

Rules of Use: Contract Requirements - Open Panel SPC Motor Vehicles

Current as at 19 June 2013

Formation of a Purchase Order

During the term of the arrangement, an Authorised Representative of a Customer may request an Authorised Dealer to supply Goods to the Customer by submitting a Purchase Order to the Authorised Dealer.

Any Purchase Order submitted must, as a minimum, specify the following details:

- (i) the identity of the Customer and the order number;
- (ii) the Authorised Dealer's details;
- (iii) the contract number / reference number being SS-06-2012;
- (iv) the required Goods (including the quantity of each item required);
- (v) if the Goods are to be Leased Goods, the identity of the Lessor;
- (vi) details of any Approvals required to be procured by the Supplier or the Authorised Dealer, as and when directed by the Customer or otherwise required under applicable Laws;
- (vii) the Time for Delivery; and
- (viii) the Delivery Point.

If the Customer gives an Authorised Dealer a Purchase Order, and the Authorised Dealer considers that there will need to be a modification of the Time for Delivery, the Authorised Dealer may request the Customer to modify the Time for Delivery specified in the Purchase Order.

The Customer may accept or not accept the request for modification of the Time for Delivery proposed by the Authorised Dealer or elect to deal with another Authorised Supplier in respect of its Purchase Order.

In the case of Special Purpose Vehicles, the Customer may request a quote for the supply of Special Purpose Vehicles by issuing a Request for Quote to the Supplier. Within 7 days, or such longer time as directed by the Customer, of receipt of the Request for Quote, the Supplier must provide the Customer with a fixed quote where possible, or failing that, an estimate of the cost of the Special Purpose Vehicle, including a detailed breakdown. Acceptance of the Supplier's quote will be by way of a Purchase Order submitted by the Customer to the Supplier.

Cancellation of a Purchase Order

The Authorised Representative of a Customer may cancel any Purchase Order no later than 14 days before the delivery of the Goods. Upon receipt of notice that the Authorised Representative intends to cancel a Purchase Order, the Supplier or Authorised Dealer (as applicable) must undertake such cancellation as is required to ensure that the Purchase Order is cancelled and voided.

If the Customer cancels the Purchase Order after the period stated above, the Customer will pay the Supplier or the Authorised Dealer (as the case may be) those costs reasonably incurred up to the date of the Customer's cancellation (excluding loss of profit, loss of revenue, loss of opportunity or similar losses, liabilities or expenses) which are substantiated and which are properly incurred by the Supplier or Authorised Dealer as a direct result of the cancellation of the Purchase Order.

Cancellation Process

The cancellation of a purchase order should be an action of last resort. While a Purchase Order can be cancelled no later than 14 days before the delivery of the Goods, it is important that a Purchase Order is cancelled as soon as practical when it has been identified that the Goods are no longer required.

Before a Purchase Order is cancelled, all possible options to avoid this action should be considered which may include:

- identifying another motor vehicle for replacing, for which the Purchase Order can be used;
- identifying another entity that may wish to purchase the Goods for which the Purchase Order has been placed for; or
- if the delivery date of the Purchase Order is within 14 to 30 days, consider cancelling a similar order which has a delivery date of over 30 days, in lieu of the Purchase Order with the earlier delivery date.

Delivery of a Purchase Order

The Authorised Dealer must deliver the Goods to the Delivery Point and perform all related services by the Time for Delivery, or by such other date and time as is agreed in writing between the Customer and the Authorised Dealer. Delivery will not be taken to have occurred unless and until the delivery is acknowledged in writing by the Authorised Representative of the relevant Customer.

Each Customer must cooperate with the Authorised Dealer in the doing of all acts necessary to enable the Authorised Dealer to deliver the Goods on or before the Time for Delivery. Any change to the Time for Delivery must be agreed in writing by the Customer and the Authorised Dealer specified in the relevant Purchase Order Contract.

Late delivery

If the Supplier is delayed in the supply of Goods due to any cause beyond its reasonable control, it may make application in writing to the Customer, immediately upon becoming aware of such delay, requesting an extension of time for delivery of the relevant Goods. Such request must set out in reasonable detail the circumstances giving rise to such delay, and the likely length of such delay (and provide such other information as the Customer may reasonably request).

The Customer may agree to extend the Time for Delivery of the Goods, provided that such agreement cannot be unreasonably withheld where, in the reasonable opinion of the Customer, the circumstances giving rise to the delay are legitimate and warrant an extension of time for completion of the relevant Purchase Order Contract. The Customer will promptly notify the Supplier in writing of any agreed revised Time for Delivery.

If the Authorised Dealer fails to deliver any Goods ordered in accordance the agreed time frame or any revised agreed Time for Delivery such failure or delay will constitute a breach by the Authorised Dealer of the relevant Purchase Order Contract and the relevant Customer may terminate the relevant Purchase Order Contract.

Invoicing and Payment of a Purchase Order

Invoicing

The Authorised Dealer (or Supplier if applicable) must submit to the Customer a tax invoice in respect of each Purchase Order Contract no later than 30 days following the end of the calendar month in which the relevant supply was made.

A tax invoice submitted for payment must contain the information necessary to be a tax invoice for the purposes of the A New Tax System (Goods and Services Tax) Act 1999 (Cth) in addition to the Contract Access Fee (or such other items as specified in a Purchase Order).

Payment of Invoice

The Customer (or the Lessor if the Goods are leased) will pay the invoiced amount within 30 days of receipt of a correctly rendered invoice.

If the Authorised Representative of the Customer disputes the invoiced amount (whether in whole or in part) the Customer must pay the undisputed amount of such invoice (if any), and notify the Authorised Dealer (or Supplier, if applicable) of the amount the Customer believes is due for payment.

If the parties to the Purchase Order Contract are unable to agree on the balance of the invoiced amount, the dispute will be referred for determination as per the Head Agreement.

Payment of an invoice is not to be taken as:

- (i) evidence or an admission that the Goods have been supplied in accordance with the Specification;
- (ii) evidence of the value of the Goods supplied;
- (iii) an admission that the Goods were satisfactorily supplied;
- (iv) an admission of liability; or
- (v) acceptance or approval of the Supplier's performance,

but must be taken only as payment on account.

Fair Payment

A Customer will, on demand by the Authorised Dealer (or Supplier, if applicable), pay simple interest on a daily basis on any overdue amount, at the rate for the time being fixed under section 2 of the Penalty Interest Rates Act 1983 (Vic).

For this purpose, overdue amount means an amount (or part thereof) that:

- (i) is not, or is no longer, disputed in accordance with this Agreement;
- (ii) is due and owing under a tax invoice (as defined in the A New Tax System (Goods and Services Tax) Act 1999 (Cth)) properly rendered by the Authorised Dealer (or Supplier, if applicable) in accordance with this Agreement; and
- (iii) has been outstanding for more than 30 days from the date of receipt of the invoice or the date that the amount ceased to be disputed, as the case may be.

Contact Details

For any queries relating to this panel, please contact the [Open Panel SPC Motor Vehicles Category Manager](#) or refer to the [VGPB website](#).