
OWNER DIRECT PURCHASE PROCEDURES

(Revised 1/25/18)



MONROE COUNTY SCHOOL DISTRICT
241 TRUMBO ROAD
KEY WEST, FLORIDA 33040
PHONE (305) 293-1400
www.KeysSchools.com

Note: Pursuant to *Florida Statutes*, Monroe County Public Schools (Owner) is exempt from Florida Sales Tax on the purchase of construction material and equipment and has elected to exercise this right. All bids are to be submitted with all applicable taxes included.

DIRECT PURCHASE PROCEDURES

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Pursuant to *Florida Statutes*, Section 212.08(6), and *Florida Administrative Code*, Number 12A-1.094, Monroe County Public Schools is exempt from Florida Sales Tax for the purchase of construction materials, supplies and/or equipment incorporated into a construction project. Under this program, the Florida Sales Tax rate of 6% shall apply. The discretionary sales surtax rate (1.5% for items delivered to Monroe County) applies only to the first \$5,000 of each purchase.

The Owner has elected to exercise this right to direct purchase *selected* materials on all construction projects and such direct purchase shall be without any additional cost to the Owner. **All bids are to be submitted with all applicable taxes included.** See project specifications for complete details and information.

The Contractor shall assume all risk and remain fully responsible for all material incorporated into any project, directly purchased by the Owner or not. This will include, but not be limited to, insurance, theft, storage, damage during installation, coordination, quantities ordered, submittals, protection, scheduling, shipping, security, expediting, receiving, installation, cleaning and all applicable warranties, etc. The procedures outlined here may change at any time without prior notice to Contractor.

I. TERMS – For the purpose of this document, the following terms will be defined:

- a. **Certificate of Entitlement:** A certificate confirming that the property purchased from that vendor will go into, or become a part of, a public work.
- b. **Change Order (CO):** A written order authorizing a change in the scope of work, contract amount or contract time.
- c. **Contractor:** A General Contractor (GC) or Construction Manager (CM).
- d. **Monroe County Public Schools:** MCSD or Owner.
- e. **Direct Material Purchase (DMP):** A purchase made directly by the Owner from a vendor, and not through a contractor.
- f. **Owner Direct Purchase Order (ODPO):** A purchase order issued by the Owner directly to the Contractor's vendor for the purchase of materials exempt from sales tax.
- g. **Direct Purchase Procedures (DPP):** Guidelines outlined in this document.
- h. **Facilities:** The Facilities Design and Construction Department of MCSD.
- i. **Material:** Any material, supplies, or equipment incorporated into a MCSD construction project.
- j. **Purchase Requisition (PR):** A request to purchase stated material or services for a quoted price.
- k. **Purchase Order (PO):** A written authorization issued by the Owner for a vendor to delivery material or services at a specified price, which becomes a legally binding contract upon acceptance by the vendor.
- l. **Vendor:** A company supplying material to the Project, whether such provision includes installation or not.
- m. **Vendor Requisition Form (VRF):** A list of material and price quotes provided by the Contractor to the Owner for issuance of an Owner Direct Purchase Order (ODPO) by the Owner.
- n. **Vendor List:** A list provided by the Contractor of the vendors the Owner will direct purchase material from.

Summary of Steps for Direct Purchase of Material

1. Purchase Order issued to Contractor for full amount of contract.
2. Schedule of Values reviewed by MCSD and selected item identified for Direct Purchase.
3. **Contractor** will submit a Vendor List to Owner of only the Vendors that MCSD will purchase from.
4. **Contractor** will submit a Vendor Requisition Form (VRF) and required support document to Owner.
5. Florida Sales Tax rate shall apply.
6. VRF must include quote from **Vendor**.
7. **Change Order** is issued to reduce Contractor's PO in the amount of direct materials purchased.
8. MBE Form 6 also required Contractor's PO is reduced for amount of Direct Purchase Change Order.
9. Issuance of Owner Direct Purchase Order (ODPO) to Vendor for Direct Purchase as outlined in the Change Order. This must include a Certificate of Entitlement.
10. MCSD notifies Vendor, Contractor and Subcontractor confirming ODPO for direct purchase material (letter, email or whatever means mutually agreed upon).
11. Contractor coordinates delivery with Vendor.
12. Material is delivered and invoice sent DIRECTLY to Owner.
13. Upon receipt, Owner records invoice and forwards to Contractor for approval.
14. Contractor approves invoice, returns to Owner (within 5 business days).
15. Owner issued check to Vendor in payment for materials delivered.
16. Purchase orders are closed, and tax savings reverts to Owner.

II. INSTRUCTIONS

A. Overview

1. The Owner (MCSD) is exempt from sales tax on the purchase construction materials, supplies and/or equipment incorporated into a construction project. The Owner has elected to exercise this right to direct purchase selected materials on all construction projects and such direct purchase shall be without any additional cost to the Owner. **All bids are to be submitted with all applicable taxes included.**
2. The Owner shall, via Owner Direct Purchase Order (ODPO), purchase material and the Contractor shall assist the Owner in the preparation of the ODPO. The Owner will purchase the material from Vendors selected by the Contractor for the price originally negotiated by the Contractor.
3. The Contractor's PO and contract amount shall be reduced by the amount of the ODPO plus Florida State Sales Tax. This reduction in the Contractor's PO and contract amount will occur through a Change Order (CO), which will reference the Contractor's PO affected by the change. MBE Form 6 is also required.
4. Issuance of ODPO's by the Owner shall not relieve the Contractor of any contract responsibilities for any material purchased and incorporated into a construction project, directly purchased by the Owner or not, with the exception of the payments for the material or equipment purchased via ODPO.
5. The Contractor shall remain fully responsible for, insurance, theft, storage, damage during installation, coordination, quantities ordered, submittals, protection, scheduling, shipping, security, expediting, receiving, installation, cleaning and all applicable warranties, etc. The Contractor must maintain the Builder's Risk policy to include ALL material and equipment stored on-site and installed on-site.
6. It is recognized that the Contractor may encounter additional overhead costs in assisting the Owner with its Direct Purchase Program. The Contractor is charged with including all additional costs as part of the Bid or Proposal.
7. No payment will be made for material or equipment stored off-site.
8. All invoices must contain the Owner's ODPO number in order to be accepted and processed for payment.

B. Vendor List

1. Upon contract award of the construction project, the Owner will review the schedule of values with Contractor and determine which items the Owner will direct purchase.

C. Purchase Order Request – Vendor Requisition Form

1. When the materials to be direct purchased have been determined, the Contractor

shall issue a Vendor Requisition Form (VRF) addressed to the Owner. The VRF shall contain the following minimum information and be submitted at least 20 days prior to shipment of material. One request per Vendor (see example on page 9).

- a. Date of VRF
 - b. Project name, number and location
 - c. Contractor contact information
 - d. Subcontractor contact information
 - e. Vendor's full business name, address, complete contact numbers – telephone, fax, e-mail, etc.
 - f. Any special instruction; for delivery and contact person
 - g. Quantity of each material
 - h. Description of all material including item and/or serial number
 - i. Unit cost of each material
 - j. Extended price of each material (quantity times unit cost)
 - k. Sales tax on material to be purchased. Florida Sales Tax rate of 6% on the entire purchase plus discretionary sales surtax of 1.5% on the first \$5,000 shall apply.
 - l. Shipping – The VRF and the quote must indicate FOB Destination or Job Site. The Owner will not pay shipping and handling charges.
 - m. Total price for all material ordered (extended prices plus sales tax)
 - n. Copy of detailed quote from Vendor indicating same information including sales tax amount
 - o. Signature and printed name of Contractor
 - p. Signature of MCSD Project Manager
2. All VRF's may be submitted at the same time.
 3. All VRF's should be sent by E-mail to MCSD Purchasing Department attention of Jessica Bailey, Buyer Jessica.Bailey@KeysSchools.com.

D. Change Order Request

1. At the same time the VRF is submitted, a Change Order must be submitted/executed for reduction of the Contractor's PO and issuance of the ODPO. For this CO, the following documents are required (see example on page 10):
 - a. Completed and approved original CO's
 - b. Complete description of proposed change
 - c. The CO must indicate the amount of tax savings
 - d. List all VRF requested
 - e. Include a copy of MBE Form 6 (See Page 13)

E. Issuance of Purchase Order

1. Once VFR is reviewed by Purchasing, they will be submitted to the Construction Office for issuance of the Owner Direct Purchase Order (ODPO).
2. Owner's Construction Manager with review and sign off on VFR and Change Order.

3. Construction Office will assign an ODPO item count number (separate from PO number which will be added spreadsheet once PO has been assigned as to have count number and purchase order number). Said spreadsheet must be maintained for project in its entirety.
4. The Owner will issue an ODPO in the amount of the VRF less sales tax. This purchase order must have a Certificate of Entitlement attached (page 12). The ODPO will contain the following minimum information (see example of purchase requisition on page 11):
 - a. Date
 - b. Note stating:
Owner Direct Purchase Order No## and project name/number (ie: PK Construction)
 - c. Vendor's full business name and address
 - d. Special instruction; for delivery and contact person
 - e. The authorized quantity, material description, unit cost, and extended price for each material
 - f. Total price for material ordered (less tax)
5. The Owner will send the ODPO to the Vendor, with a copy retained by the Owner, and copies sent to the Contractor.
6. Upon receipt of the ODPO by the Vendor, the Vendor and Contractor shall coordinate and schedule delivery of the material to the job site.
7. After delivery, the Vendor must issue and deliver the invoice directly to the Owner's Construction Office. The invoice must clearly reference the Owner's ODPO number (purchase order number).
8. All material is to be delivered to the job site, where the Contractor assumes all responsibility and risk.

F. Invoice Approval and Payment

1. Upon receipt of the Vendor's invoice by the Owner, the Owner will fax a copy to the Contractor for verification and approval. The Contractor will have (five) 5 working days to process the invoice for payment. Once approved by the Contractor and Owner, the Vendor's invoice will be paid through Owner's Construction Office via AP process.
2. The Owner will issue payment to Vendor in the amount approved by the Owner and Contractor. The amount paid to the Vendor will not exceed the amount of the ODPO. In order to maintain timely payments, it will be the responsibility of the Contractor to process invoices in accordance with the payment schedule. The Contractor shall pay any late fees incurred as a result of the Contractor's failure to process invoices in a timely manner.

G. Contractor's Pay Request

1. The Contractor shall be responsible for maintaining details of direct material purchased and tax savings on the AIA Form G702, *Application and Certificate for Payment*, in the project. The material direct purchased by the Owner and the resulting sales tax savings must appear on each pay request along with all other CO's.
2. The Contractor's pay request:
 - a. Must have Direct Material Purchases (DMP) deducted from pay request
 - b. Must show all Change Orders (CO's) and Owner Direct Purchase Orders (ODPO's) with complete details.
 - c. Facilities will reconcile pay request with their records
 - 1) Contractor will be contacted to resolve any discrepancies
 - 2) Owner will fax summary as transactions occur

H. End of Process

1. All ODPO's have been issued, materials delivered, invoices approved and paid.
2. Facilities will close all ODPO; no CO is required for this action.
3. Any discounts for prompt payment are for the account of the Owner.

I. Forms & Examples of Documents

1. Electronic examples of the following forms are available via email Jessica.Bailey@KeysSchools.com
 - A. Vendor Requisition Form - page 9
 - B. MCSD Change Order Form - page 10
 - C. Example of a DMP Requisition issued by MCSD - page 11
 - D. Example of Certificate of Entitlement to be used by Vendor for DMP - page 12
 - E. Example of MBE Form 6 - page 13
 - F. Copy of MCSD Certificate of Tax Exemption - page 14
2. A Copy of a properly completed pay request with DMP and Owner CO information, Form AIA G702, is available upon request.
3. Working copies of applicable documents are available upon request.

Vendor Requisition Form

Date: _____	MCS D PO# _____			
MCS D Project Name: _____	Ship To Address: _____			
MCS D Project #: _____				
Contractor: _____	Contractor Tel: _____			
Contr. Project #: _____	Contact Person: _____			
Address: _____	Delivery Date: _____			
	E-Mail: _____			
SubContractor: _____	Sub Con Tel: _____			
SubCon. Project #: _____	Contact Person: _____			
Address: _____	Delivery Date: _____			
	E-Mail: _____			
Vendor/Supplier _____	Vendor Tel: _____			
Project #: _____	Contact Person: _____			
Address: _____	Delivery Date: _____			
	E-Mail: _____			
Special Instructions: _____ _____				
ITEM#	DESCRIPTION	QUANTITY	UNIT AMOUNT	TOTAL AMOUNT
Please submit quote from Vendor/Supplier with Vendor Requisition Form (VRF)			Subtotal	
			Sales Tax 6 %	
			1.5% on first \$5000	\$75.00
			Total	
Important Note: It is imperative in the interest of prompt payment that all original invoices are sent directly to Monroe County School District, Attn: Facilities Maintenance /Construction Building, 1310 United Street, Key West, FL 33040. All invoices must reference the Project Name/Number and MCS D Purchase Order Number.				
Contractor Name: _____				
Verified & Approved by: _____				Contractor
Approved by: _____				MCS D Project Manager

MCSD Change Order

Instructions: Submit three (3) originals of this form with proper back-up and a letter from A/E indicating who initiated each item of the change order and A/E's concurrence as to price and time extension (if any).

MONROE COUNTY SCHOOLS DISTRICT CONSTRUCTION CHANGE ORDER

MCSD PROJECT:		CHANGE ORDER #:	
ARCHITECT/ENGINEER:		DATE:	
TO: CONTRACTOR ADDRESS		PROJ. #	
		A/E JOB #:	

YOUR PROPOSAL DATED _____ HAS BEEN ACCEPTED FOR MAKING THE FOLLOWING CHANGES:

DESCRIPTION OF PROPOSED CHANGE:	DECREASE	INCREASE
SUBTOTAL:		
TOTAL INCREASE/ (DECREASE):		

THE ORIGINAL CONTRACT SUM WAS:	
NET CHANGE BY PREVIOUSLY AUTHORIZED CHANGE ORDERS:	
THE CONTRACT SUM PRIOR TO THIS CHANGE ORDER WAS:	
THE CONTRACT SUM WILL BE INCREASED/ (DECREASED) BY THIS CHANGE ORDER:	
THE NEW CONTRACT SUM INCLUDING THIS CHANGE ORDER WILL BE:	
THE CONTRACT TIME WILL BE (INCREASED) (DECREASED) (UNCHANGED) BY For any change in TIME, it must be identified herein if the change is "Excusable non-compensatory" or "Excusable compensatory". If excused compensatory, compensation must be recited and documented herein and approved by the Owner.	DAYS
THE DATE OF SUBSTANTIAL COMPLETION THEREFORE IS:	

By execution of this Change Order the Contractor acknowledges that all issues related to compensation and time have been resolved and payment recited herein is full compensation for the work identified in this Change Order.

_____ Architect	_____ Contractor	Monroe County School District Owner
By: _____	By: _____	By: _____
Date: _____	Date: _____	Date: _____



State Tax Exemption #
858013888558C3
Federal Employer Identification #
0596000750

**MONROE COUNTY
SCHOOL BOARD**
Purchase Order
Blanket - GAE ODP021
Panelfold

PO# 10047
12/12/2017
Vendor (V0000021149)

Show P.O. Number on all shipping containers,
packing lists, correspondences, and invoices.

Order Contact: Candice Cohens
Center/School Contact: Facilities

Checked box indicates order must be fully received and invoiced by 06/30/2018.
Cancellations must be in writing. No backorders without buyer approval.

PANELFOLD, INC
10700 NW 36 AVE
MIAMI, FL 33167

Ship To
GERALD ADAMS ELEMENTARY SCHOOL
5855 WEST JR. COLLEGE
KEY WEST, FL 33040

Bill To
MONROE COUNTY SCHOOL BOARD
241 TRUMBO RD
KEY WEST, FL 33040
305-293-1400

Item #	Description	Quantity	UOM	Unit Price	Amount
	Board approved Ajax GMP Amend #2 7/25/17 and approved Change Order #2 9/6/17 for Gerald Adams Project. ODP021 for Tracks and Panels.	1		11,260.20	11,260.20
Total					11,260.20

Fund	Function	Object	Center	Project	Amount
0396	7400	631	0311	3296	11,260.20

Comments for vendor:

Gerald Adams Project

Terms & Conditions:

- Purchase orders issued by the District are not transferable & cannot be assigned to any other vendor, contractor, bank, lending institute or to any representative or individual. This includes prohibition of subcontracts unless authorized. If Contractor cannot supply the material or service, nor honor the contract, return the purchase order with a letter of explanation to the Purchasing Department.
- No modifications of this order shall be binding upon the District unless approved in writing by an authorized representative of the District Purchasing Department.
- The District may at its option, grant additional time for any delay or failure to perform hereunder if the delay will not adversely impact the best interest of the District & is due to causes beyond the control of the Contractor. Such grant must be in writing & made part of the order.
- In the event of default by the Contractor, the District may procure the articles or services covered by this order from other sources and hold the Contractor responsible for any excess costs occasioned thereby. The following shall be considered a default: (1) Failure to make complete deliveries within the promised time. (2) Unauthorized substitution or delivery of goods deemed by the District to be inferior. (3) Inability of the Contractor to fulfill the terms & conditions of this order.
- The District reserves the right to terminate this order in whole or in part for cause within 30 days. Any such termination will be without liability to the District except for completed items delivered & accepted by the District. The Contractor will be liable for excess costs of re-procurement.
- Unless otherwise specified, all shipments shall be F.O.B. Destination, Freight, Prepaid. Orders must be delivered to the "ship to" address as stated on the purchase order. Any deviations without prior approval from the Purchasing department will constitute a refusal of shipment. Such refusal, requiring redistribution, reshipment, &/or storage charges, will be borne by the Contractor. The District will not be responsible for any lost shipments caused by improper shipment. SHIPMENTS WILL NOT BE ACCEPTED WITH ANY BACK ORDERED ITEMS.
- Deliveries are to made to the indicated ship to address between the hours of 9:00am and 3:00pm Monday through Friday, excluding holidays, unless otherwise stipulated. Contractor shall notify the receiving site of deliveries which require handling &/or assistance for off-loading. Failure to give notice will result in the Contractor being billed for any add-on, redelivery, storage, or handling charges.
- All materials or goods will be received "subject to inspection and acceptance". Materials or goods found defective or not in accordance with District instructions, specifications, drawings, or other data, will remain the property of the Contractor & will be returned at the Contractor's expense. Payment for materials & goods shall not be deemed as an acceptance thereof.
- Quantities specified in the order cannot be changed without prior written approval of the District. Goods shipped in excess of the quantity designated may be returned at the Contractor's expense.
- By accepting this order, the Contractor agrees that payment terms shall be as set forth in Section 218.75, Florida Statutes.
- Except as otherwise stated in this order, Contractor must submit an original invoice to the department identified on the purchase order. Purchase Order number(s) must appear on all invoices, packing slips, shipping notices, freight bills, & correspondence concerning this order.

CERTIFICATE OF ENTITLEMENT

The undersigned authorized representative of Monroe County School Board (hereinafter "Governmental Entity"), Florida Consumer's Certificate of Exemption Number _____, affirms that the tangible personal property purchased pursuant to Purchase Order Number _____ from _____ on or after (DATE) will be incorporated into or become a part of a public facility as part of a public works contract pursuant to contract # _____ with (Contractor's Name) for the construction of (School Name).

Governmental Entity affirms that the purchase of the tangible personal property contained in the attached Purchase Order meets the following exemption requirements contained in Section 212.08(6), F.S., and Rule 12A-1.094, F.A.C.:

You must initial each of the following requirements.

- ___ 1. The attached Purchase Order is issued directly to the vendor supplying the tangible personal property the Contractor will use in the identified public works.
- ___ 2. The vendor's invoice will be issued directly to Governmental Entity.
- ___ 3. Payment of the vendor's invoice will be made directly by Governmental Entity to the vendor from public funds.
- ___ 4. Governmental Entity will take title to the tangible personal property from the vendor at the time of purchase or of delivery by the vendor.
- ___ 5. Governmental Entity assumes the risk of damage or loss at the time of purchase or delivery by the vendor.

Governmental Entity affirms that if the tangible personal property identified in the attached Purchase Order does not qualify for the exemption provided in Section 212.08(6), F.S., and Rule 12A-1.094, F.A.C., Governmental Entity will be subject to the tax, interest, and penalties due on the tangible personal property purchased. If the Florida Department of Revenue determines that the tangible personal property purchased tax-exempt by issuing this Certificate does not qualify for the exemption, Governmental Entity will be liable for any tax, penalty, and interest determined to be due.

I understand that if I fraudulently issue this certificate to evade the payment of sales tax I will be liable for payment of the sales tax plus a penalty of 200% of the tax and may be subject to conviction of a third degree felony. Under the penalties of perjury, I declare that I have read the foregoing Certificate of Entitlement and the facts stated in it are true.

Signature of Authorized Representative	Title
<u>Monroe County School Board</u> Purchaser's Name (Print or Type)	Date

Federal Employer Identification Number: _____

Telephone Number: (305) 293-1400

You must attach a copy of the Purchase Order to this Certificate of Entitlement. Do not send to the Florida Department of Revenue. This Certificate of Entitlement must be retained in the vendor's and the contractor's books and records.

MBE CHANGE ORDER PARTICIPATION FORM

Name of Contractor/Consultant:			Change Order No.:		
Project Title:			Project No.:		
Date:		Project No.:			
In this chart, indicate <u>all</u> subcontractors scheduled to work on this Change Order (Both MBE and Non-MBE). Please indicate if it is an Additive (+) or Deductive (-) Change Order.					
MBE/ Non-MBE	Firm's Name	Phone #	Scope of Work to be subcontracted (indicate if the contract will include labor &	Dollar Value of Change Order	If Certified with a reciprocal agency (Name Agency)

MBE Code	Code Description (Participation)	Total Dollar Value [\$]	Percentage of Base Bid [%]
AA	African-American	_____	_____
HANA	Hispanic, Asian, Native American	_____	_____
WBE	Women-Owned	_____	_____
	Minority	_____	_____

Please attach the justification letter to this form along with any necessary backup data.

ADDITIONAL INFORMATION:

Signature: _____

Title: _____



Consumer's Certificate of Exemption

Issued Pursuant to Chapter 212, Florida Statutes

DR-14
R. 10/15

85-8013888558C-3	10/31/2017	10/31/2022	COUNTY GOVERNMENT
Certificate Number	Effective Date	Expiration Date	Exemption Category

This certifies that

MONROE COUNTY PUBLIC SCHOOL DISTRICT
AND ALL SUBORDINATE DISTRICT SCHOOL
241 TRUMBO RD
KEY WEST FL 33040-6684

is exempt from the payment of Florida sales and use tax on real property rented, transient rental property rented, tangible personal property purchased or rented, or services purchased.



Important Information for Exempt Organizations

DR-14
R. 10/15

1. You must provide all vendors and suppliers with an exemption certificate before making tax-exempt purchases. See Rule 12A-1.038, Florida Administrative Code (F.A.C.).
2. Your *Consumer's Certificate of Exemption* is to be used solely by your organization for your organization's customary nonprofit activities.
3. Purchases made by an individual on behalf of the organization are taxable, even if the individual will be reimbursed by the organization.
4. This exemption applies only to purchases your organization makes. The sale or lease to others of tangible personal property, sleeping accommodations, or other real property is taxable. Your organization must register, and collect and remit sales and use tax on such taxable transactions. Note: Churches are exempt from this requirement except when they are the lessor of real property (Rule 12A-1.070, F.A.C.).
5. It is a criminal offense to fraudulently present this certificate to evade the payment of sales tax. Under no circumstances should this certificate be used for the personal benefit of any individual. Violators will be liable for payment of the sales tax plus a penalty of 200% of the tax, and may be subject to conviction of a third-degree felony. Any violation will require the revocation of this certificate.
6. If you have questions regarding your exemption certificate, please contact the Exemption Unit of Account Management at 800-352-3671. From the available options, select "Registration of Taxes," then "Registration Information," and finally "Exemption Certificates and Nonprofit Entities." The mailing address is PO Box 6480, Tallahassee, FL 32314-6480.