

SPECIAL CONDITIONS OF PURCHASE - CROSSDOCKING CONTRACT

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July 1, 2012

1. Crossdocking Overview/Nature of Agreement

Crossdocking is a process whereby Seller, in accordance with all of the requirements of the Contract (including these Special Conditions), provides same day delivery to a single Con Edison location of materials ordered by Con Edison. Con Edison will off load the materials from Seller's delivery vehicle for delivery by Con Edison to other Con Edison or O&R locations.

This is an indefinite quantity contract for the materials specified in the Contract for the term set forth in the Contract. Any quantities of materials specified in the Contract are estimates only and are not purchased or ordered merely by issuance of the Contract. During the term of the Contract, Con Edison will issue purchase orders to Seller via the Electronic Data Interchange ("EDI") for specific quantities of materials to be furnished by the Seller pursuant to the Contract. All purchase orders issued to Seller are subject to the terms and conditions of the Contract.

This is not a requirements contract. Con Edison reserves the right at any time to contract with other suppliers during the term of the Contract for any quantity of one or more of the materials specified in the Contract.

2. Minimum and Maximum Quantities

Seller shall furnish such quantities of materials as Con Edison may order subject to the following limitations: Where estimated quantities of materials for the term of the Contract are stated, the Seller shall supply up to one hundred twenty five percent (125%) of the estimated quantity of each material, in consideration whereof Con Edison shall make purchases amounting to at least ten percent (10%) of the total contract price of the estimated quantities (not necessarily resulting from the purchase of ten percent (10%) of each material). If no estimated quantities are stated, Con Edison's minimum purchase obligation shall be ten percent (10%) of the total authorized dollar amount stated in the Contract, as such amount may be increased by Con Edison. In any event, the Seller shall not be obligated to furnish quantities of materials, the prices of which total more than the total authorized dollar amount stated in the Contract, as such amount may be increased by Con Edison. The prices for materials shall remain firm regardless of the quantities of each material or of all materials ordered and, except for the minimum purchase obligation specified in this Paragraph and the purchase obligation specified in Paragraph 13 of these Special Conditions, Con Edison shall incur no liability for any materials not ordered. Purchases made by Con Edison in accordance with Paragraph 13 of these Special Conditions shall be credited towards Con Edison's minimum purchase obligation specified in this Paragraph.

3. Use of EDI For Material Orders

Purchase orders issued by Con Edison will be issued through Oracle E-Business Suite and transmitted hourly via an EDI 850 transaction to Seller's computer. Accordingly, the Seller must be enabled in Oracle E-Business Suite i-Supplier and capable of receiving, processing, and sending transactions via EDI. Data will be sent via the EDI 850 transaction in accordance with the layout described in Attachment A. That data must be received and translated by Seller and used to determine the material ordered by Con Edison. The data should be passed directly into Seller's order entry and inventory control systems. The data also must be available to the bar code label generation software utilized by Seller.

4. Unusual Quantities

Seller shall ask the Procurement Specialist from the Con Edison Purchasing Department who issued the purchase order to confirm any purchase order for an unusually large quantity of any material before processing such order. An "unusually large quantity" of material is defined as any quantity equal to or greater than one third of the initial required inventory level (as described in Paragraph 13 of these Special Conditions) for that material. Seller shall advise the Item Master Group of Con Edison's Purchasing Department weekly in writing of all material orders for unusually large quantities issued during the preceding week.

5. Payment Process

Con Edison will generate a report of all crossdocking transactions which will serve as the basis for payment to the Seller. The information will be transmitted in an Excel spreadsheet via e-mail to Seller's designated recipient. Seller is responsible for reconciling its own records against Con Edison's transmitted report and subsequent payment. Any discrepancies must be reported to Con Edison within five (5) business days from the date the report is transmitted. Payment will be made as provided in the Contract.

6. Delivery Requirements

Seller is required to deliver all of the materials ordered each day by Con Edison to Con Edison's facility located in Astoria, Queens at 31-01 20th Avenue, Astoria, NY 11105. Material orders received in any day in an EDI transmission, up to and including the 4pm EDI transmission, must be delivered to Con Edison no later than 8pm the same day. Seller shall package and sort materials in accordance with the requirements of Paragraph 10 of these Special Conditions and shall affix bar code labels to such packaging in accordance with the requirements of Paragraph 11 of these Special Conditions.

7. Emergency Requirements

During the term of the Contract, Seller should expect that conditions occasionally will arise when Con Edison, in its sole discretion, determines that an emergency exists requiring a delivery schedule other than that described in Paragraph 6 of these Special Conditions. Such an emergency could, among other things, require multiple deliveries during a normal working day or require Seller to staff and operate its facilities at any hour of any day during the year (including weekends, Seller holidays, and Con Edison holidays set forth in Paragraph 8 of these Special Conditions). Seller shall provide Con Edison with telephone and pager numbers by which Con Edison may contact Seller during off-hours to notify it of such an emergency. Seller shall staff at least one of these telephone and pager numbers at all times to enable such notification to be made. Within (5) five hours of Con Edison notifying Seller of such an emergency, Seller shall be required to make deliveries of ordered materials to any designated Con Edison or O&R location. During such an emergency, Con Edison may order materials by telephone. Depending on the circumstances, Con Edison may choose to pick up the ordered materials at Seller's facilities. Seller shall comply with all such emergency requirements without additional charge to Con Edison.

8. Holiday Schedule

In addition to weekends, Con Edison is closed for normal operations on the following holidays: New Year's Day, Martin Luther King Jr.'s Birthday, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, the day after Thanksgiving, and Christmas Day. Deliveries will not be required on those days except on an emergency basis as set forth in Paragraph 7 of these Special Conditions. Seller shall maintain normal services on all other days regardless of Seller's holiday schedule.

9. Credits

In the event that any material is ordered and is not used, Seller will accept the return of any such material for full credit with no restocking or other fee or charge. Any such material shall be picked up by Seller from Con Edison's location in Astoria, Queens at 31-01 20th Avenue, Astoria, NY 11105 and transported by the Seller without charge to Con Edison. The amount to be credited shall be deducted from future payments otherwise due Seller, or, if such future payments are not, in the aggregate, greater than the amount of such credit amount, any remaining portion of such credit amount shall be paid by Seller to Con Edison within thirty (30) days of Con Edison's request for such payment.

10. Packaging and Sorting Requirements

Seller must package and sort ordered materials as follows:

Each line item on each purchase order is to be packaged individually and, in accordance with Paragraph 11 of these Special Conditions, labeled with a bar code. Packages shall be a minimum of 4" x 6" to accommodate the bar code label.

Packages must be palletized and sorted by Westchester County or Rockland County or the New York City borough indicated on the purchase order. For large orders, Con Edison may request that purchase orders be sorted by truck number also.

Pallets containing full loads of only one commodity (stock number) must adhere to Con Edison's pallet specification 86-1. Pallets containing multiple commodities may be delivered on structurally sound pallets not meeting the above specification.

11. Bar Coding

Seller shall properly package all materials and shall label each package with a bar code label prepared in accordance with Attachment B. The bar code label software utilized by Seller must accept information from three sources: the EDI 850 transaction; system calculation of a check-sum value using the formula specified in Attachment C and information entered by Seller based on the physical packaging of the items in the purchase order.

Seller must specify the quantity, the package number, and the total packages on each label placed on a package satisfying the purchase order. For example, if an order for a quantity of 7 is received and delivered by the Seller in 2 packages, the first package containing 4 and the second package containing 3, a separate label must be generated for each package. The first label must specify package 01 of 02 with the quantity ordered of 7 and quantity issued of 4. The second label must specify package 02 of 02 with the quantity ordered of 7 and the quantity issued of 3.

12. Performance Rating

Con Edison will maintain records of Seller's performance under this contract and will rate it against performance criteria including timeliness of deliveries and the quality of product provided. Seller may be notified in writing periodically of its performance level. A high level of performance will be taken into consideration

when awarding future contracts and poor performance may result in contract cancellation or unfavorable consideration during future contract awards, or both.

13. Stocking Requirements/Purchase of Inventory

Unless required by Con Edison to maintain different inventory levels (as provided for below), during the term of the Contract Seller shall maintain the Con Edison initially-specified required inventory level for each material covered by the Contract. (The initial required inventory level for a material represents Con Edison's most up-to-date estimate of its anticipated purchases of that material over a period of three (3) months.) At any time during the term of the Contract, Con Edison, by written notice to Seller, shall have the right to adjust up or down the initial required inventory level for any or all materials covered by the Contract that Seller is otherwise required to maintain as provided above. Such adjustments may be made for any reason including, but not limited to, changes in material usage and the time remaining until expiration of the Contract (including any desire to reduce inventory levels as the Purchase Order nears expiration). As part of its obligations hereunder, Seller shall make periodic recommendations to Con Edison concerning appropriate inventory levels for materials, taking into consideration Con Edison's historical purchases of materials and the time remaining until expiration of the Contract (including any desire to reduce inventory levels as the Contract nears expiration). Notwithstanding such recommendations from Seller, the authority to establish inventory levels shall be vested solely in Con Edison. In any event, to assure that the required inventory levels are maintained, Seller shall continually monitor Con Edison's purchases of each material covered by the Contract.

Notwithstanding anything herein to the contrary, if, upon the expiration of the Contract or upon its earlier termination in accordance with the "Termination for Convenience" Article of Con Edison's Standard Terms and Conditions for Purchase of Equipment incorporated into the Contract or the entitled "Termination for Convenience" Article of Con Edison's Standard Terms and Conditions For Purchase of General Supplies and Materials incorporated into the Contract, Seller has a remaining inventory of materials covered by the Contract, which materials are maintained solely and exclusively for Con Edison pursuant to the Contract and are purchased from Seller solely by Con Edison (such materials having been identified in a separate writing signed by Con Edison and Seller prior to the award of the Contract), Con Edison's sole responsibility for such materials pursuant to the Contract (including aforementioned Termination for Convenience provisions) shall be to purchase, at the applicable Contract prices, all such materials up to a maximum of the adjusted inventory level that Seller was last notified in writing to maintain pursuant to this Paragraph, or, in the absence of any such adjustment notification, up to a maximum of the initial required inventory level that Seller is otherwise required to maintain; provided,

however, that Con Edison shall have no responsibility for any materials in the remaining inventory of Seller at the time of such expiration or termination to the extent that material of that same type is covered by a separate Contract that exists between the Seller and Con Edison at the time of such expiration or termination, or by a separate Contract that is issued by Con Edison to the Seller within three (3) months after such expiration or termination.

14. No Substitutions

Seller shall not make substitutions of materials that deviate in any way from the descriptions, in the Contract without a written amendment or revision to the Contract signed by an authorized representative of Con Edison.

15. Price Limit

Seller shall not furnish the materials specified in any purchase order if the price thereof together with the price of all such previous purchase orders issued under the Contract exceeds the total authorized dollar amount stated in the Contract, unless and until that amount has been increased by means of a written revision or amendment to the Contract signed by an authorized representative of Con Edison. Seller shall inform Con Edison in writing when the total price of material orders issued hereunder reaches seventy five percent (75%) of the total authorized dollar amount stated in the Contract.

Attachment A

850 Transaction – ver. 4010

See attached.



conEdison, inc.

Project One

shared information, knowledge, and resources

EDI Implementation Guide 850 - Purchase Order X12 ver. 4010

April 2012

850 - Purchase Order

HEADER SECTION

Segment ID

Data Element

		<u>Max Length</u>	<u>Value/Format</u>
BEG	General Purchase Order Information		
01	Purchase Order Purpose	2	"00"
02	Purchase Order Type Code	2	"KB","SA","KN","KC"
03	Purchase Order Number	22	
04	Release Number	30	
05	Purchase Order Date	8	yyyymmdd
06	PO No / Release	30	
PER	Con Edison Buyer Information		
01	Buyer Information Code	2	"BD"
02	Purchasing Buyer's Name	60	
03	Telephone Number Qualifier Code	2	"TE"
04	Purchasing Buyer's Telephone Number	80	
N1 Loop	Bill-To Information		
N1	Name		
01	Bill-To Identifier Code	3	"BT"
02	Company Name	60	
03	Identification Code Qualifier	2	"92"
04	A/P Payee Code	80	
N2	Additional Name Information		
01	Department Name	60	
N3	Address Information	55	
01	Post Office Box	55	
01	Post Office Location		
N4	Geographic Location		
01	City Name	30	
02	State Name	2	
03	Postal Zip Code	15	

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DETAIL SECTION

<u>Segment ID</u>	<u>Data Element</u>	<u>Max Length</u>	<u>Value/Format</u>
PO1	Loop - Line Item Information		Multiple
PO1	Line Item Data		
01	P.O. Line Item Number	20	
02	Quantity Ordered	15	
03	Unit of Measurement Code	2	
04	Unit Price	17	11.5 ¹
05	Basis of Unit Price Code	2	"CT", "AP"
06	Con Edison Item Number Code	2	"IN"
07	Con Edison Class/Stock Number	48	
08	Manufacturer's Item Code	2	"MG"
09	Manufacturer's Part Number	48	
10	Manufacturer's Name Code	2	"MF"
11	Manufacturer's Name	48	
PID	Item Description		
01	Item Description Type	1	"F"
05	Complete Description Text	80	
SLN	Loop - Line Item Shipment Information		Multiple
SLN	Shipment Data		
01	Line Item Shipment Number	20	
03	Relationship Code	1	"I"
04	Shipment Quantity	15	
05	Unit of Measurement Code	2	
SI	Bar Code Label Information		XDock orders only
01	Agency Qualifier	2	"ZZ"
02	Qualifier	2	"ZZ"
03	Employee Name	48	
04	Qualifier	2	"ZZ"
05	Employee Name	48	
06	Qualifier	2	"ZZ"
07	Employee Telephone Number	48	
08	Qualifier	2	"ZZ"
09	Account/Work Order	48	
10	Qualifier	2	"ZZ"
11	Statistics Part I	48	
12	Qualifier	2	"ZZ"
13	Statistics Part II	48	
14	Qualifier	2	"ZZ"
15	Layout Number	48	
16	Qualifier	2	"ZZ"
17	Garage Code	48	

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18	Qualifier	2	"ZZ"
19	Truck Number	48	
N9 Loop – Special Instructions			
N9	Reference Number	48	
01	Reference Identification Qualifier	2	"ZZ"
02	Reference Identification	30	
03	Free-form description	45	
DTM Delivery Date Reference			
01	Date Required Code	3	"002"
02	Date Required	8	yyyymmdd
MSG Note to Vendor Multiple			
01	PO Notes to Vendor	264	
MSG One-Time Address Multiple, for non-Xdock orders with Custom delivery addresses			
01	Delivery Location Details	264	
N1 Loop- Ship-To Information			
N1	Name		
01	Ship-To Identifier Code	3	"ST"
02	Recipient's Name	60	
03	Identification Qualifier	2	"92"
04	Ship-To Location Codes ²	80	
N2 Additional Name Information			
01	Company Name 1	60	
02	Company Name 1	60	
N3 Address Information			
01	Address Info	55	
02	Address Info	55	
N4 Geographic Location			
01	City Name	30	
02	State Code	2	
03	Postal Zip Code	15	
PER Con Edison Requisitioner Information			
01	Requisitioner Information Code	2	"IC"
02	Requisitioner's Name	60	
03	Telephone Number Qualifier Code	2	"TE"
04	Requisitioner's Telephone Number	80	
AMT Line Amount			

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01	Qualifier	3	"1"
05	Line Item Amount	18	12.5 ¹

TRAILER SECTION

<u>Segment ID</u>	<u>Data Element</u>	<u>Max Length</u>	<u>Value/Format</u>
CTT	Transaction Totals		
1	Count of PO1 Segments	6	
2	Hash Total (sum of all P0102)	10	
AMT	PO Amount		
01	Qualifier	3	"TT"
05	PO Total Amount	18	12.5 ¹

(Hash Total - Truncation will occur on the left most digits if the sum is greater than the maximum size of the hash total of the data element)

¹ Decimal point fields are formatted as follows :

< number of dollar figures | actual/implied decimal point | number of cents figures >
where "." indicates the decimal point is physically embedded in the data field "^A"
indicates the decimal point is implied

Attachment B

Label Specifications (Sample)

See attached.

Attachment C

Checksum Calculation

See attached.