

College Operating Procedures (COP)



Procedure Title: Owner Direct Purchase Program
Procedure Number: 04-0404
Originating Department: Office of Financial Services

Specific Authority:

Board Policy 6Hx6:1.01; 6Hx6:1.02
Florida Statute 1001.64; 1001.65; 1013.48; 1013.50
Florida Administrative Code 6A-2.0111 (SREF 4.2.3)

Procedure Actions: Adopted: 07/93; 07/09

Purpose Statement: To establish guidelines for the administration of the Facilities Planning and Management's Owner Direct Purchase Program (ODP).

Guidelines:

The Owner may elect to implement a Direct Purchase Program whereby it may purchase materials and equipment included in the Contractor or any Subcontractor's bid for a portion of the work directly from the supplier of such materials or equipment in order to achieve sales tax savings. Such materials and equipment are referred to as "Owner Direct Purchase" (ODP) materials.

Procedures:

- I. The construction Manager or Design Builder, herein referred to as Builder, shall provide the Owner with a list of material and equipment appropriate for consideration by the Owner as ODP materials and equipment. The Bid Tabulation Summary submitted to the Owner, as required in the Agreement, shall itemize by Bid Package amounts subject to ODP purchases.
- II. If the Owner elects to make direct purchases of materials or equipment, it shall notify the Builder informing them that Purchase Orders from the Owner will follow. The Builder, in order to maintain control responsibility will approve all supplier invoices. Subcontractors will prepare material quantities and prices for the Builder to prepare PO's.
- III. The Builder and its Subcontractors agree that the purchase of materials and equipment by the Owner does not relieve the Builder and /or Subcontractor of their responsibility to ensure the materials and equipment meet the specs required for the project. Builder and Subcontractor shall also be responsible for storing and protecting all ODP. Similarly, all ODP shall be subject to the same Builder warranties as any materials or equipment purchased or provided by Builder or any Subcontractor.

- IV. A change order shall be issued by the Builder to reduce the applicable Builder or Subcontractor's contract amount by the cost of the Owner direct Purchase materials and sales or use tax related thereto in a timely manner. When the sales or use tax amount is not listed on the quote, the amount shall be calculated by a specific factor to be agreed upon.
- V. Change orders will be prepared and reviewed by the Architect/Engineer to deduct amounts on PO's (including tax) from the construction contract. The Owner will then prepare PO's based on the Builders PO less 6% sales tax for each supplier. The tax savings will be applied to the College's contingencies for the project.
- VI. Suppliers will ship materials as directed by the Builder and Subcontractors.