

## **THE IMPORTANCE OF LEGAL LANGUAGE ON YOUR PURCHASE ORDER**

Are you a business that does not have very many agreements in place with the companies (“vendor or vendors”) that you purchase products and services from? If you have agreements in place with the vendors’ that you purchase products and services from, are those agreements usually the vendors’ agreement? If the answer to the two above questions is yes, then putting the below legal language on the bottom of your Purchase Order (“PO”) will increase your leverage if something goes wrong between you and one your vendors. You cannot rely on the fact that your vendors will do right by you if something goes wrong with their goods and services.

A PO is a document that is sent from your business to a vendor to place an order. If the vendor accepts the PO, the PO creates a legally binding contract. The PO can protect your business in the event of nonpayment for purchased goods and services and can also protect your business when the goods or services are defective or are not in conformance with your specifications.

Please see the below standard Purchase Language.

“These terms and conditions govern this purchase order (“PO”). The vendor’s goods and services shall comply with the representations and warranties that have been made by the vendor to the purchaser. For goods it is F.O.B. purchaser’s facility. Prior to the shipment of goods or the rendering of services, the purchaser may terminate this PO. Time is of the essence. Payment is Net 30 days and payment may be withheld if these terms and conditions are breached. In the event a claim, suit or action is filed to enforce these terms and conditions, the prevailing party shall be entitled to recover reasonable costs and expenses, including reasonable attorneys’ fees and costs. Any claim, suit or action shall only be brought in the State Court located in King County, Washington and the substantive law of the State of Washington shall govern notwithstanding any conflicts of laws principles that would otherwise apply. These terms and conditions constitute the final and complete agreement between the parties. These terms and conditions cannot be changed or modified unless a written agreement between the parties has been signed by the purchaser. In the event of a conflict between these terms and conditions and a written agreement between the parties that has been signed by the purchaser, these terms and conditions shall prevail.”

Please reach out to me directly for assistance to modify the above PO language to fit for your business. I will assist you with this matter for no charge.

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