

MATERIAL SUPPLY AGREEMENT

Distribution Transformers · Contract No. SVPA-MPS-2026-041

Effective date: May 1, 2025 | **Expiration:** May 1, 2030 | **Agreement type:** Master material supply with SRM scorecard

1. Parties

This Material Supply Agreement (“Agreement”) is entered into by and between **Summit Valley Power Authority**, a public power utility (“Buyer”), and **Meridian Power Systems**, a transformer manufacturer (“Seller”).

2. Scope of supply

- Padmount, single-phase, and three-phase distribution transformers per Buyer specifications and approved drawings.
- Associated bushings, accessories, and standard warranty coverage from date of installation.
- Delivery forecasting, production workbook updates, and weekly system reporting as described in Exhibit B.

3. Term & renewal

The initial term runs from **May 1, 2025** through **May 1, 2030**. Either party may propose renewal no later than 120 days before expiration. Pricing, allocation, and scorecard baselines may be renegotiated at renewal.

4. Pricing & payment

Pricing follows the 2026 material price schedule (Exhibit A). Invoices are due **Net 30** from receipt of a correct invoice. Buyer targets invoice accuracy acceptance at 95% or higher; Seller shall correct quantity, part number, or delivery-location discrepancies within five business days.

5. Delivery & timeliness

On-time delivery floor: **90%** measured quarterly by aggregate overdue rate (PO terms, five-day grace). Seller shall maintain committed monthly capacity and provide rolling delivery forecasts. Buyer and Seller meet bi-monthly to review deliveries in progress, lead times, material updates, and open action items.

Exhibit C — SRM KPI Scorecard (K.1)

Seven qualitative metrics on a 1–5 scale. Weighted composite must exceed 2.80/5.00. Composite bands: Top (all metrics ≥ 4.0), Acceptable (composite > 2.80), At risk (below threshold).

Metric	Description
Timeliness	Aggregate overdue rate by PO; maps to timeliness score.
Order accuracy	Accuracy of quantity, part number, and delivery location.
Quality	Total failure rate (inspection, testing, shipping damage).
Customer service	Courtesy, communication, reliability, and flexibility.
Value added	Financial performance and value-added services to Buyer.
Environmental	Environmental stewardship and job-site issues.
Order management	Project paperwork, documentation, and invoice accuracy.

Exhibit D — Performance guarantees

On-time delivery	Minimum 90% quarterly; Seller tracking reported in QBR.
Quality score	Minimum 3.5/5.0 per quarter on K.1 quality metric.
YTD NCR score	Cumulative cap of 75; breach may trigger remedy review.
Warranty	One-year standard warranty from installation date.
Customer service	Maximum 3-day response and resolution after Buyer inquiry.

6. Quality & non-conformance

Seller shall maintain quality systems consistent with industry practice for distribution transformers. Non-conformance reports (NCRs) require root-cause analysis, corrective action, and documentation within agreed timeframes. Repeat or critical failures may affect scorecard ratings and allocation priority.

7. Quarterly business review

Parties shall conduct Quarterly Business Reviews (QBR) covering KPI scorecard results, compliance, spend, improvement initiatives, and joint action items. Meeting agendas, attendees, and minutes may be maintained in the Buyer SRM portal.

This document is a synthetic sample for demonstration purposes only. It mirrors the structure of a utility–supplier material agreement and SRM scorecard but does not reflect an actual executed contract.