

MATERIAL SUPPLIES AND EQUIPMENT - OWNER'S SALES TAX EXEMPTIONS

Florida State 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 State 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 (Exhibit "A") and forms bound herein and the procedure will be administered through the Contractor by the Purchasing Department, Florida State 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 Exhibit "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 \$5,000.00 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 State 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 State 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.

FLORIDA STATE COLLEGE AT JACKSONVILLE REQUISITION FOR TAX SAVINGS DIRECT PURCHASES >\$5,000/PER PO
 FOR PROJECT NAME: RFP #2015C-14 Title: Roof Repair & Replacement Delivery Order Contracting Services

CONTRACTOR/SUBCONTRACTOR	SUPPLIER	Federal I.D. _____	BID PKG # _____
NAME: _____	NAME: _____		REQ # _____
STREET: _____	STREET: _____		VEND # _____
CITY: _____	CITY: _____		PO# <u>9</u>
STATE: _____ ZIP: _____	STATE: _____ ZIP: _____		DATE SUBMITTED _____
PHONE: _____ FAX: _____	PHONE: _____ FAX: _____		DEL DATE REQD _____
CONTACT: _____	CONTACT: _____		PAYMENT TERMS _____
EMAIL: _____	EMAIL: _____		PROJECT MGR. SIGNATURE _____
MAIL PO TO THIS ADDRESS? _____	SUPPLIER AN MBE/WBE Y __ N __ (CAT.) _____		CONTRACTOR PO# _____

CONTRACTOR / SUBCONTRACTOR	POR QTY CONFIRMATION	COLLEGE
SIGNATURE(SAME AS ON BID)/DATE	SUPPLIER SIGNATURE/DATE	PURCHASING SIGNATURE/DATE

NOTE TO CONTRACTOR: A DEDUCTIVE CHANGE ORDER TO YOUR CONTRACT WILL BE MADE FOR THE VALUE OF THE INVOICED COLLEGE DIRECT PURCHASES PLUS SALES TAX AS PER TAX AGREEMENT
 AMOUNT LESS THAN OR EQUAL TO \$5,000.00 7.0% AMOUNT > \$5,000.00 6.0% SALES TAX

ITEM #	QTY	UNIT OF MEASURE	COMPLETE DETAILED DESCRIPTION OF MATERIAL(S) - INCLUDE VENDOR PART NUMBERS AND SPECIFICATION SECTION NUMBER	UNIT \$ W/O S TAX	SUB TOT FOB DEST	SALES TAX	CONTRACT DEDUCT
			BLANKET PO FOR THE PURCHASE OF:				
CONTRACTOR SIGNATURE(S)				TOTALS			

 DATE

SUPPLIER: 24 HOURS PRIOR TO DELIVERY AT SITE NOTIFY
 MR. _____ AT (_____) _____

PURCHASE REQUISITION

PURCHASE REQUISITION NUMBER: Enter the Bid Package number and Contract number you have received or will soon receive from Florida State College at Jacksonville authorizing Work to be done on this project.

DATE: Enter date purchase requisition is prepared.

VENDOR: Enter name, complete mailing address, contact name, telephone number and fax number of vendor.

PROJECT NAME: RFP #2015C-14 Title: Roof Repair & Replacement Delivery Order Contracting Services

SHIP TO: Site

INVOICE TO: Attn: Director of Accounts Payable
Florida State College at Jacksonville
501 West State Street
Jacksonville FL 32202

COMPLETE BODY OF PURCHASE ORDER REQUEST (POR): Item number; quantity; description of item(s), name, product number, etc.; unit price; extended total(s); value of sales tax; freight and delivery. (See Exhibit "B")

AUTHORIZED SIGNATURE; This is the same signature that is on the Tax Agreement signed in Florida State College at Jacksonville's Purchasing Department.

Contractor can fax an original copy of purchase requisition to the College by faxing to 904-632-3087, attention Associate Vice President Purchasing and Auxiliary Services and calling 904-632-3086 to confirm fax is legible and received.

DISTRIBUTION: Original- Florida State College at Jacksonville, Copy 1- Contractor, Copy 2 & 3- Purchasing Department. One Photocopy - Contractor. Submit original and all copies to College for distribution. Duly authorized purchase requisition must be received BEFORE purchase order can be processed.

INVOICE SUMMARY

Invoice Summary No.: Consecutively numbered beginning with 1, 2, 3, etc.

Purchase Order No.: Indicate numbered purchase order number. Also this number must appear on all invoices for each vendor. All original invoices must go to the Florida State College at Jacksonville. Only one purchase order number per invoice.

PROJECT NAME AND NO.: Enter project name and your purchase order number you have received from Florida State College at Jacksonville.

COLUMN 1: Enter only 1 vendor name per invoice summary.

COLUMN 2: Enter up to 11 invoices per invoice summary. All invoices on invoice summary must have same purchase order number.

COLUMN 3: Enter amount of invoice without tax and before discounts. All invoices must itemize materials, sales tax and freight and delivery separately.

COLUMN 4: Enter case discounts. Florida State College at Jacksonville is required to take discounts on the amount of the MERCHANDISE only, even if the time has lapsed for us to be eligible for the discount. Some vendors may wish to collect an unearned discount; in that case we will need another invoice summary to be prepared.

COLUMN 5: Enter amount to be paid to vendor.

COLUMN 6: Enter actual or 6.5% tax on amount of merchandise before discounts.

AUTHORIZATION: In addition to the invoice summary, each original invoice must contain an authorized signature indication approval and amount to be paid with the date of authorization.

DELIVERY TICKETS: All invoices must be accompanied by SIGNED (by authorized employees and Owner's/employee/Representative) delivery ticket and/or packing slip. Delivery ticket and or packing slip must correspond or cross reference with invoice.

COPIES NEEDED: Please submit ONE ORIGINAL SIGNED invoice summary with the authorized original invoice, delivery tickets and three copies of all documents. Invoices are to be submitted weekly.

TAX AGREEMENT

Agreement BETWEEN _____, (Herein called the "Contractor" and _____ (Herein called the Subcontractor and Florida State College at Jacksonville an educational institution herein called "Owner" for Florida State College at Jacksonville Project No. **2015C-14**, titled: **Roof Repair & Replacement Delivery Order Contracting Services** (Project name).

RECITALS

1. Contractor for Florida State College at Jacksonville entered a contract dated ____/____/____, for the performance of the Work described therein. A copy of said contract is incorporated by reference as Exhibit 1 (herein called the "Contract")
2. Contractor and Florida State College at Jacksonville desire to enter into an arrangement whereby certain purchase under the Contract can be made through Florida State College at Jacksonville as a means of taking advantage of Florida State College at Jacksonville's status of being exempt from sales and use tax.

AGREEMENT

1. Florida State College at Jacksonville does hereby request Contractor to requisition Florida State College at Jacksonville to directly purchase materials greater than \$5000.00 in value for and in the name of Florida State College at Jacksonville, building materials, supplies and other tangible personal property which Contract requires for performance of this specific contract. The purchase of any materials, supplies or other items which are not required for the performance of this Contract are expressly made outside the authority granted hereunder.
2. Florida State College at Jacksonville will be liable for the payment of all purchases made hereunder.
3. A Purchase Order Requisition POR Form in a form acceptable to the Owner and Contractor shall be prepared by subcontractors to the contractor for review and approval and then submitted to the Owner prior to requesting the owner to order purchased equipment/materials. The requisition form will provide the vendor's; name, federal ID #, address, telephone number and contact person for the materials supplier; a detailed description of required items; the quantity needed; the price and sales tax saved associated with the materials; and delivery dates established by the subcontractor. A copy of the subcontractors' and suppliers IRS W9 form noting their federal ID# shall either be attached to the POR requisition or be on file at the College.
4. The Owner will prepare and issue standard owner College purchase order forms to the equipment/material supplier(s).
5. In conjunction with the execution of the Owners College Purchase Orders to the supplier(s), the contractor by signing the POR requisition which is delivered to the Owner, authorizes owner to issue a deductive change order reflecting the full value of all materials directly purchased by the Owner, plus all sales tax savings associated with the materials.

6. Subcontractors will be responsible for all matters relating to the receipt of materials directly purchased by the Owner, including verifying specifications correct quantities, inspection and acceptance of the goods at the time of delivery.
7. Title to the Owner purchased materials will vest in the Owner at the time the materials are delivered to the Owner owned construction site (F.O.B. job site).
8. The Owner shall be invoiced directly by the supplier for direct purchases of building materials/equipment referring on the invoice to the owners PO#.
9. Payment for the building materials/equipment will be made directly to the selling supplier by the Owner.
10. The Owner will bear the costs of all Owner purchased Insurance including Builder's Risk Insurance (for materials purchased here under up until the materials are incorporated into the work). The Owner shall be an additional named insured on the Contractor's Builder's Risk insurance and, in the event of damage or destruction to Owner purchase materials, prior to installation of said materials the Owner will receive all proceeds derived from all claims against insurers or others to pay for repair or reconstruction as a result of damage or destruction.

It is the Contractors responsibility to report within one business day of the discovery of a claim to the College's Director of Risk Management at (904) 632-5054. Fax 904-632-3109

This tax exemption does not apply to equipment rentals of the Contractor or by subcontractors that provide construction services for the Project, even though the economic burden of the tax, by contract or otherwise, may ultimately be borne by the Owner.

The Owner shall:

- a. Issue College purchase orders directly to tangible materials or personal property vendors for building materials or equipment delivered to the Owners job site with title of materials transferring to the Owner. (FOB job site)
- b. Provide the building materials/equipment supplier (with the owner/College PO) as well as a copy of its current State of Florida sales tax exemption certificate.
- c. Assume all risk of damage or loss for the tangible personal property/building materials from the time of delivery to jobsite and prior to their installation or incorporation into the project in order for the sale of building materials to be deemed (by the Florida Department of Revenue) as a sale to the tax exempt entity (i.e., Owner) and thus tax exempt.
- d. Bear the economic value of obtaining builders risk insurance covering damage or loss and enjoy the economic benefit of the proceeds of such insurance in the event of a claim.
- e. Be invoiced directly by the selling supplier.

f. Directly pay by manual check the selling supplier for acceptable quality building materials/equipment received against said College purchase order.

Construction management contractors shall additionally provide the Owner with copies of: a) all subcontract bid submittals, b) tabulation sheet, c) award letter(s), d) suppliers IRS W-9 form and e) copies of sub-contractors licenses.

11. Each Owner purchase order is numbered for accountability. Contractor will fax to the Owner completed/signed POR requisitions for consideration preparation and execution of the purchase orders. Suppliers will render invoices/statements for materials purchased to subcontractors for review/approval and to the contractor for review/approval. After reviewing the invoices and approving the invoices, Contractor will forward these invoices with proper back-up to the owner (Florida State College at Jacksonville to the address noted on the PO) for payment.

12. The Contract provides that Contractor/Subcontractor will perform the Work under the Contract sum of \$_____. Said amount due Contractor under the Contract shall be reduced by the sum of all amounts paid by Florida State College at Jacksonville for materials, supplies or other tangible personal property purchased hereunder and plus any savings of sales and use tax on the purchase of such items.

13. Contractor shall maintain separate accounting records for all transactions carried out under the authority granted to it as agent. Such records shall be open to the owner without cost (Florida State College at Jacksonville) and the State of Florida's auditor's general office during normal business hours.

14. The authority granted to Contractor hereunder may be revoked by the Owner (Florida State College at Jacksonville) at any time upon written notice delivered to Contractor at its office located at _____ during normal business hours.

Cost of administration incurred by Contractor in conjunction with this tax agreement shall be included as part of the Base Bid and will not be included as a separate cost to Owner.

Contractor _____	Subcontractor _____	"OWNER": Florida State College at Jacksonville _____
Signature		By: Dennis C. Blank
Title		Executive Director, Purchasing and Auxiliary Services _____
		Title

Florida State College at Jacksonville does not discriminate against any person on the basis of race, color, ethnicity, genetic information, national origin, religion, gender, marital status, disability, or age in its programs or activities. Inquiries regarding the non-discrimination policies may be directed to the College's Equity Officer, 501 West State Street, Jacksonville, Florida 32202 | (904) 632-3221 or equityofficer@fscj.edu.

Florida State College at Jacksonville is a member of the Florida College System and is not affiliated with any other public or private university or college in Florida or elsewhere.