

MATERIAL SUPPLIES AND EQUIPMENT - OWNER'S SALES TAX EXEMPTIONS

Florida Community College at Jacksonville is a political subdivision of the State of Florida and is a Tax Exempt Institution. As such it is exempt from the payment of Sales and Use Tax on purchases of tangible property, materials, etc., necessary for the performance of Work under construction contracts, provided the College determines it is to its best interest to do so and provided the purchase of such properties, materials, etc, are handled in the manner hereinafter described.

If the Owner exercises his right to purchase directly various construction materials, supplies and equipment that may be a part of this contract, then the Contractor will coordinate Direct Purchasing for the Owner. The Owner will, via his purchase orders, purchase the materials, and each Subcontractor shall assist the Owner and Contractor in the preparation of purchase orders.

The contract/subcontract amount shall be reduced by the net, undiscounted amount of the purchase orders, plus all sales taxes. Issuance of the purchase orders by the Owner shall not relieve the Contractor/Subcontractor of any of his responsibilities regarding material purchases, or installation, with the exception of the payments for the materials so purchased. Contractor shall remain fully responsible for coordination, correct quantities ordered, submittal, protection, storage, scheduling, shipping, security, expediting, receiving, installation, cleaning and all applicable warranties.

The material supplier may be required to provide a supply bond in the amount of 100% of the purchase order price. The bond shall be from a qualified surety company authorized to do business in the State of Florida and acceptable to the Owner and the Contractor. If the supply bond is required, the cost of the bond will be added to the amount of the purchase order. The premium cost for this supply bond should not be included in the bid price. Verifying that a designated material supplier can furnish a supply bond (if required) will be the responsibility of the Contractor.

GENERAL DESCRIPTION AND PROVISIONS

1. Summary: In connection with this subcontract, Florida Community College at Jacksonville reserves the option to enter into an agreement with the contractor to purchase all, or a portion of the tangible personal property necessary for the performance of the Contract, and thereby to save the amount of the sales tax thereon by virtue of the College's status as a Tax Exempt Institution.
2. Base Bid: The Base Bid (and all Alternate Bids) submitted on the bid form WILL INCLUDE the COST of all required taxes, including sales and use tax.
3. Bids: The Contractor shall submit his bid for Base Bid and bids for each Alternate with the inclusion of all required taxes including sales and use tax, the same as if tax were to be paid in the normal manner. The sales and use tax savings will be affected during the performance of the construction contract.

4. Administrative Costs: Any and all administrative costs incurred by the Contractor's administering the purchase in the name of the Owner shall be considered to be included in the Base bid for the Work. No addition shall be added to the contract amount because of the service provided by Contractor in the purchase of property, materials, etc., in the name of the Owner.

5. Administration: The administration of the sales and use tax savings will be in accordance with the tax agreement Attachment "A" page 27 and forms bound herein and the procedure will be administered through the Contractor by the Purchasing Department, Florida Community College at Jacksonville. Under the agreement, the Contractor will be responsible to submit to the Owner duly authorized requisitions from which the Owner will purchase necessary construction material for this project. The owner will issue and approve said Purchase Orders and render payment directly to vendors and materials suppliers, on behalf of the contractor.

The Contract will be reduced by the sum of all direct material purchase orders "Including" sales and use taxes. The Owner will prepare all direct purchase orders as outlined in the enclosed instructions. See Attachment "B" Purchase Order Request (POR) form.

The arrangements for such purchases in the name of the Owner shall be made upon request by the Contractor submitting said requisition and shall be under a procedure generally as described herein. The amount of any sales or use taxes not assessed against or collected in connection with any purchases of tangible personal property made in the name of the Owner under the above referenced arrangements shall be applied to reduce the compensation to be paid the contractor under the contract.

6. Responsibility: The Contractor, notwithstanding this special purchase arrangement, shall select, describe, submit requisitions to the Owner to obtain approvals, submit samples, coordinate, process, prepare shop drawings, pursue, receive, inspect, store, protect, insure, guarantee and otherwise be responsible for all materials, the same as would have been the case if the tax savings procedure were not implemented. The Owner is responsible for payment only.

7. Form of Agreement, Invoice, etc: Samples of the proposed forms of Agreement and Invoice Summary are bound herein.

DIRECT PURCHASE MATERIALS INSTRUCTION

The Contractor will within five (5) days of receipt of Notice of Award submit to the Owner three (3) executed original tax agreements. One executed agreement will be returned to the contractor for their record.

The Contractor will within fifteen (15) days of notification of selection submit to the Owner a requisition list of Owner Direct Purchase Material for the Owner to consider. The list will include bid package number, vendor name, address, phone number and contact, material description and quantity, material amount, freight and delivery charges and sales tax amount. Requisition list must include only items of Owner Direct Purchase greater than \$3000.00 in value.

Upon approval, order all of the requisition list of direct purchase materials, on a formal written numbered purchase orders will be issued by Florida Community College at Jacksonville. Contractor's to include in the faxed requisition a list of names of employees of the contractor/subcontractors authorized to purchase and receive deliveries from the suppliers. Contractor to forward with the list a sample signature of said employees. Florida Community College at Jacksonville will prepare the purchase order and distribute the original and appropriate number of copies (see distribution below).

Each purchase order is numbered for accountability.

Upon issuance of Owner Direct Purchase Order to a vendor, the Owner will deduct from Contractor's contract the value of the Purchase Order plus taxes saved.

The Direct Purchasing Procedure will not be an acceptable excuse for delay to the Construction Schedule.

DISTRIBUTION: Original - Subcontractor, One Photocopy - Contractor,
Distribute rest of Purchase Order as normal.