Notwithstanding the foregoing, either Party may, upon written notice to the other Party, disclose Confidential Information revealed pursuant to the Agreement to the extent required by a judicial order or other legal obligation.

17.7 Within thirty (30) days of either expiration or termination of this Agreement, the Supplier shall collect all Confidential Information applicable thereto and received and/or created under this Agreement and shall either return the Confidential Information to the Government (without retaining copies thereof) or destroy the Confidential Information, as commercially reasonable as possible, in accordance with the written direction of the Government.

17.8 Any violation of this Article by the Supplier shall constitute a material breach of this Agreement and shall be a basis for termination of this Agreement for Default.

## **18. TERMINATION AND SUSPENSION**

18.1 The Government may terminate this Agreement and the services hereunder in whole, or in part, without cause upon sixty (60) days' prior written notice to the Supplier. Upon receipt of such notice, the Supplier shall: (1) immediately take the necessary actions to discontinue all services



- affected as of the effective date of termination unless and to the extent that the notice directs otherwise, and (2) deliver to the Government all Goods and Services which have been ordered and are deliverable hereunder.
- 18.2 In the event that termination by the Government is based upon the lack of available funding, the notice requirement for termination shall be reduced to thirty (30) days' notice.
- 18.3 The Government may terminate this Agreement immediately if the Supplier shall be guilty of any error, omission to act, failure to follow instructions, misrepresentation or willful misconduct in the discharge of duties hereunder.
- 18.4 The following articles shall survive termination of this Agreement:
- (a) Confidential Information;
  - (b) Indemnification;
  - (c) Insurance;
  - (d) Limitation of Liability;
  - (e) Governing Law; and
  - (f) Jurisdiction.
- 18.5 The Government may temporarily suspend the duties of the Supplier hereunder and shall confirm such instruction in writing to the Supplier. Upon any such suspension, the Government shall make payments to the Supplier up to the time of such suspension. If, following suspension of the Supplier's duties, there is no resumption within six (6) months, this Agreement may be terminated by the Supplier, and the Government shall make a such payments as may be due under this Agreement.
- 18.6 If the duties of the Supplier cannot be discharged for reasons outside the control of the Government or the Supplier, the Agreement shall be treated as terminated by mutual agreement, and the Supplier shall be entitled to appropriate payment under Section 19.1 below.
- 18.7 The Government may terminate this Agreement at any time based upon a Default. The Government, in its sole discretion may provide the Supplier with a notice to cure the Default ("Cure Notice") any conditions that would otherwise amount to a basis to terminate this Agreement as a result of the Supplier's failure to fulfill its obligations hereunder. The Supplier shall respond to any such Cure Notice within a reasonable time or within such time as provided therein and the Supplier shall either cure the specified conditions or provide assurances to cure the same which the Government, in its sole discretion, deems adequate.
- 18.8 Any dispute with regard to this Article are expressly made subject to the terms and conditions of this Agreement.
- 19. PAYMENT FOLLOWING TERMINATION AND SUSPENSION**
- 19.1 Following termination or suspension of the Suppliers obligations under this Agreement by the Government or as otherwise specifically stated herein, the Government shall pay to the Supplier,



upon receipt of a proper invoice and subject to the terms and conditions herein, all amounts payable for Goods provided or ordered prior to the effective date of termination or suspension as calculated in accordance with Schedule 1.

19.2 The Government may issue a written order to resume the order of Goods or Services hereunder within six (6) months of suspension in which case the pricing shall be as provided in Schedule 1.

## **20. DISPUTE RESOLUTION**

20.1 If a dispute arises out of this Agreement, the Government and the Supplier shall attempt to agree to a settlement in good faith.

20.2 If a dispute is not resolved by the Parties, either the Government or the Supplier may at any time give notice to the other in writing that they wish to refer the dispute to mediation. The mediation shall be conducted by a mediator appointed upon mutual agreement of the Parties, or if no agreement can be reached, then by the President of the Chartered Institute of Arbitrators (Bermuda Branch).

20.3 If agreement cannot be reached through the Mediator, then the dispute may be determined, upon mutual agreement between the Parties, to have the dispute settled by arbitration.

20.4 The arbitration shall be by a single arbitrator appointed upon mutual agreement of the Parties or by the President of the Chartered Institute of Arbitrators (Bermuda Branch). The provisions of the Arbitration Act 1986, as amended from time to time, shall apply.

20.5 Notwithstanding the forgoing, no person shall be appointed to act as a mediator or arbitrator who is in any way interested, financially or otherwise, in the performance of duties hereunder or the business affairs of the Supplier.

20.6 The decision and award of the arbitrator shall be delivered within three (3) months of his or her appointment, unless otherwise agreed between the parties, and shall be final and binding on the Parties and enforceable in any court of competent jurisdiction. Nothing in this section prevents or in any way restricts either party from seeking specific performance, injunctive relief or any other form of equitable remedy. The Parties shall continue to perform their respective obligations during the dispute resolution process set out in this section, unless and until this Agreement is terminated in accordance with its terms.

20.7 The costs of the arbitration, including administrative and arbitrators' fees, shall be shared equally by the Parties and each Party shall bear its own costs and attorneys' and witness' fees incurred in connection with the arbitration unless the arbitrator determines that it is equitable to allocate such costs and fees differently and so orders in rendering judgment.

20.8 In rendering judgment, the arbitrators may not provide for punitive or similar exemplary damages.

20.9 The arbitration proceedings and the decision shall not be made public without the joint consent of the Parties and each Party shall maintain the confidentiality of such proceedings and decision unless otherwise permitted by the other Party, except as otherwise required by applicable law or





statutes.

## **21. INSURANCE**

- 21.1 The Supplier shall maintain at its sole expense, on a primary basis, and an “occurrence basis”, at all times during the Term, the Insurance Policies. The Insurance Policies shall be evidenced by delivery to the Government of certificate(s) of insurance executed by the insurer(s) listing coverages and limits, expiration dates and terms of the policy or policies and all endorsements, and upon request a certified copy of each policy including all endorsements. Failure to provide acceptable proof of insurance as required by the Government shall entitle the Government to either obtain or maintain the Insurance Policies on your behalf at your sole cost and expense, or to terminate this Agreement without prejudice to any other of the Governments rights or remedies in connection with this Agreement. Amounts of Insurance Policies are set out in Schedule 1.
- 21.2 The Supplier shall be responsible for the payment of all deductible amounts on the Insurance Policies and shall on request supply to the Government copies of the Insurance Policies and evidence that the relevant premiums have been paid.
- 21.3 The Supplier shall notify the Government forthwith of any changes to any of the Insurance Policies, or of any claims or potential claims which have arisen to which the insurer(s) of the Insurance Policies may be required to respond.
- 21.4 The Supplier shall ensure that nothing is done which would entitle the relevant insurer to cancel, rescind or suspend any insurance or cover, or to treat any insurance, cover or claim as voided in whole or part. The Supplier shall use all reasonable endeavours to notify the Government (subject to third party confidentiality obligations) as soon as practicable when it becomes aware of any relevant fact, circumstance or matter which has caused, or is reasonably likely to provide grounds to, the relevant insurer to give notice to cancel, rescind, suspend or void any insurance, or any cover or claim under any insurance in whole or in part.
- 21.5 The policy clause "Other Insurance" or “Excess Insurance” shall not apply to any insurance coverage currently held by The Government of Bermuda, or to the Government of Bermuda’s Self-Insured Retentions of whatever nature.
- 21.6 If the Supplier subcontracts any work under this Agreement, Supplier shall ensure that each subcontractor maintains insurance coverage with policy limits of at least the amounts stated in the Insurance Policies.
- 21.7 The insurance requirements set forth above do not in any way limit the amount or scope of Suppliers liability under this Agreement. The amounts listed indicate only the minimum amounts of insurance coverage that the Government is willing to accept to help ensure full performance of all terms and conditions of this Agreement.

## **22. NOTICES**

- 22.1 Any notice required or permitted hereunder shall be in writing, and service thereof shall take effect by one of the following methods:



- (a) delivering copies personally;
- (b) by prepaid mail;
- (c) by facsimile transmission; or
- (d) by electronic mail to the party with read receipt requested.

22.2 Notices shall be deemed to have been duly given:

- (a) if by personal delivery, on the date of such delivery;
- (b) if by prepaid mail, seven (7) days after the date of posting; or
- (c) if by facsimile or electronic mail, one (1) day after the date of transmission to the facsimile number or electronic mail address provided in writing by the party receiving the notice.

22.3 Notices shall be delivered as follows:

If delivered to the Government:

**Department:**

**Address:**

Attn:

Email:

Facsimile No.:

If delivered to the Supplier:

Address:

Contact Name:

Email:

Facsimile No.:

## 23. FORCE MAJEURE

23.1 Notwithstanding any other provision in this Agreement, no default, delay or failure to perform on the part of either party shall be considered a breach of this Agreement if such default, delay failure to perform is shown to be due entirely to causes beyond the reasonable control of the party charged with such default including, but not limited to causes such as strikes, lock-outs or other labour disputes, riots, civil disturbances, actions of Governmental authorities or suppliers, epidemics, wars, embargoes, storms, floods, fires, earthquakes, acts of God, of the public enemy, computer downtime or the default of a common carrier (hereinafter called the Force Majeure Event).

23.2 If the Supplier is prevented from delivering the Goods due to the Force Majeure Event, the Supplier shall notify the Government's representative of the fact in writing promptly after



discovery of the Force Majeure Event.

- 23.3 If the circumstances preventing Delivery are still continuing fourteen (14) days from and including the date when the Supplier sends such notice, then either Party may give written notice to the other cancelling the Agreement. Such written notice must be received while the Force Majeure Event is still continuing.
- 23.4 Notwithstanding the forgoing, the Supplier shall forthwith notify the Government of the commencing of any strike or lock-out and the Government, based upon any delay caused thereby, may grant such extension of time as it considers reasonable without prejudice to the right of the Government to exercise any other right or power hereunder.
- 23.5 If the Agreement is cancelled as a result of a Force Majeure Event, the Supplier shall refund any payment which the Government has already made, if any, for Goods which have not yet been delivered.

#### **24. AUDIT RIGHTS AND RETENTION OF RECORDS**

- 24.1 The Supplier shall retain all records pertinent to this Agreement for a period of three (3) years following expiration or termination hereof. The Supplier shall establish and maintain books, records and documents (including electronic storage media) in accordance with Canadian Accepted Accounting Principles and practices which sufficiently and properly reflect all revenues and expenditures of funds provided by the Government, including all receipts, invoices, payroll records and/or other documentation used to substantiate requests for payment hereunder. At any time or times before final payment and for three (3) years thereafter, the Government may cause the Supplier's records to be audited by authorised Public Officer. Records required to resolve an audit shall be maintained for a period of not less than three (3) years following resolution of the audit or any arbitration or litigation arising hereunder.
- 24.2 Any payment or payment request may be reduced by amounts found by the Government not to constitute allowable costs. In the event that all payments have been made to the Supplier by the Government and an overpayment is found, the Supplier shall reimburse the Government for such overpayment within thirty (30) days following receipt of written notification thereof.
- 24.3 Duly authorized Government employees shall have full access to and the right to examine any of the records including financial records, pertinent to this Agreement at all reasonable times for as long as such records are required to be retained hereunder.
- 24.4 The Supplier shall include the aforementioned audit and record keeping requirements in all subcontracts and assignments, if any, made in accordance with this Agreement.

#### **25. ELECTRONIC COMMUNICATIONS**

Government may communicate with the Supplier by email. The internet is not secure and messages sent by email can be intercepted. Supplier shall use its best efforts to keep its security procedures current and all communications by email secure.

Nothing in this Agreement is intended or shall have the effect of creating any relationship



between the Parties hereto other than that of the Government and independent contractor. Neither the Supplier nor the Supplier's employees, subcontractors, agents or other representatives are employees, agents, representatives or partners of the Government. As such, they have no authority to legally bind the Government by contract or otherwise with respect to any third party.

## **26. MISCELLANEOUS**

26.1 This Agreement together with any documents referred to in it supersedes and replaces all previous agreements, promises, assurances, warranties, representations and understandings, whether written or oral including whether in invoices, emails or otherwise between the parties relating to the Goods and Services and is the complete agreement between the Parties.

26.2 All Supplier written statements and representations in any written submissions made by the Supplier as part of the procurement process, its tender or response to a request for proposal or any other documents submitted, remain true and accurate except to the extent that such statements and representations have been superseded or varied by this Agreement.

26.3 This Agreement shall not be modified or amended in any way except by mutual agreement of the Parties evidenced in writing and signed by the Parties.

26.4 This Agreement may not be assigned by either Party without the express written consent of the non-assigning Party. The doctrine of *Contra Proferentem* shall not be applicable. All terms and conditions of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the Parties hereto and their respective legal representatives, successors and assigns.

26.5 If any provision of this Agreement shall be declared invalid, unenforceable or illegal, the remaining provisions shall continue in full force and effect and such invalid, unenforceable or illegal provision shall be deemed as no longer a part of this Agreement.

26.6 This Agreement may be executed in counterparts, each separately and together constituting one and the same document. Execution and delivery of this Agreement by facsimile or email shall be sufficient for all purposes and shall be binding on any Party to the Agreement.

## **27. GOVERNANCE AND AGREEMENT ADMINISTRATION**

27.1 The Government's representative and contact details for this Agreement are set out in Appendix 1. All deliverables, invoices and inquiries regarding Goods supplied hereunder shall be submitted to the Government's representative.

27.2 The Supplier shall appoint a Representative for administration of this Agreement and the duties and obligations hereunder who shall have full authority to act on behalf of the Supplier. The Government may request, by notice in writing to the Supplier, the replacement of the appointed person, and agreement with such request shall not be unreasonably withheld. The Supplier shall use its best endeavors to replace the individual with another qualified individual employed by the Supplier and approved by the Government.

27.3 The Supplier will secure at its own expense all Representatives required for performing the



Supplier's duties under this Agreement. The Representatives shall not be employees of or have any contractual relationship with the Government. All duties required of the Supplier hereunder shall be performed by the Supplier or Representatives and all Representatives engaged in the work shall be fully qualified to perform such duties.

- 27.4 Supplier agrees to provide the Government (and, if Government requests in writing, its auditors and competent regulatory authorities) with full information on the provision and delivery of the Services in an open and cooperative way and attend meetings with the Government to discuss the Services and this Agreement. The Government may disclose any information relating to this Agreement to a regulator or auditor.

*[signature page follows]*



**IN WITNESS WHEREOF**, the parties, or their authorized representatives, have read and agree to the terms and conditions of this Agreement on the Effective Date.

<b>SIGNED</b> by a duly authorised officer for and on behalf of the <b>Government</b>	Signature:
	Print Name:
	Title:
<b>SIGNED</b> by a duly authorised officer for and on behalf of the <b>Government</b>	Signature:
	Print Name:
	Title:
<b>SIGNED</b> by the <b>Supplier</b> or a duly authorised officer/representative for and on behalf of the <b>Supplier</b>	Signature:
	Print Name:
	Title:
<b>SIGNED</b> by the <b>Supplier</b> or a duly authorised officer/representative for and on behalf of the <b>Supplier</b>	Signature:
	Print Name:
	Title:



**SCHEDULE 1**  
**SUPPLIER DETAILS**

**Commencement**

**Date:** \_\_\_\_\_

**Completion**

**Date:** \_\_\_\_\_

**Termination**

**60 days prior written notice without cause**

**Notice Period:** \_\_\_\_\_

**Supplier Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_  
\_\_\_\_\_

**Tel:** \_\_\_\_\_

**Email:** \_\_\_\_\_

1. **FEES:** Supplier will provide the Goods to the Government at the price of **BMD\$**\_\_\_\_\_

The Government will compensate you the Fee for the Services subject to this schedule, Appendix 1 and the General Terms and Conditions and all such amounts are to be paid in arrears, unless otherwise stated:

Goods and Services Rate	Fee
You will be paid the following for the Delivery of the Goods and related Services:	<b>BMD\$</b> _____ <b>monthly in arrears</b>
Installation or other one-time charge.	<b>BMD\$</b> _____ <b>one-time fee (if applicable), in arrears</b>



**2. GOODS:** The Supplier will provide tires to the Government for the Government's use.

The Supplier shall perform tasks and ancillary services which support the provision of the Goods.

<b>Goods</b>	<b>Tasks and Services</b>
<b>Supply of Goods:</b>	
<b>Technical Support:</b>	Provide free technical support regarding the Goods to Government workers as required.
<b>Training:</b>	Train Government workers on how to install/maintain/use the Goods and update the applicable software for the Goods.
<b>Special services:</b>	Provide free special services to the Government as required.
<b>Storage:</b>	Provide free storage of Goods for and on behalf of the Government as required.
<b>Unloading:</b>	Provide free unloading of the Goods to the Government as required.

**3. WARRANTY PERIOD:** 6 months commencing following time of acceptance of Goods by Government or twenty (20) Business Days following Delivery, whichever comes later.

**4. INSURANCE**

Supplier shall acquire the Insurance Policies in the amount as set out below, in accordance with this Agreement:

<b>Insurance Coverage</b>	<b>Amount</b>
Professional Liability	<b>BMD\$2,000,000</b>





**SUPPLIER Representative and Contact Details:**

Name	Email	Telephone Number

**GOVERNMENT Representative and Contact Details:**

Name	Email	Telephone Number



**S C H E D U L E 2**

**Special Instructions**