



GOODS & SERVICES CONTRACT

THIS AGREEMENT, made this 18th day of June in the year **2025** by and between **THE CITY OF VINELAND**, in the County of Cumberland, New Jersey, a municipal corporation, hereinafter **City**, and

Hereinafter "Contractor",

Virginia Transformer Corporation
220 Glade View Drive
Roanoke, VA 24012

City Contract# & Title:

C25-0262
Power Transformer for West Substation

WITNESSETH: that **City** and **Contractor**, for the consideration hereinafter named, covenant and agree as follows:

1. **The Contractor**, pursuant to a duly published notice to bidders, bid specifications (COV RFP 2025-13) and written bid received by the **City** on May 14, 2025, and Resolution **No. 2025-297** of the **City** accepting said bid June 17, 2025, which includes notice to bidders, bid specifications, written bid, **agreed upon Terms & Conditions (see attached)** and resolution are herein incorporated by reference thereto, agrees to furnish and deliver the following:

Power Transformer for West Substation

For the City of Vineland Electric Utility, as required by said bid specifications and in accordance with said written bid submitted by Contractor and to otherwise comply with all requirements contained therein.

2. **The Contractor** agrees not to assign, transfer, convey, sublet or otherwise dispose of this contract or any part thereof or its right, title or interest therein, without first receiving the written consent of the Mayor, Council and/or Purchasing Agent of the City of Vineland.
3. **The Contractor** and **City** agree that time is of the essence in the faithful performance of this Contract and that all Contractor's obligations shall be concluded in accordance with the resolution and bid specifications for the purchase of a new power transformer for the West Substation.
4. As consideration for **Contractor** complying with the terms, covenants and conditions herein, Contractor shall charge the appropriate parties, in the amount not to exceed **\$3,797,800.00**, as stated in the bid proposal and awarded by Resolution No. **2025-297** adopted on **June 17, 2025**.
5. Should **Contractor** fail to carry out the terms of this Contract as herein prescribed, **City** may cancel or rescind this Contract in its entirety and serve said notice addressed to **Contractor's** last known mailing address; or it may notify the bonding company or bondsman, as the case may be, to complete the Contract. Nothing contained herein, however, shall prevent City from pursuing whatever other remedies it may have at law, including but not limited to the forfeiture of Contractor's bid deposit.

6. The **Contractor** hereby agrees to indemnify and save harmless the **City** from and for any damages or injury, including death and/or property loss for which it may become liable by reason of any negligence or carelessness on the part of **Contractor**, or on the part of its successors, assigns, agents, servants, or employees from the action of the elements, or from any unforeseen or unusual difficulty, obstruction or obstacles encountered in the prosecution of the work or from improperly guarding any and all portions of the work, or of the private or public property which might be endangered by reason of the performance of the work.

The **Contractor** shall indemnify and save harmless the **City** from and against any and all claims, liabilities, actions and causes for action, costs, charges and mechanics liens for labor performed or for tools and materials furnished in the performance of the work and any and all costs, charges and expenses incurred in defending such suits or actions or procuring such liens to be discharged and satisfied and from and against all claims and liabilities for any injury or damage to person or property growing out of defective or careless performance of said work, or from and against all or any claims or liabilities for royalties or license fees, actions, suits, charges, expenses, or damages for infringement of patents by reason of the use of any invention or improvement or material, tools or plant of any process of device, or combination of devices or equipment used in the performance of the work done under this Agreement. The legal status of said Contractor is that of an "Independent Contractor."

7. The **Contractor** shall furnish the **City** with a Certificate of Insurance for a comprehensive general liability policy covering **Contractor's** entire operation, with bodily injury limits of not less than \$1,000,000 any one person/any one accident and property damage limits of \$3,000,000 total aggregate. Said policy shall be issued in the name of the Contractor and the City as their interest may appear. **Contractor** shall also furnish the **City** with satisfactory evidence of full and complete statutory compliance with the Workman's Compensation Law of the State of New Jersey.

The **City** shall be named as an additional insured under said policy. The **Contractor** shall provide the **City** with evidence of insurance coverage in the form of a certificate and policy endorsement page, which shall also provide that the insurer shall be obligated to notify the **City** of any cancellation or modification of insurance coverage to the **Contractor** within sixty (60) days thereof.

8. During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will ensure that equal employment opportunity is afforded to such applicants in recruitment and employment, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such equal employment opportunity shall include, but not limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

The contractor or subcontractor will send to each labor union, with which it has a collective bargaining agreement, a notice, to be provided by the agency contracting officer advising the labor union of the contractor's commitments under this chapter and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31 et seq. as amended and supplemented from time to time and the Americans with Disabilities Act.

The contractor or subcontractor agrees to make good faith efforts to meet targeted county employment goals established in accordance with N.J.A.C. 17:27-5.2.

The contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, and labor unions, that it does not discriminate on the basis of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

In conforming with the targeted employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The contractor shall submit to the public agency, after notification of award but prior to execution of a goods and services contract, one of the following three documents:

Letter of Federal Affirmative Action Plan Approval
Certificate of Employee Information Report
Employee Information Report Form AA302

Employment Information Report AA302 (electronically provided by the Division and distributed to the public agency through the Division's website at www.state.nj.us/treasury/contract_compliance).

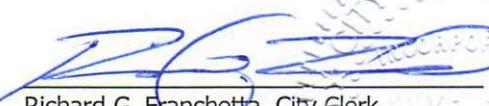
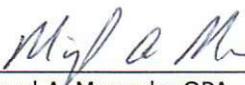
The contractor and its subcontractors shall furnish such reports or other documents to the Division of Purchase & Property, CCAU, EEO Monitoring Program as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Division of Purchase & Property, CCAU, EEO Monitoring Program for conducting a compliance investigation pursuant to Subchapter 10 of the Administrative Code at N.J.A.C.17:27.

9. **Political Contribution Disclosure.** This contract has been awarded to **Virginia Transformer Corporation**, based on the merits and abilities to provide the goods or services as described herein. This contract was awarded through a "fair and open process" pursuant N.J.S.A.19:44A-20.4 et seq. As such, the undersigned does hereby attest that **Virginia Transformer Corporation**, its subsidiaries, assigns or principals controlling in excess of 10% of the company has neither made any contribution of money or any other thing of value, including in-kind contributions that are reportable pursuant to City Ordinance and the Election Law Enforcement Commission pursuant to N.J.S.A. 19:44A-8 or 19:44A-16, in the one (1) year period preceding the award of the contract that would, pursuant to P.L. 2004, c.19, affect its eligibility to perform this contract, nor will it make a reportable contribution during the term of the contract to any political party committee in the County of Cumberland, City of Vineland, NJ; if a member of that political party is serving in an elective public office of the City of Vineland, County of Cumberland, NJ the contract is awarded, or to any candidate committee of any person serving in an elective public office of the City of Vineland, County of Cumberland, NJ when the contract is awarded.

10. **IN WITNESS WHEREOF**, the parties named herein have hereunto set their hands and seals and the day and year first above written, pursuant to attached resolution.

ATTEST:

The City of Vineland


Anthony R. Fanucci, Mayor
Richard G. Franchetta, City Clerk
Miguel A. Mercado, QPA
Purchasing Agent

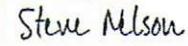
Virginia Transformer Corporation

Steve Nelson

Chief Financial Officer

Name & Title- (please print or type)

DocuSigned by:

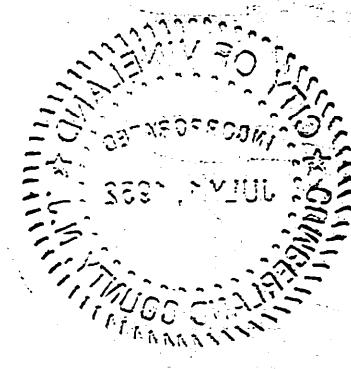

Steve Nelson

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Signature

Date 12/15/2025


BP

Senior Contracts Manager



Virginia Transformer Corp.
 Summary of Clarifications to the Terms and Conditions
 to be negotiated and discussed
City of Vineland New Jersey G251701A

Item	Article/Section	
1	City of Vineland General Instructions V. INSURANCE AND INDEMNIFICATION C. INDEMNIFICATION Pg. 8	<p>Bidder shall indemnify and hold harmless the City of Vineland from all claims, suits or actions, and damages or costs of every name and description to which the City of Vineland may be subjected or put by reason of injury to the person or property of another, or the property of the City of Vineland resulting from negligent acts or omissions on the part of the contractor, the contractor's agents, servants or subcontractors in the delivery of goods and services, or in the performance of the work under the contract. Bidder's liability under this Clause shall be only to the proportionate extent of Bidder's fault, negligence, or responsibility and not for any portion of any claim under this Clause that is the fault, negligence or responsibility of other parties including the Indemnified Parties.</p> <p>Notwithstanding the above, the exclusion of incidental, indirect or consequential damages shall not apply to (i) damages arising from gross negligence, willful misconduct or fraud by either party; (ii) personal injury, death or property damage resulting from the performance or breach of this agreement; (iii) breaches of confidentiality, intellectual property rights or data security obligations; and (iv) claims arising out of regulatory or safety violations.</p> <p>In no event shall either party's liability on any claim for loss or damage arising out of this contract or from the performance or breach thereof exceed the greater of: (i) the price of the specific item giving rise to the claim for loss or damage or (ii) the total contract value.</p>
	Customer Response	
2	City of Vineland General Instructions X. TERMINATION OF CONTRACT Pg. 12	<p>A. If, through any cause, the contractor shall fail to fulfill in a timely and proper manner obligations without providing plan to cure accepted by the city under the contract or if the contractor shall violate any of the requirements of the contract, the City shall there upon have the right to terminate the contract by giving written notice to the contractor of such termination and specifying the effective date of termination. Such termination shall relieve the City of any obligation for balances to the contractor of any sum or sums set forth in the contract. City will pay only for goods and services accepted prior to termination.</p> <p>B. Notwithstanding the above, the contractor shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of the contract by the contractor and the City may withhold any payments to the contractor for the purpose of compensation until such time as the exact amount of the damage due the City from the contractor is determined.</p> <p>C. The contractor agrees to indemnify and hold the City harmless from any liability to subcontractors/suppliers concerning payment for work performed or goods supplied arising out of the lawful termination of the contract by the City under this provision.</p> <p>D. In case of default by the contractor, the City may procure the goods or services from other sources and hold the contractor responsible for any excess cost.</p> <p>E. Continuation of the terms of the contract beyond the fiscal year is contingent on availability of funds in the following year's budget. In the event of unavailability of such funds, the City reserves the right to cancel the contract.</p> <p>Bidder, in addition to all other rights and remedies under this order or at law, shall have the right to cancel and terminate City's order for breach by City including, but not limited to, if City fails to make payment as due or if City is adjudicated bankrupt, files a petition in bankruptcy, makes an assignment for the benefit of creditors or if action under any law for the relief of debtors is taken. In the event of cancellation and termination of this order for breach of the provisions hereof by City, Bidder shall have no further liability to City and Bidder shall not be liable for any costs of cancellation, special, incidental or consequential damages (including punitive or exemplary damages) for any cause or of any nature whatsoever and such</p>

		<p>cancellation and termination. All cancellations or terminations by Bidder for City's breach shall be subject to the following cancellation or termination charges:</p> <ul style="list-style-type: none"> • 30 % of order amount after order entry by Bidder. • Additional 15 % of order amount after outline drawing completion / submission. • If manufacturing has begun, charges will be based upon commitments for materials and percent completion in addition to the 45% for engineering and order entry. <p>In the event City cancels its order convenience, City shall be responsible to Bidder for cancellation charges in the amounts set forth in the Cancellation & Termination paragraph above, which City shall pay Bidder upon such cancelation.</p>
	Customer Response	
3	City of Vineland General Instructions XI. Payment	<p>A. No payment will be made unless duly authorized by the City's authorized representative and accompanied by proper documentation.</p> <p>B. Payment will be made in accordance with the City's policy and procedures.</p> <p>Payment terms are as follows:</p> <p>30% with production slotting and advance material planning which shall be invoiced at time of order acceptance</p> <p>30% upon drawing submission not to exceed 30 days from date of submission,</p> <p>30% at shipment and approval of factory acceptance testing reports, not to exceed 30 days from the date of shipment or placement into storage,</p> <p>10% not to exceed 30 days from delivery or placement into storage.</p>
	Customer Response	
4	Vineland Municipal Electric Utility Power Transformer Specification 1.10. Warranty Pg. 28	<p>A. Transformers and all associated equipment furnished by the Manufacturer shall be subject to inspection, tests, and approval by VMEU. In the event of a defective product due to manufacturer issues, the seller will provide VMEU with a suitable replacement that will be installed by VMEU. This warranty shall apply for five (5) years after acceptance of ownership by VMEU, or for the period which the equipment is guaranteed, whichever is longer.</p> <p>B. The nameplate shall state the warranty period of the transformer.</p> <p>C. Neither the final payment, nor any other provision of the contract, nor partial or entire use of the equipment as intended, shall relieve the Contractor of liability with respect to the guarantees and warranties referred to in these specifications or any other warranties expressed or implied.</p> <p>(A) For the period set forth below in this paragraph, Bidder warrants that each newly manufactured item sold hereunder, and such portion of a repaired/refurbished item as has been repaired or replaced by Bidder under this warranty, shall be free from defects in material, workmanship, or title at the time of shipment and shall perform during the warranty period in accordance with the specifications incorporated herein. Should any failure to conform to these warranties (excluding any defects in title) be discovered and brought to Bidder's attention during the warranty period and be substantiated by examination at Bidder's factory or by authorized field personnel, then (i) Bidder shall correct such failure, at Bidder's exclusive option, repair or replacement of the nonconforming item or portion thereof with City promptly making product available to be worked by Bidder's personnel or agents without interference with no additional cost to the Bidder; or (ii) City making available product F.O.B. Bidder's plant with Bidder's written return authorization, at Bidder's exclusive option, for repair or replacement of the nonconforming item or portion thereof. City agrees that this remedy shall be its sole and exclusive remedy against Bidder and that no other remedy shall be available or pursued by City against Bidder. In no event shall the Bidder be liable for any costs or expenses in</p>

	<p>excess of those described in this paragraph and expressly excluding any liability or damages for special, incidental, or consequential damages.</p> <p>The warranty period for newly manufactured items shall extend 60 months from the date of first energization or 60 months from the date of shipment whichever occurs first or unless a different warranty period is agreed to by Bidder. The warranty period for repaired/refurbished articles shall extend for the unexpired warranty period of the item repaired or replaced or for 90 days, whichever is longer. This warranty shall be voided and not extend to any item that upon examination by Bidder is found to have been subject to:</p> <ul style="list-style-type: none">a) mishandling, misuse, negligence, or accident.b) storage, installation, operation, testing, or maintenance that either was not in accordance with Bidder's specifications, instructions, manuals, or otherwise improper, or contrary to industry standards.c) tampering as evidenced for example by broken seals, damaged packaging containers, etc.d) testing of equipment above normally accepted field tests.e) repair or alteration by anyone other than Bidder without Bidder's express advance written approval.f) payment(s) not received per terms of sale. <p>Failure to promptly notify Bidder in writing upon discovery of any non-conforming items during the warranty period shall void the warranty as to such items. City shall describe any such non-conformity in detail, expressing its position as to return of any article under the remedy provided herein. No returns shall be accepted without prior approval by Bidder. No back charges shall be accepted without the prior written consent of Bidder's authorized representative. Where a failure cannot be corrected by Bidder's reasonable efforts, the parties shall mutually agree upon an equitable adjustment in price. The preceding sets forth the exclusive remedies for claims (except as to title) based on defect whether in contract or tort (including negligence or strict liability) and however instituted. THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ANY OTHER WARRANTIES, EITHER EXPRESSED OR IMPLIED INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND BIDDER DISCLAIMS IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.</p> <p>(B) BIDDER'S INSTALLATION WARRANTY: Bidder warrants that all work hereunder shall be performed in accordance with the industry standards in performing the same or similar services for itself. Bidder disclaims any and all other representations or warranties expressed or implied including without limitation any representation or warranty that a) any unauthorized entry, burglary, theft, embezzlement, or any other crimes will be prevented by the equipment and/or installation thereof or that b) any particular purpose or standard of care intended or desired or any particular results to be achieved by City through the installation and operation of the items to be delivered hereunder. Bidder's installation services and installation warranty does not include or imply any assistance for system field troubleshooting beyond required to fulfill the warranty obligations herein and no back charges for such services shall be accepted without the prior written consent of Bidder's authorized representative.</p> <p>(C) EXTENDED WARRANTY PERIOD OPTION FOR CORE AND COIL When purchased, the warranty period may be extended by the period specified in such purchase covering core and coils only against failure occurring with respect to normal operation and within the parameters for which the transformer was designed. For extended Warranty period, to ensure validity of Extended Warranty period coverage, Virginia Transformer requires Dissolved Gas Analysis (DGA) reports of the supplied unit to be provided every year</p>
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	<p>for the period of extended warranty period coverage. The annual DGAs should be emailed to: FieldService@vatransformer.com. Failure to conduct annual DGAs and provide the reports to Bidder may void the purchased extended warranty. Except for the extended time period all other provisions, terms, conditions, and limitations set forth above shall apply to the extended warranty period. In case of any disturbance in the system that causes the transformer to trip off-line, following information shall be forwarded to Virginia Transformer Corp within 48 hours: Event summary with relevant data, Protection system data, Overvoltage conditions (if any), Fault data (if any) and offset timing with peak current value, Loading, Environmental and atmospheric conditions. Failure to timely provide this information may void the warranty.</p> <p>(D) OPTIONAL EXTENDED BUMPER TO BUMPER WARRANTY PERIOD: When purchased, the warranty for the extended period specified will cover the entire Transformer including core and coils and all associated transformer accessories against failure occurring with respect to normal operation and within the parameters for which the transformer was designed. Bumper to Bumper Warranty does not cover normal wear and tear including paint and gaskets beyond five years. For extended Warranty period, to ensure validity of Extended Warranty period coverage, Virginia Transformer requires Dissolved Gas Analysis (DGA) reports of the supplied unit to be provided every year for the period of extended warranty coverage, and the additional data as stated in Section 15(A) The annual DGA's should be emailed to: FieldService@vatransformer.com. Failure to conduct annual DGAs and provide the reports to Bidder may void the purchased extended warranty. Except for the extended time period all other provisions, terms, conditions, and limitations set forth above shall apply to the extended warranty period.</p> <p>(E) OPTIONAL IN/OUT COVERAGE: When purchased, Bidder will cover only the expenses to transport the transformer to a repair facility and back to site for warranty failures occurring within the period defined. City will make transformer ready for shipment in the condition it was originally received per the Outline Drawing with clear and free access by Carrier. Craning, civil work, disconnection, and reconnection of the transformer, etc. is the responsibility of the City.</p>
	Customer Response
5	<p>Vineland Municipal Electric Utility Power Transformer Specification</p> <p>11.1. Equipment Delivery</p> <p>Pg. 34</p> <p>A. All base bid items as specified for guaranteed purchase ordered upon award of the purchase order contract. Availability (delivery) of materials is an important factor in the evaluation of bids.</p> <p>B. Materials and or equipment, shall be delivered Freight Prepaid and Add Allowed. Freight cost will be estimated in Bidder proposal. After delivery freight will be PPD and ADD with 15% administrative markup.</p> <p>C. Ownership of all materials and equipment shall remain vested with the manufacturer or Contractor until acceptance by VMEU. All claims for recovery of damages shall be the responsibility of the successful Bidder/Contractor.</p> <p>D. Acceptance of ownership by the City shall in no way relieve the Contractor of its responsibilities under this contract.</p> <p>E. Contractor shall require shipper to provide VMEU with a minimum of 24-hour notice of delivery so arrangements for lifting equipment can be made. The Shipper may be responsible for unloading material in the event such notice is not received.</p> <p>F. All customs fees, fares, and arrangements are the responsibility of the contractor.</p>
	Customer Response
6	Vineland Municipal Electric Utility Power

	Transformer Specification 1.17. Governing Law Pg. 36	All parties to this Contract are bound by the appropriate provisions of the New Jersey Local Public Contract Laws which is a prerequisite to any payment by the City. This law is applicable to this Contract in total and in particular to change orders which must be pre-approved by the City pursuant to law.
	Customer Response	
7	Vineland Municipal Electric Utility Power Transformer Specification 1.20 Assignment and Subcontracting Pg. 36	<p>The Contractor shall not assign or subcontract the work, or any part thereof, without the previous written consent of the Owner, nor shall he assign, by power of attorney or otherwise, any of the money payable under this Contract unless written consent of the Owner has been obtained. No right under this Contract, nor claim for any money due or to become due here under shall be asserted against the Owner, or persons acting for the Owner, by reason of any so called assignment of this Contract or any part thereof, unless such assignment has been authorized by the written consent of the Owner. In case the Contractor is permitted to assign Monies due or to become due under this Contract, the instrument of assignment shall contain a clause subordinating the claim of the assignee to all prior liens for services rendered or materials supplied for the performance of the work.</p> <p>Should any subcontractor fail to perform in a satisfactory manner the work undertaken by him, his subcontract shall be immediately terminated by the Contractor upon notice from the Owner. The Contractor shall be as fully responsible and accountable to the Owner for the acts and omissions of his subcontractors, and of persons either directly or indirectly employed by them, as he is for the acts and omissions of persons directly employed by him. Nothing contained in this Contract shall create any contractual relationship between any subcontractor and the Owner.</p> <p>Except as otherwise expressly provided herein, no assignment of this order or City's rights under this order shall be made by City without the prior written agreement of the Bidder. All amounts due to the Bidder must be paid to the Bidder before any assignments will be granted. In addition, City must provide financial and other information as requested by the Bidder to support the ability of the assignee to pay future amounts that may become due. Bidder reserves the right to deny any request for assignment.</p>
	Customer Response	
8	Vineland Municipal Electric Utility Power Transformer Specification 1.25 Contractor Default Pg. 38	<p>If the work to be done under this Contract is abandoned by the Contractor; or if this Contract is assigned by him without the written consent of the Owner; or if the Contractor is adjudged bankrupt; or if a general assignment of his assets is made for the benefit of his creditors; or if a receiver is appointed for the Contractor or any of his property; or if at any time the Engineer certifies in writing to the Owner that the performance of the work under this Contract is being unnecessarily delayed, that the Contractor is violating any of the material conditions of this Contract, or that he is executing the same in bad faith or otherwise not in accordance with the terms of said contract; or if the work is not substantially completed within the time named for its completion or within the time to which such completion date may be extended; then the Owner may serve written notice upon the Contractor and his surety of the Owner's intention to terminate this Contract. Unless within 5 days after the serving of such notice, a satisfactory arrangement or reasonable plan to cure is provided is made for continuance, this Contract shall terminate. In the event of such termination, the surety shall have the right to take over and complete the work, provided that if the surety does not commence performance within 30 days, the Owner may take over and prosecute the work to completion, by contract or otherwise. The Contractor and his surety shall be liable to the Owner for all excess cost sustained by the Owner by reason of such prosecution and completion. The Owner may take possession of, and utilize in completing the work, all materials, equipment, tools, and plant on the site of the work. In no event shall late delivery be an Event of Default unless Seller fails to deliver corrective action plan acceptable to owner or Equipment is not delivered by the most recent agreed upon delivery date plus Seller originally proposed lead time.</p>
	Customer Response	

9	Vineland Municipal Electric Utility Power Transformer Specification 1.26 Hinderances and Delays Pg. 38	<p>The Contractor expressly agrees that in undertaking to complete the work within the time specified, he has made allowances for all hindrances and delays which might usually be expected to occur in performing the work. No claims shall be made by the Contractor for such hindrances and delays.</p> <p>If the Contractor is delayed at any time in the progress of the work by any act or neglect of the Owner or of any employee of the Owner, or by any separate contractor employed by the Owner, or by changes ordered in the work, or by strikes, lockouts, fire, unusual delay in transportation, unavoidable casualties, epidemics, pandemics, insurrection, war, riots, acts of God, or any causes beyond the Contractor's control, or by any cause which the Engineer shall decide justifies a delay, then the time of completion shall be extended for such reasonable time as the Engineer may decide. The Contractor may be entitled to compensation for additional work if Contractor is required to perform work beyond the scope of the initial contract work, and the work was not required because of Contractor's fault or the delay is caused solely by the Owner.</p> <p>No such extension of time will be made for a delay occurring more than 7 days before claim therefore is made in writing to the Engineer. Such claims for extension of time will, in all cases, include a detailed critical path analysis illustrating the reason for the claims and firmly establishing the days in question. In the case of a continuing cause of delay, only one claim is necessary. The Contractor shall use all reasonable means to minimize the extent of the delay.</p>
	Customer Response	
10	Vineland Municipal Electric Utility Power Transformer Specification 1.27 Suspension of Work Pg. 38	<p>The Owner reserves the right to suspend and reinstate execution of the whole or any part of the work without invalidating the provisions of the contract. Suspension or reinstatement of the work will be by written notice to the Contractor from the Owner.</p> <p>Suspension of work shall not automatically entitle the Contractor of additional compensation or a change in the contract time; however, the Contractor will be reimbursed for real and unavoidable direct costs incurred by him as a result of such suspension and/or the contract will be extended as required to compensate for any delay due to such suspension. Any extended delays, suspension, postponement, or schedule change requested by the Owner or caused by customer beyond 20 days will be subject to a re-scheduling fee of 30% of the specific order value.</p> <p>Claims by the Contractor for change of contract time due to work suspensions ordered by the Owner shall be made in accordance with the requirements of section 1.20, Changes to the Contract. The Contractor shall use all reasonable means to minimize the consequences of such suspension.</p>
	Customer Response	VTC Response Rescheduling shall not apply to field services so long as commencement of field service so long as notice is given 30 days prior to scheduled date of field service.
11	Vineland Municipal Electric Utility Power Transformer Specification 1.28 Delayed Shipment Pg. 38	<p>The Owner reserves the right to order the Contractor to delay shipment of equipment and materials herein contracted. In the event such a delay is ordered by the Owner in writing, the Owner will pay the Contractor reasonable and proper extra charges incurred by the Contractor as a result of the delay. Such extra charges shall include third party storage charges, handling charges, insurance, interest on investment, and transportation charges to the third party storage facility. Any extended delays, suspension, postponement, or schedule change requested by the Owner or caused by customer beyond 20 days will be subject to a re-scheduling fee of 30% of the specific order value.</p>
	Customer Response	VTC Response Rescheduling shall not apply to field services so long as commencement of field service so long as notice is given 30 days prior to scheduled date of field service.
12	Vineland Municipal Electric Utility Power Transformer Specification	<p>The Owner reserves the right to cancel work by giving written notice to the Contractor. In the event of cancellation, the Owner will pay the Contractor reasonable and proper cancellation costs. Cancellation of the work shall not constitute the basis for a claim for damages or loss of anticipated profits. The Contractor shall, after consultation with the Owner, take all reasonable steps to minimize the costs related to cancellation. The Contractor shall provide the Owner with an accounting of costs claimed, including adequate supporting information, and the Owner may, at its expense, audit the claimed costs and supporting information.</p>

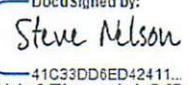
	1.29 Cancellation of Work Pg. 39	<p>Contractor, in addition to all other rights and remedies under this order or at law, shall have the right to cancel and terminate Owner's order for breach by City including, but not limited to, if Owner fails to make payment as due or if Owner is adjudicated bankrupt, files a petition in bankruptcy, makes an assignment for the benefit of creditors or if action under any law for the relief of debtors is taken. In the event of cancellation and termination of this order for breach of the provisions hereof by Owner, Contractor shall have no further liability to Owner and Contractor shall not be liable for any costs of cancellation, special, incidental or consequential damages (including punitive or exemplary damages) for any cause or of any nature whatsoever and such cancellation and termination. All cancellations or terminations by Bidder for Owner's breach shall be subject to the following cancellation or termination charges:</p> <ul style="list-style-type: none"> • 30 % of order amount after order entry by Contractor. • Additional 15 % of order amount after outline drawing completion / submission. • If manufacturing has begun, charges will be based upon commitments for materials and percent completion in addition to the 45% for engineering and order entry. <p>In the event Owner cancels its order convenience, Owner shall be responsible to Contractor for cancellation charges in the amounts set forth in the Cancellation & Termination paragraph above, which Owner shall pay Bidder upon such cancelation.</p>
	Customer Response	
13	Vineland Municipal Electric Utility Power Transformer Specification 1.30 Modifications Pg. 39	<p>The Contractor shall modify the work whenever so ordered by the Owner and such modifications shall not affect the validity of the contract. Modifications may involve changes in the amount of the work to be performed or changes in the contract time for which appropriate changes to the contract will be made. Contract changes due to modifications shall be made in accordance with the requirements of Section 1.20, Changes to the Contract. Any extended delays, suspension, postponement, or schedule change requested by the Owner or caused by customer beyond 20 days will be subject to a re-scheduling fee of 30% of the specific order value.</p>
	Customer Response	VTC Response Rescheduling shall not apply to field services so long as commencement of field service so long as notice is given 30 days prior to scheduled date of field service.
14	Vineland Municipal Electric Utility Power Transformer Specification 1.31 Changes to the Contract Pg. 36	<p>The contract may be changed only by duly executed change orders issued by the Owner. If, in the opinion of the Owner or the Contractor, any event or action by the other party justifies a change in the contract, either party shall initiate with the other party, within 5 days after such event or action, a request for a change to the contract. All documentation required to substantiate the proposed change shall be submitted within a minimum reasonable time after initiating the request for change. Upon the parties reaching agreement regarding the proposed change, the Owner will issue a written change order therefor.</p> <p>Notwithstanding the foregoing provisions requiring duly authorized change orders, in the event an agreement has been reached between authorized representatives of the parties regarding the change in the contract pending processing of such change order, the Contractor shall proceed with the work on the basis of written interim authorization from the Owner.</p> <p>If the Contractor claims that any instruction, request, drawing, specifications or other directive or action of the Owner or the Engineer constitutes a change in the contract, but has not been authorized as such by a change order in writing by the Owner, the Contractor shall immediately request a written interim authorization and proceed without delay to perform the work in accordance with such authorization. The Contractor shall provide written notice of the claim or dispute to the Owner within 5 10 days of the request for interim authorization. The Contractor's failure to give said written notice within the 5 10 day period shall constitute a waiver and relinquishment of any such claim or dispute. The Owner's written interim authorization shall not constitute approval of the claim for increased or decreased work, but shall be a condition precedent to the Contractor's right to receive payment for such work and to the Contractor's right to prosecute or maintain any proceeding to recover for such work.</p>

	<p>A. Contract Price Changes</p> <p>The contract price may be changed due to modifications which involve extra work or decreased work.</p> <p>B. Increased Price</p> <p>If a change in the contract price is authorized, the contract price will be increased according to agreed lump sums, agreed acceleration costs, or other demonstrable costs submitted by the Contractor and substantiated to the satisfaction of the Owner.</p> <p>Contract price changes for modifications involving extra work will be based on agreed lump sums or on agreed unit prices whenever the Owner and the Contractor agree upon such prices before the extra work is started; otherwise, payments for extra work will be based on actual direct cost plus the specified percentage allowance.</p> <p>For the purpose of determining whether proposed extra work will be authorized, or for determining the payment method for extra work, the Contractor shall submit to the Owner, upon request, a detailed cost estimate for proposed extra work. The estimate shall indicate itemized quantities and charges for all elements of direct cost. Charges for the Contractor's and subcontractor's extra profit, extra general superintendence, extra field office expense, and extra overheads shall be indicated as a percentage addition to the total estimated direct cost. Unless otherwise agreed upon by the Contractor and the Owner, such percentage additions shall be 10 percent for the extra work performed by the Contractor's own forces or 15 percent for extra work performed by a subcontractor.</p> <p>When payment for extra work is based on actual direct cost, the Contractor will be paid the actual direct cost plus an allowance of 10 percent if the extra work is performed by the Contractor's own forces or 15 percent if the extra work is performed by a subcontractor. The allowance will be paid as full compensation for the Contractor's and subcontractor's extra profit, extra general superintendence, extra field office expense, extra overheads, and all other elements of extra cost not defined herein as actual direct cost.</p> <p>The actual direct cost shall include only those extra costs for labor and material expended in direct performance of the extra work and may include the following:</p>
	Customer Response
15	<p>Vineland Municipal Electric Utility Power Transformer Specification</p> <p>1.35 Patents</p> <p>Pg. 37</p> <p>To the extent that the items ordered are manufactured to designs, drawings, specifications, or instructions furnished by Owner, Owner guarantees that the manufacture and sale or use of such items will not infringe upon any U.S., or foreign patents. Owner further agrees to indemnify and hold harmless the Contractor from any expense, loss, cost, damage, or liability of any kind which may be incurred because of any such infringement or alleged infringement of patent rights with respect to such items and to defend, at its own cost and expense, any action or claim in which such infringement is alleged. Owner shall promptly notify Contractor of any such action and shall provide Contractor an opportunity, at Contractor's option, to participate in any defense of such action or claim at Contractor's own expense. Royalties and fees for patents covering materials, articles, apparatus, devices, equipment, or processes used in the work shall be included in the contract amount. The Contractor shall satisfy all demands that may be made at any time for such royalties or fees and he shall be liable for any damages or claims for patent infringements. The Contractor shall, at his own cost and expense, defend all suits or proceedings that may be instituted against the Owner for alleged infringement of any patents involved in the work and, in case of an award of damages, the Contractor shall pay such award. Final payment to the Contractor by the Owner will not be made while any such suit or claim remains unsettled.</p>
	Customer Response
16	<p>Vineland Municipal Electric Utility Power Transformer Specification</p> <p>1.36 Guarantee</p> <p>The Contractor guarantees that the work herein contracted will be as specified and will be free from defects in design, workmanship, and materials. If within the guarantee period the work fails to meet the provisions of this guarantee, the Contractor shall promptly correct any defects, including nonconformance with the contract documents by adjustment, repair, or replacement of all defective parts or materials.</p> <p>The Contractor shall pay all costs for correction of defects, including shop and field labor and supervision, transportation, materials, parts, supplies, and special tools; provided upon notification and substantiation that</p>

	<p>Pg. 38</p> <p>VTC requests the removal of this language as it is covered in section 1.10</p>	<p>the equipment has been maintained and operated in accordance with the manufacturer's recommendations and standard industry practice.</p> <p>This guarantee shall be extended to cover all repairs and replacements furnished under the guarantee and the period of the guarantee for each such repair or replacement shall be 2 year after installation or completion.</p> <p>The Contractor will be given an opportunity to confirm the existence of the defect but he shall not delay the correction while making such determination.</p> <p>If within 10 days after the Owner has notified the Contractor of a defect, failure, or abnormality in the work, the Contractor has not started to make the necessary repairs or adjustments, the Owner is hereby authorized to make the repairs or adjustments or to order the work to be done by a third party, the cost of the work to be paid by the Contractor.</p> <p>In the event of an emergency where, in the judgment of the Owner, delay would cause serious loss or damage, repairs or adjustments may be made by the Owner or a third party chosen by the Owner without advance notice to the Contractor and the cost of the work shall be paid by the Contractor or by the surety.</p> <p>The foregoing, are in lieu of all other warranties, including the implied warranties of merchantability and fitness for a particular purpose.</p>
	Customer Response	
17	Vineland Municipal Electric Utility Power Transformer Specification	<p>To the fullest extent permitted by laws and regulations, the Contractor shall defend, indemnify, and hold harmless the Owner and Engineer and their officials, officers, directors, partners, consultants, agents, and employees from and against all-claims, damages, losses, and expenses, (including but not limited to fees and charges of engineers, architects, attorneys, and other professionals and court and arbitration costs) arising out of or resulting from the performance of the work by the Contractor, any subcontractor, any person or organization directly or indirectly employed by any of them to perform or furnish any of the work or anyone for whose acts any of them may be liable, to the extent such injury or damage is due to the error, omission, or negligent act of the Contractor, his subcontractor, employees, or agents</p> <p>In any and all claims against the Owner, the Engineer, or any of their officials, officers, directors, partners, consultants, agents, or employees by any employee of the Contractor, any subcontractor, any person or organization directly or indirectly employed by any of them to perform or furnish any of the work or anyone for whose acts any of them may be liable, this indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Contractor or any such subcontractor or other person or organization under workers' or workmen's compensation acts, disability benefits acts, or other employee benefit acts, nor shall this indemnification obligation be limited in any way by any limitation on the amount or type of insurance coverage provided by the Owner, the Contractor, or any of his subcontractors.</p> <p>To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless Owner, Engineer, and their officials, officers, directors, partners, consultants, agents, and employees ("Indemnified Parties") from and against third-party claims, damages, losses, and expenses (including reasonable attorneys' fees and court or arbitration costs) to the extent arising out of the negligent acts, errors, or omissions of Contractor, its subcontractors, or anyone directly or indirectly employed by them in performance of the Work.</p> <p>In any such claim by an employee of Contractor or its subcontractors, this indemnification obligation shall not be limited by any statutory limitation on the amount or type of damages, compensation, or benefits payable under workers' compensation, disability benefits, or other employee benefit laws.</p> <p>Contractor's liability under this Clause shall be limited to its proportionate share of fault or negligence and shall not extend to the fault, negligence, or responsibility of other parties, including any Indemnified Party.</p>

		As between Owner and Contractor, neither party shall be liable to the other for incidental, indirect, special, punitive, or consequential damages, and Contractor's total aggregate liability for direct damages under this Contract shall not exceed the greater of (a) the contract price of the item giving rise to the claim or (b) the amount of insurance proceeds actually paid with respect to such claim.
	Customer Response	See proposed language
18	Requesting the insertion of the following section. Storage	Contractor does not provide post manufacturing completion storage. If Owner requires storage post manufacturing completion storage delivery address must be provided within 5 business days or ready to ship notification. Owner will be provided with manual to maintain manufacturer's warranty during storage upon placement into storage. All outstanding balances will become due within 30 days of placement into storage. Any liquidated damages on the face of the purchase order will be deemed as waived if the Good is placed into storage. Risk of loss and title transfer to Owner upon placement into storage.
	Customer Response	
19	Requesting the insertion of the following section. Surcharge	In a force majeure like event any components such as, electricity, freight, labor, core steel, etc. (excluding copper and mineral oil) are subject to abnormal price increases, that raise the overall cost of the unit by two percent (2%) or more, and Supplier is not able to otherwise mitigate these increases during the period between the proposal date and the shipment date, Supplier may pass along those specific incremental cost increases which shall not exceed 4% of the total cost of the unit. Supplier will provide evidence of the specific cost increases, in the event they occur, and adjustment is sought.
	Customer Response	
20	Requesting the insertion of the following section. Rescheduling	Any extended delays, suspension, postponement, or schedule change requested by the Owner or caused by customer beyond 20 days will be subject to a re-scheduling fee of 30% of the specific order value.
	Customer Response	
21	Requesting the insertion of the following section. Intellectual Property	Upon receipt of full payment for the Transformer and conditioned upon Customer not defaulting on its obligations under this Agreement, VTC hereby grants to Customer a perpetual, royalty-free license to use the Intellectual Property Rights of VTC which are incorporated in the Transformer. Such license is limited solely to the use of the Transformer by Customer for the purposes and at the location described in Bidder's Proposal. Customer may only transfer this license to a third party upon first providing VTC with a written acknowledgment by such transferee of VTC's ownership of its Intellectual Property Rights contained in the Transformer.
	Customer Response	
22	Requesting the insertion of the following section. Purchase Orders	If any purchase order submitted by the owner/purchaser contains or invokes terms or conditions other than this Contract or the Terms and Conditions agreed to between VTC and the purchaser, then Bidder/VTC may, without penalty reject said terms and conditions on the purchase order by striking them out.

	Customer Response	
23	Acceptance/Inspection	Acceptance shall take place at Factory Acceptance Testing. Any damage during transit is the onus of the Bidder so long as freight is Bidder responsibility. Any nonconformities to mutually agreed upon specifications found at the time of delivery shall be corrected on site by Bidder. In the event post-delivery damage, nonconformities, or transit damage requires extensive repair the need for factory remediation versus on site repair shall be the sole decision of the Bidder with all cost attributed to Bidder except in the event of transit or storage damage when Bidder does not provide freight and or storage.
	Customer Response	
24	Rejection/Risk of Loss	Rejection which requires return to factory for remediation will only be done upon mutual agreement post-delivery. Risk of loss conveys upon delivery to City defined location (jobsite or storage location)
	Customer Response	
25	Applicable Local Law	City represents and warrants that its specifications comply with all applicable Standards and Codes, laws, ordinances and regulations.
	Customer Response	
26	Taxes	The purchase price of the Goods and Services does not include transportation taxes and sales, use, excise, value added, import or any similar tax or other governmental charge arising pursuant to or in connection with the sale, purchase, processing, delivery, storage, use, consumption, performance or transportation of the Goods and Services. City is responsible for payment of any transportation taxes, and any present or future sales, use, excise, value added, import or any similar tax or other governmental charge applicable to the Agreement and to the sale and/or furnishing of the Goods and Services if Bidder from City do not receive a Sales Tax exemption form.
	Customer Response	
27	Access	Purchaser guarantees all access roads are suitable for normal unimpeded access by applicable carriage and craneage vehicles to site with free and clear access to area directly adjacent to the placement point of the unit with no physical obstructions and clear of stored materials. guarantee access to and to make all reasonable provisions for Bidder to enter on its property and other public and private lands as is required for performance of the work including safe storage of equipment, materials, and tools during the process of any such work
	Customer Response	
28	Changes in Law/Regulation	The prices for the Goods exclude all tariffs, duties, taxes, fees, and other government-imposed costs applicable to the Goods, whether existing at the time of this Agreement or imposed or increased thereafter. Seller shall have the right to invoice Buyer for all such costs in addition to the agreed prices. Seller shall provide written notice and reasonable documentation of any such costs. Buyer shall pay all such amounts within thirty (30) days of the date of Seller's invoice.
	Customer Response	

DocuSigned by:

 Steve Nelson
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 Chief Financial Officer
 12/15/2025

DS

 BP
 Senior Contracts Manager