

SECTION 00065 – DIRECT PURCHASE PROCEDURES

1. GENERAL:

- A. THE SANTA ROSA COUNTY SCHOOL DISTRICT WILL REQUIRE THE INCORPORATION OF THE FOLLOWING EXHIBIT “C “. THE CONTRACTOR SHALL COOPERATE IN THE FULLEST AND PERFORM ALL WORK AND SERVICES NECESSARY IN ORDER TO FACILITATE THE IMPLEMENTATION OF THESE PROCEDURES.

EXHIBIT C
Direct Purchasing – State Sales Tax Avoidance
School District of Santa Rosa County

ATTACHMENT TO CONSTRUCTION CONTRACT WITH _____
DATED _____ IN AGREEMENT WITH:

OWNER: Santa Rosa County School District
5086 Canal Street
Milton, FL 32570

CONTRACTOR: (Fill In)

ARCHITECT: Pinder-Martin Associates, Inc.
1001 N. 12th Avenue
Pensacola, Florida 32501

REFERENCING West Navarre Intermediate School 5 Classroom Addition, Navarre, Florida

ON THIS DAY, _____.

School District of Santa Rosa County

Direct Purchasing – State Sales Tax Avoidance

SPECIAL CATEGORY OF MATERIALS

The construction contract sum includes applicable state and local sales taxes for all materials purchased in connection with this contract. The Contractor will advise the Owner in writing as to the Contractor's source of the special category materials and the ordering information. *(Note, the contractor is responsible to ensure that items ordered are approved by the architect and engineers. The issuance of a purchase order by the owner does not constitute approval of submittals or products, as that is a separate process.)* The Owner will then have the option to purchase the materials directly from the supplier and issue a deductive change order, which will not have any effect upon the Contractor's mark-up. This will apply to any construction purchase from a single vendor with a project total or cumulative project cost of \$5,000 or more. Construction purchases include the purchases of sub contractors, and their subs, as well as those of the general contractor. Deductive change orders will be processed on a monthly basis as actual payments are made. The change order will include actual payment amounts issued to suppliers and the calculated sales tax savings

The following list identifies potential items that the Owner may elect to purchase directly from the Contractor's suppliers: ***(this is not an inclusive list and is listed for illustrative purposes only. All divisions should be examined for qualifying direct purchases)***

- Acoustical Ceilings
- Appliances
- Architectural Windows
- Cabinetry
- Ceramic Tile
- Division 10 Specialties
- Electrical Equipment and supplies
- Entrances and Storefronts
- Exterior Lighting Fixtures
- Fire Sprinkler Systems
- Flooring (see exception below)
- Flush Wood Doors
- Generators
- Hurricane Screens
- HVAC, Air Handling Units and Hoods
- Interior Lighting Fixtures
- Irrigation Systems
- Masonry to include ready-mix concrete
- ***Other items as directed by the Owner during construction***
- Paving materials
- Pipe and Tube Railings

School District of Santa Rosa County

- Plumbing Fixtures
- Pre cast Pre-stressed Concrete
- Pre-Engineered Metal Building
- Reinforcing Bar
- Roofing
- Signage
- Sod and site work including underground piping, boxes, inlets, grates, etc.
- Steel Doors and Frames
- Structural Steel
- Systems

The terms of the contract between the Owner and Contractor will continue to be applicable as if the Contractor, and not the Owner, would be directly paying for the materials. The Contractor shall not assert the fact that the Owner is or will be directly paying for materials as a defense or excuse for later performance or non-performance of the contract, except only in the case of non-payment or late payment by the Owner for the materials, which delays performance of the contract. Any request of the Contractor for an extension of time to perform the contract, which is in any way due to or alleged to be due to the direct payment or non-payment or late payment for materials by the Owner, must be in writing and in all other respects in conformity with change order requests as are provided for under the contract.

The owner will provide for the supply and installation of resilient flooring, carpeting, base and associated materials (not ceramic) from a contract the owner holds with Jones Floor Covering of Pensacola, Florida. **The price of this flooring is not to be included in the contractors bid for the project.** However, the contractor is responsible for the coordination with the Owner's flooring contractor.

Blanket purchase orders, with a "do not exceed" amount will be issued for items that are difficult to quantify, such as ready-mix concrete, blocks, brick, etc. The purchase orders may be increased as needed upon contractor request. Upon completion, the contractor will notify the Owner of that the purchase is complete and the remaining balance on the purchase order will be adjusted and credited back to the contractor.

The Contractor agrees to provide the Owner with technical assistance, statements and all other things reasonably necessary for the Owner to make and pursue warranty claims or breach or contract claims or any other claims for defective or non-conforming materials, whether or not performance under the contract is complete.

The Contractor shall be responsible for requesting that the Owner purchase materials necessary for the work to be performed under the contract. Unless otherwise agreed to in writing, the Owner will not be responsible to initiate the purchase of any materials without appropriate purchase documents being provided to the Owner by the Contractor.

In no event shall the Owner be liable to the Contractor for any loss or damage caused by the delivery, use, storage, transportation, alteration, incorporation into the improvements, or any other condition of the materials by virtue of Owner's direct payment for the materials. Contractor and Owner agree that all risks of loss or damage concerning, in any way, the materials will be determined under the terms of the contract documents as if the Contractor and not the Owner had paid directly for the materials.

The Contractor shall notify the Owner of all materials needed and the desirable date of delivery. The Contractor shall, immediately upon delivery, inspect the materials for accuracy of the order. If the delivery is acceptable, the Contractor shall acknowledge receipt and provide the Owner with the accompanying documentation and proper invoice. The Contractor shall be responsible for storage of all materials and security, insurance, inventory records, special handling and all other responsibilities of the Contractor as provided for in the contract documents as if the Contractor has or would be paying directly for the materials.

The contractor must provide to the owner a copy of each invoice, signed *received and approved for payment* in a color other than back, by an authorized representative of the contractor. The signed invoice is to be delivered in a timely manner to the Administrative Services Accountant II for payment, or emailed in color pdf format. Contact Mrs. Jennifer Northrop, Administrative Services Accountant II, at 6544 Firehouse Road, Milton, FL 32570. 850-983-5598 or NorthropJ@mail.santarosa.k12.fl.us if you have questions concerning the direct purchase process.

All contractors must have daily monitored email.

The Owner will pay for the material after delivery to the site and submission of the proper invoice to the Owner.

The Contractor will act as an agent for the Owner when identifying the source of materials to be purchased by the Owner for this construction project.

The Contractor will provide to the Owner a proposal from the supplier in accordance with the terms and conditions of this contract when submitting a supply source for the materials. The Owner will execute the purchase documents within a timely manner after receipt of all necessary data.

This procedure is an integral part of the contract and will in no way diminish the responsibility of the Contractor in establishing required data for production, storage and delivery of materials and the mode of transportation as necessary to meet his

contraction schedule. This procedure will not be a basis for any additive change order to the contract.

Failure by the general contractor to request the owner to issue purchase orders for the materials as described in this section will result in the contractor being charged for the loss of the tax savings that the Owner would have enjoyed. For example, if the plumbing fixtures totaled \$15,000, the general contractor would issue a credit to the owner of \$925 (6% state tax, plus ½¢ on the first \$5,000 local option tax) as penalty for failing to follow the requirements of this section.

By submitting a bid, the contractor acknowledges and agrees to this penalty.

General contractors who have not had previous successful direct purchase contracts with the owner are required to have the office staff that will be handling the direct purchase program meet with the school Owner accountant at her office for training in the mechanics of the program.