**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.**

**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).**

**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.**

**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.**

**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**