

SECTION 01295
DIRECT OWNER PURCHASING PROGRAM

PART 1 GENERAL

1.01 SECTION INCLUDES

- A. Procedures for administration of the Direct Owner Purchasing Program.

- B. The Owner shall include this project in its Direct Owner Purchasing Program (DOPP) and the Contractor agrees to administer according to the following terms. The Contractor shall include the following terms in all of its contracts wherein the cost of materials and equipment exceeds Two Hundred Thousand Dollars (\$200,000).
 - 1. The Subcontractor has included Florida State Sales and other applicable taxes in his bid for material, supplies and equipment. The Owner, being exempt from sales tax reserves the right to make direct purchases of various construction equipment, materials or supplies included in the Subcontractor's bid and/or contract, substantially in accordance with the form of Purchase Order attached herewith.

Any equipment, materials or supplies directly purchased by the Owner that are included in the Subcontractor's contract shall be referred to as Owner-Purchased Materials and the responsibilities of both Owner and Subcontractor relating to such Owner Purchased Materials shall be governed by the terms and conditions of these procedures.

- 2. Material suppliers shall be selected by the Subcontractor awarded the Subcontract.

The Subcontractor has included the price for all construction materials plus applicable taxes in his bid. Owner purchasing of construction materials, if selected, will be administered on a deductive Change Order basis. The Subcontract amount shall be reduced by the net non-discounted amount of these Purchase Orders, plus all sales tax.

- 3. Subcontractor shall provide Contractor with a list of all intended suppliers, vendors, and materialmen for consideration as Owner-Purchased Materials. This list shall be submitted at the same time as the preliminary schedule of values and the Project/CPM schedule. The Subcontractor shall submit a description of the materials to be supplied, estimated quantities and unit prices.

- 4. Upon request from Contractor, Subcontractor shall prepare a standard Purchase Order Requisition Form in a form acceptable to the Owner and the Contractor, to specifically identify the materials which Owner has,

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at its sole option, elected to purchase directly. The Purchase Order Requisition Form shall include:

- A. The name, address, telephone number and contact person for the material supplier
- B. Manufacturer or brand, model or specification number of the item
- C. Quantity needed as estimated by Subcontractor
- D. The price quoted by the supplier for the materials identified therein
- E. Any sales tax associated with such quote
- F. Delivery dates as established by Subcontractor

Subcontractor shall include reference to any terms and conditions which have been negotiated with the vendor; i.e. payment terms, warranties, retainage, etc. Such Purchase Order Requisition Form is to be submitted to Contractor no less than 15 days prior to the date required for ordering such Owner-Purchased Materials, in order to provide sufficient time for Owner review and approval and to assure that such Directly Purchased Materials may be directly purchased by Owner and delivered to the Project site so as to avoid any delay to the Project.

5. After receipt of the Purchase Order Requisition Form, Owner shall prepare its Purchase Orders for equipment, materials or supplies. Pursuant to the Purchase Order, the vendor will provide the required quantities of material at the price established in the vendor's quote to the Subcontractor less any sales tax associated with such price. Promptly upon receipt of each Purchase Order, Subcontractor shall verify the terms and conditions of the Purchase Order prior to its issuance to supplier and in a manner to assure proper and timely delivery of items. Owner's Purchasing Director shall be the approving authority for the Owner on Purchase Orders in conjunction with Owner-Purchased materials. The Purchase Order shall require that the supplier provide the required shipping and handling insurance. The Purchase Order shall also require the delivery of the Owner-Purchased Materials on the delivery date(s) provided by the Subcontractor in the Purchase order Requisition Form and shall indicate F.O.B. job site. The Owner's Purchase Orders shall contain, or be accompanied by, the Owner's exemption certificate and must include the Owner's name, address, and exemption number with issue and expiration date shown.
6. In conjunction with the execution of the Purchase Orders by the supplier, the Subcontractor shall execute and deliver to Contractor one or more deductive Change Orders, referencing the full value of all Owner-Purchased Materials plus all sales tax savings associated with such materials in Subcontractor's bid to Contractor.
7. All shop drawings and submittals shall be made by the Subcontractor in accordance with the Contract Documents.

8. Subcontractor shall be fully responsible for all matters relating to the receipt of materials furnished by Owner in accordance with these procedures, including but not limited to, verifying correct quantities, verifying documentation or orders in a timely manner, coordinating purchases, providing and obtaining all warranties and guarantees required by the Contract Documents, inspection and acceptance of the goods at the time of delivery, and loss or damage to equipment and materials following acceptance of items by the Owner due to the negligence of the Subcontractor. The Subcontractor shall coordinate delivery schedules, sequence of delivery, loading orientation, and other arrangements normally required by the Subcontractor for the particular materials furnished. The Subcontractor shall provide all services required for the unloading, handling and storage of materials through installation. The Subcontractor agrees to indemnify and hold harmless the Owner from any and all claims of whatever nature resulting from nonpayment of goods to suppliers arising from the actions or directions of Subcontractor.

9. As Owner-Purchased Materials are delivered to the job site, the Subcontractor and the Contractor as Owner's Representative, shall visually inspect all shipments for the suppliers, and approve the vendor's invoice for materials delivered. The Subcontractor shall assure that each delivery is accompanied by documentation adequate to identify the Purchase Order against which the purchase is made. This documentation may consist of a delivery ticket and an invoice from the supplier confirming the Purchase Order, together with such additional information as the Owner or Contractor may require. The Subcontractor will verify, in writing, the accuracy of the delivery ticket. The Subcontractor will then forward the invoice to the Contractor for his forwarding to the Owner. The Owner will process and pay directly to the vendor in the manner as all other Owner Entity invoices are processed. The Owner shall have the right to assign Owner personnel to verify and audit the accuracy of all Direct Purchase documents.

10. The Subcontractor shall insure that Owner-Purchased Materials conform to the Specifications and determine prior to incorporation into the Work if such materials are patently defective, and whether such materials are identical to the materials ordered and match the description on the bill of lading. If the Subcontractor discovers defects or non conformities in the Owner-Purchased Material, upon such visual inspection, the Subcontractor shall not utilize such non-conforming or defective materials in the Work and instead shall promptly notify the Vendor of the defective or non conforming condition in order to pursue repair or replacement of those materials without any undue delay or interruption to the Project. Additionally, the Subcontractor shall notify the Owner through the Construction Manager of such occurrence. If the Subcontractor fails to perform such inspection, and otherwise incorporates Owner-Purchased Materials, the condition of which it either

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knew about or should have known about by performance of an inspection, Subcontractor shall promptly take action to remedy the defect or non conformity so as not to delay the Work.

11. The Subcontractor shall maintain records of all Owner-Purchased Materials it incorporates into the Work from the stock of Owner-Purchased Materials in its possession. The Subcontractor shall account monthly to the Owner, through the Contractor, for any Owner-Purchased Materials delivered into the Subcontractor's possession, including portions of all such materials which have been incorporated into the Work.
12. The Subcontractor shall be responsible for obtaining and managing all warranties and guarantees for all materials and products as required by the Contract Documents. All repairs, maintenance or damage repair calls shall be forwarded to the Subcontractor for resolution with the appropriate supplier or Vendor.
13. Notwithstanding the transfer of Owner Purchased Materials by the Owner to the Subcontractor's possession, the Owner shall retain title to any and all Owner Purchased Materials.
14. The transfer of the possession of Owner Purchased Materials from the Owner to the Subcontractor shall constitute a bailment for mutual benefit of the Owner and the Subcontractor. The Owner shall be considered the bailor and the Subcontractor the bailee of the Owner Purchased Materials. Owner Purchased Materials shall be considered returned to the Owner for purposes of its bailment at such time as they are incorporated into the Project or consumed in the process of completing the Project. Bailee shall have the duty to safeguard, store and protect all Owner Purchased Materials.
15. The Owner shall purchase and maintain insurance pursuant to the requirements set forth in the Owner and Construction Manager Agreement which shall be sufficient to protect against any loss or damage to Owner Purchased equipment, materials or supplies. Such insurance shall cover the full value of any Owner Purchased Materials not yet incorporated into the Project from the time the Owner first takes title.
16. The Owner shall in no way be liable for interruption or delay in the Project, for any defects or any other problems with the Project, or for any extra or cost resulting from delay in the delivery of, or defects in, Owner Purchased Materials.
17. On a monthly basis, Subcontractor shall be required to review invoices submitted by all suppliers of Owner Purchased Materials delivered to the Project site during that month and either concur or object to the Owner's

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issuance of payment to the suppliers, based upon Subcontractor's records of materials delivered to the site and any defects in such materials.

18. In order to arrange for the prompt payment to the supplier, the subcontractor shall provide to the Owner, through the Construction Manager, a list indicating the acceptance of the goods or materials in accordance with the established monthly Payment Request Schedule. The list shall include a copy of the applicable Purchase Orders, invoices, and delivery receipts of data provided. Checks will be released, delivered and remitted directly to the suppliers. The Subcontractor agrees to assist the Owner to immediately obtain partial or final release of lien waivers as appropriate.
19. At the end of the Project, any refund for surplus materials returned to suppliers plus applicable sales tax savings amount shall be created with an additive Change Order to the Subcontractor's agreement with the Construction Manager. Salvage materials shall be the property of the Owner and stored or removed from the site by the Subcontractor at the Owner's discretion.
20. The Construction Manager has obtained and submitted to the Owner a Technical Assistance Advisement issued by the State of Florida Department of Revenue referencing procedures to be followed to provide for tax exempt purchases, and attached as part of this Exhibit to this Addendum. Owner hereby agrees to follow those procedures in cooperation with the Construction Manager, and indemnifies Construction Manager from liability if the Department of Revenue determines that any purchases treated as tax exempt by the parties failed to meet the criteria for exemption.

PART 2 PRODUCTS

Not Used

PART 3 EXECUTION

Not Used

END OF SECTION