

PREFERRED VENDOR Contract SAMPLE

The Company Vendor Program (PREFERRED VENDOR) requires participating vendors to sign the [PREFERRED VENDOR Agreement](#) or a similar agreement that has been reviewed and approved by LEGAL DEPARTMENT as being PREFERRED VENDOR-compliant. The PREFERRED VENDOR Agreement covers a range of issues, from non-disclosure to diversity hiring requirements to payment terms, and is discussed in more detail below.

In addition, every PREFERRED VENDOR is required to adhere to the [PREFERRED VENDOR Program Administrative Guidelines](#)

Why It Is Important That Vendors Sign

It is important that every PREFERRED Vendor sign an PREFERRED VENDOR Agreement because:

- It ensures that PREFERRED Vendors are fully aware of all expectations and requirements before they engage with The Company, reducing risk, cost and improving the quality and timeliness of work.
- The Company clients can move directly into the process of bidding and engaging PREFERRED Vendors, without completing a separate contract for each project. This saves time and money.

As part of the PREFERRED VENDOR Agreement, each vendor is required to comply with the material covered in the PREFERRED VENDOR **Program Administrative Guidelines** which clearly outlines the requirements PREFERRED Vendors are expected to follow, including:

- Statements of Work requirements
- The Company travel policy
- Invoice Requirements
- Vendor subcontractor reporting
- The Company trademarks
- PREFERRED Vendor Levels
- Pre-placement policy
- Vendor Code of Conduct

What Is Covered in the PREFERRED VENDOR Agreement

In most cases, once a PREFERRED VENDOR Agreement is signed no additional contracting with an PREFERRED Vendor will be required. The PREFERRED Vendor can begin work as soon as a Purchase Order (PO) is issued. The PO is considered a statement of the work you wish the vendor to perform and is supplementary to the terms and conditions already laid out in the PREFERRED VENDOR Agreement. (See below for a description of the circumstances in which you might need additional language to minimize risk to The Company.)

Basic Terms and Conditions

- **Statement of Work** - Vendor will not start work without an acceptable form of Statement of Work (SOW). This can take the form of a Schedule A, PO, or other detailed description of the work to be provided. A SOW should be created for every project and if applicable, attached as Exhibit A when you present the contract to the vendor for signature.
- **Reports** - Vendor shall comply with all reporting specified in the Statement of Work (each a "Report").
- **Performance Reviews** – Upon The Company's request, or as specified in the SOW, the vendor will meet with The Company for periodic performance reviews.
- **Use of The Company Facilities and/or Equipment** - Vendor agrees that it will not use The Company facilities and/or any The Company equipment (including any equipment owned, leased, or rented by the vendor for performing its obligations under the PREFERRED VENDOR Agreement) to perform services for any person or entity other than The Company, without the prior written consent of The Company.
- **Remove or Replace Employees Working on the The Company Account** - Vendor agrees that if as a result of complying with business reason The Company requests the vendor to promptly remove from or replace any employee or subcontractor it has assigned to work on the Company account, the vendor will do so.
- **Financial Information** - Within ten (10) days after the vendor learns that it has become or will become Insolvent, they shall submit financial statements to The Company in sufficient detail to allow The Company to determine whether the vendor shall be capable of continuing to perform its obligations hereunder.
- **Non-Exclusive; No Minimums** - The parties hereto agree that nothing contained in the Agreement or any SOW, Schedule A, or PO shall be construed as creating an exclusive relationship between the parties.
- **Account Manager** - Vendor will assign one person at their company to act as an account manager to The Company and will remove the account manager at The Company's request.
- **Payment terms** - Vendor will invoice The Company immediately upon completion of work and will give The Company a 2% discount if they are paid within 10 days of invoice date. Otherwise The Company will pay full invoice amount in 60 days.
- **Non-Disclosure Agreement** -
 - The vendor will not disclose any information gathered in their work with The Company to any third party without The Company's knowledge.
 - The vendor will take reasonable security precautions to safeguard The Company's intellectual property and customer information.
- **Privacy** -
 - The Company owns all information about its customers.
 - Vendor will use customer information only as needed to conduct the work they have been hired to do.
 - Vendor will take reasonable steps to secure customer information and not disclose it to third parties without The Company's express permission.
- **Ownership** - Both parties agree that each has and retains ownership rights to their own confidential information during and after the termination of work.
- **Subcontracting of work** – Vendor shall not subcontract all or any portion of the work to third parties ("Subcontractor") without the express prior written consent of The Company. In the event The Company approves the use of a Subcontractor, vendor agrees to do so in compliance with the PAG and the conditions address in the Agreement.
- **General Indemnification** - Vendor agrees to hold The Company harmless for any and all claims, damages, or losses they may incur. This is a one-way indemnification;

The Company does not agree to hold the vendor harmless.

- **Force Majeure** - If the vendor is unable to perform the work and this inability exists for more than a week The Company has the right to terminate the contract.

- **Other** -

Terms of Agreement: Outlines the period of time during which the Agreement shall be in effect.

Taxes: Vendor is responsible for their own taxes due.

Insurance Required: Vendor must have insurance as required in Addendum.

Audit: The Company has the right to audit vendors to ensure compliance with the contract terms and they will keep all records that are needed to conduct the audit.

Trademarks: Vendor will not use The Company trademarks or company name.

Relationship of Parties: Nothing about this contract implies any relationship other than a work for hire. Vendor is not a "partner" in any way and cannot conduct business on our behalf.

Governing Laws: Contract is ruled by the laws of (insert jurisdiction here).

Types of PREFERRED VENDOR Agreements

In addition to the standard PREFERRED VENDOR Agreement, there are other methods to create an PREFERRED VENDOR "compliant" agreement. For example, if you have a vendor that is currently under contract and you don't want to renegotiate the entire contract at this time, you can use the PREFERRED VENDOR amendment which outlines the basic terms of the agreement: payment terms, subcontractor reporting, and the Program Administrative Guidelines (PAG). That way you can get the vendor into the PREFERRED VENDOR program expeditiously without having to go through an entire contract negotiation.

There are five alternative agreements (listed below) that are PREFERRED VENDOR Compliant when executed properly with LEGAL DEPARTMENT involvement. LEGAL DEPARTMENT is responsible for determining which agreement should be used.

- Standard PREFERRED VENDOR Agreement with category specific addendum
- PREFERRED VENDOR Category Specific Agreement
- Other LEGAL DEPARTMENT-Approved Agreement with three program elements
- PREFERRED VENDOR Amendment
- SOW/Schedule A/Purchase Order

Remember, the use of the PREFERRED VENDOR Agreement, PAG, or the Agreements listed above should be coordinated and approved by the appropriate LEGAL DEPARTMENT contact to ensure that they meet the business and legal requirements of The Company. You should also consider leveraging LEGAL DEPARTMENT resources when drafting Schedules and/or Statements of Work. Go to the [LEGAL DEPARTMENT](#) web site to identify the appropriate person to contact.

Some categories have unique requirements so LEGAL DEPARTMENT has worked with business units to develop the following PREFERRED VENDOR Category Specific Agreements. Should you work with a vendor who provides one of the services listed below remind your LEGAL DEPARTMENT contact that there may be an existing agreements in place or currently under development.

Marketing
RE&F
WWOp's)

People Services

Consulting
Agency Temps
Legal (under development)
Training & Content Dev (under development)

Events and Venues

Events Master Agreement
Accommodations
Banquets
Catering
Co-sponsorship
Events Space
Exhibitors

Technology

Miscellaneous