

**STANDARD TERMS AND CONDITIONS  
STATE OF OREGON, DEPARTMENT OF CORRECTIONS  
CONTRACTS FOR THE PURCHASE OF SUPPLIES AND/OR SERVICES**

**1. DEFINITIONS:** "Contract" means the entire written agreement between the parties, including but not limited to the Invitation to Bid or Request for Proposal, or Request for Quote and its specifications, terms and conditions and these Standard Terms and Conditions; solicitation instructions; solicitation addenda and Contract amendments, if any; the purchase order; and price agreement document.

"Contractor" means a person or organization with which the State of Oregon has contracted for the purchase of goods or trade services. The terms "Contractor" and "Seller" as used in the Uniform Commercial Code (ORS chapter 72) are synonymous; "ORS" means the Oregon Revised Statutes;

"State" means the state agency making the purchase and is synonymous with "Buyer" as used in ORS chapter 12. "State" also means an ORCPP member if the purchase is being made under the State's cooperative purchasing program authorized by ORS 190.240.

**2. WORKERS' COMPENSATION:** All employers, including Contractor, that employ subject workers, as defined in ORS 656.027, shall comply with ORS 656.017 and shall provide workers' compensation insurance coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). Contractor shall require and ensure that each of its subcontractors complies with these requirements.

**3. STANDARD AND SPECIAL TERMS AND CONDITIONS:** The terms and conditions printed on this page are standard to State of Oregon Department of Corrections contracts for the purchase of goods or trade services. There may also be special terms and conditions in an Invitation to Bid or Request for Proposal which apply only to this Contract.

**4. DELIVERY:** All deliveries of goods shall be F.O.B destination with all transportation and handling charges paid by Contractor, unless specified otherwise in the solicitation documents. Responsibility and liability for loss or damage shall remain with Contractor until final inspection and acceptance when responsibility shall pass to the State except as to latent defects, fraud and Contractor's warranty obligations.

**5. INSPECTIONS:** Goods furnished under this Contract shall be subject to inspection and test by the State at times and place determined by the State. If the State finds goods furnished to be incomplete or not in compliance with solicitation specifications, the State may reject the goods and require Contractor to either correct them without charge or deliver them at a reduced price, whichever is equitable under the circumstances. If Contractor is unable or refuses to cure any defects within a time deemed reasonable by the State, the State may reject the goods and cancel the Contract in whole or in part. Nothing in this paragraph shall in any way affect or limit the State's rights as buyer, including the rights and remedies relating to rejection under ORS 72.6020 and revocation of acceptance under ORS 72.6080.

**6. WARRANTIES:** Unless otherwise stated, all goods shall be new and current model and shall carry full manufacturer warranties. Contractor warrants all goods delivered to be free from defects in labor, material and manufacture and to be in compliance with solicitation specifications. All implied and expressed warranty provisions of the Uniform Commercial Code

(ORS chapter 72) are incorporated in this Contract. All warranties shall run to the State.

**7. CASH DISCOUNT:** If the State is entitled to a cash discount, the period of computation shall commence on the date the entire order is delivered or the date the invoice is received, whichever is later.

**8. PAYMENT:** Payment for completion of State contracts is normally made within 30 days following the date the entire order is delivered and accepted or the date the invoice is received, whichever is later. After 45 days, Contractor may assess overdue account charges up to a maximum rate of two-thirds of one percent per month (8% APR) on the outstanding balance (ORS 293.462).

**9. TERMINATION:** This Contract may be terminated by mutual consent of both parties or by the State at its discretion. The State may cancel an order for goods or services at any time with written notice to Contractor, stating the extent and effective date of termination. Upon receipt of this written notice, Contractor shall stop performance under this Contract as directed by the State. If this Contract is so terminated, Contractor shall be paid in accordance with the terms of the Contract for goods delivered or services provided and accepted if Contractor's damages arising out of return of the goods cannot be mitigated by the resale as provided in the Uniform Commercial Code (ORS 72.7060).

**10. FORCE MAJEURE:** Neither party to this Contract shall be held responsible for delay or default caused by fire, riot, acts of God and/or war, which is beyond the party's reasonable control. The State may terminate this Contract upon written notice after determining such delay or default will reasonably prevent successful performance of this Contract.

**11. BREACH OF CONTRACT:** Should Contractor breach any of the provisions of this Contract, the State reserves the right to cancel this Contract upon written notice to Contractor. Contractor shall be liable for any and all damages suffered by the State as the result of Contractor's breach of Contract including but not limited to incidental and consequential damages, as provided in ORS 72.7110 to 72.7170. In the event of repeated breach of public and/or private contracts, Contractor shall be subject to disqualification on State of Oregon contracts, as provided in ORS chapter 279B and OAR chapter 137.

**12. HOLD HARMLESS:** *Contractor shall indemnify, defend and hold harmless the State and its divisions, officers, employees, agents and members, from all claims, suits or actions of any nature arising out of or related to the activities of Contractor, its officers, subcontractors, agents or employees under this Contract.*

**13. ACCESS TO RECORDS:** The Contractor shall maintain all fiscal records relating to this Contract in accordance with generally accepted accounting principles and shall maintain any other records relating to this Contract in such a manner as to clearly document Contractor's performance hereunder. The State and its agencies, the Secretary of State Audits Division, the federal government and their duly authorized representatives shall have access to such fiscal records and to all other books,

documents, papers, plans and writings of Contractor which relate to this contract, to perform examination, and audits and make excerpts and transcripts.

**14. AMENDMENTS:** The terms of this Contract shall not be waived, altered, modified, supplemented or amended in any manner whatsoever without prior written approval of the State.

**15. SEVERABILITY:** If any provision of this Contract is declared by a court of competent jurisdiction to be illegal or in conflict with the law, the validity of the remaining terms and provisions shall not be affected; and the rights and obligations of the parties shall be construed and enforced as if the Contract did not contain the particular provision held invalid.

**16. WAIVER:** Failure of the State to enforce any provision of this Contract shall not be a waiver or relinquishment by the State of its right to such performance in the future nor of the right to enforce any other provisions of this Contract.

**17. GOVERNING LAW; JURISDICTION, VENUE:** This Contract shall be governed and construed in accordance with the laws of the State of Oregon, without resort to any jurisdiction's conflict of laws rules or doctrines. Any claim, action, suit, or proceeding (collectively, "the claim") between the State (and/or any other agency or department of the State of Oregon) and the Contractor that arises from or relates to this Contract shall be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of Oregon. Provided, however, if the claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. Contractor hereby consents to the in personam jurisdiction of said courts.

**18. ASSIGNMENT/SUBCONTRACT/SUCCESSORS:** Contractor shall not assign, sell, transfer, or subcontract rights or delegate responsibilities under this Contract in whole or in part, without the prior written approval of the State. No such written approval shall relieve Contractor of any obligations of this Contract, and any transferee or subcontractor shall be considered the agent of Contractor. Contractor shall remain liable to the State under the Contract as if no such assignment, transfer, or subcontract had occurred. The provisions of this Contract shall be binding upon and shall inure to the benefit of the parties to the Contract and their respective successors and assigns.

**19. COMPLIANCE WITH APPLICABLE LAWS:** Contractor shall comply with all federal, state and local laws, codes, regulations and ordinances applicable to the provision of goods or services under this Contract, including, without limitation, the provisions of ORS 279B.230 and 279B.235 and the provisions of: (i) Title VI of the Civil Rights Act of 1964; (ii) Section V of the Rehabilitation Act of 1973; (iii) the Americans with Disabilities Act of 1990 (Pub L No 101- 336), ORS 659.425, and all amendments of and regulations and administrative rules established pursuant to those laws; and (iv) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations.

**20. PAYMENTS REQUIRED By ORS 279B.220:** For all goods or services provided under this Contract, Contractor shall (i) pay promptly, as due, all persons supplying labor or material; (ii) pay all contributions or amounts due the industrial Accident Fund from the Contractor or any subcontractor; (iii) not permit any lien or claim to be filed or prosecuted against the state, county, school district, municipality, municipal corporation or subdivision thereof; and (iv) pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.

**21. STATE PAYMENT OF CONTRACTOR CLAIMS:** If Contractor fails, neglects or refuses to pay promptly as due, any claim for labor or services furnished to the Contractor or any subcontractor by any person in connection with the goods or services provided under this Contract, the State may pay such claim and charge the amount of the payment against funds due or to become due the Contractor under this Contract. The payment of a claim by the State pursuant to this paragraph 21 shall not relieve the Contractor or its surety, if any, from obligation with respect to any unpaid claims.

**22. HOURS OF LABOR:** No person shall be employed by the Contractor for more than eight hours in any one day, or 40 hours in any one week, except in cases of necessity, emergency, or where public policy absolutely requires it, and in such cases the laborer shall be paid at least time-and-a-half pay for all overtime in excess of eight hours a day and for work performed on Saturday and on any legal holiday specified in ORS 279B.020.

**23. SAFETY AND HEALTH REQUIREMENTS:** Goods and services provided under this Contract shall comply with all federal Occupational Safety and Health Administration (OSHA) requirements and with all Oregon safety and health requirements, including those of the State Workers' Compensation Division.

**24. AWARD TO FOREIGN CONTRACTOR:** If Contractor is not domiciled in or registered to do business in the State of Oregon, Contractor shall promptly provide to the Oregon Department of Revenue and the Secretary of State Corporation Division all information required by those agencies relative to this Contract. The State shall withhold final payment under this Contract until Contractor has met this requirement.

**25. RECYCLABLE PRODUCTS:** Contractor shall use recyclable products to the maximum extent economically feasible in the performance of this Contract. Contractor shall specify the minimum percentage of recycled product in the goods provided.

**26. MATERIAL SAFETY DATA SHEET:** Contractor shall provide the State at the time of delivery with a Material Safety Data Sheet as defined by the Occupational Safety and Health Administration (OSHA) for any goods provided under this Contract which may release, or otherwise result in exposure to, a hazardous chemical under normal conditions of use. In addition, Contractor must label, tag or mark such goods.

**27. SURVIVAL:** All rights and obligations shall cease upon termination or expiration of this Contract, except for the rights and obligations set forth in Sections 1, 6, 9, 11, 12, 13, 15, 16, 17, 20, 21 and 27.

**28. TAX CERTIFICATION:** The individual signing this Contract on behalf of Contractor certifies under penalty of perjury both individually and on behalf of Contractor that he or she is authorized to act on behalf of Contractor and that Contractor is, to the best of the undersigned's knowledge, not in violation of any Oregon Tax Laws. For purposes of this certification, "Oregon Tax Laws" means a state tax imposed by ORS 320.005 to 320.150 and 403.200 to 403.250 and ORS chapters 118, 314, 316, 317, 318, 321 and 323 and the elderly rental assistance program under ORS 310.630 to 310.706 and local taxes administered by the Department of Revenue under ORS 305.620.

REVISED BY THE ATTORNEY GENERAL 9/94  
DOCUMENT TITLE CHANGED AND ORS 279 REFERENCES  
UPDATED BY DAS FORMS COMMITTEE 04/05  
DOC ACCEPTED DOJ UPDATE 6/14