

Between:

Adventure Works ("Customer")

And:

Contoso Solutions Inc. ("Vendor")

Effective Date: March 10, 2024

Contract Number: AW2024-003

1. Scope of Services

Contoso Solutions Inc. agrees to provide the following services to Adventure Works:

- **Implementation of AI-Driven Inventory Optimization using Copilot Studio & Azure AI.**
 - **Integration with Adventure Works' ERP and supply chain management systems.**
 - **Ongoing support and maintenance for 12 months.**
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2. Payment Terms

Total Contract Value: \$220,000

Payment Schedule:

- **35% upfront upon signing (\$77,000)**
- **40% upon completion of AI system deployment (\$88,000)**
- **25% upon final project approval (\$55,000)**

Payments are due net 30 days from the invoice date.

3. Service Level Agreement (SLA)

Uptime Guarantee: 99.7% availability for AI services.

Support Response Times:

- **Critical Issues: Response within 1 hour.**
- **Major Issues: Response within 4 hours.**
- **Minor Issues: Response within 24 hours.**

Escalation Procedure: Issues unresolved within 48 hours will be escalated to Contoso's Senior Support Team.

4. Data Privacy & Compliance

- **Adventure Works retains full ownership of all inventory and supply chain data processed through the AI system.**
 - **Vendor agrees to comply with GDPR and CCPA regulations regarding data protection.**
 - **Data will be stored securely in Microsoft Azure Datacenters (North America Region).**
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5. Contract Term & Renewal

- **Initial Term: 12 months (March 15, 2024 – March 14, 2025).**
 - **Renewal: Auto-renewal for an additional 12 months unless terminated with 30 days' written notice before expiration.**
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6. Termination Clause

Either party may terminate this agreement if:

- **The other party breaches contract terms and fails to resolve within 30 days of notice.**
 - **Adventure Works decides to discontinue AI services, with a 60-day termination notice.**
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7. Governing Law

This contract shall be governed by and construed in accordance with the laws of Washington State, USA.

Signatures:

Adventure Works

Name: Michael Carter

Title: Head of Supply Chain

Date: March 10, 2024

Contoso Solutions Inc.

Name: John Smith

Title: Director of AI Solutions

Date: March 10, 2024