



CITY OF PANAMA CITY BEACH

May 18, 2023

ADDENDUM NO. 6

PCB23-35 ITB

Conservation Park Classroom

REQUIRED FORM:

The required Sales Tax Addendum was inadvertently excluded from the bid package. Attached is the form required to be submitted with the bid package.

SECTION 00098

SALES TAX EXEMPTION ADDENDUM

1. Contractor and City entered into a contract dated _____, (the "Contract") for the performance of the WORK described therein, to which an executed copy of this Sales Tax Exemption Addendum ("Addendum") shall be attached thereto and incorporated therein.
2. Contractor and City desire to enter into an arrangement whereby certain purchases under the Contract can be made through the City as a means of taking advantage of the City's status of being exempt from sales and use taxes.
3. The City is exempt from sales and use taxes. As such it is exempt from the payment of sales and use tax on purchases of building materials or equipment necessary for the performance of work under construction contracts, provided the City determines it is to its best interest to do so, and provided the purchase of such building materials and equipment are handled in the manner hereinafter described.
4. The City has determined it is in its best interest to provide the opportunity to eliminate the payments of sales tax for building materials or equipment to be used in the construction of this project, and notifies the Contractor of its intent to do so.

TERMS AND CONDITIONS

1. The parties intend by this Addendum to comply with the procedures and elements described in Florida Administrative Code 12A-1.051 and 12A-1.094 and any conflict or ambiguity in this Addendum shall be resolved in favor of meeting the elements necessary to make tax exempt the purchases contemplated by this Addendum.
2. The City shall, at its sole discretion, have the option to purchase directly from the supplier or vendor, any building materials or equipment included in the Contractor's bid for the Contract. Contractor shall, from time to time submit, update and keep current, for consideration by the City, a list of all building materials and equipment to be purchased, organized by supplier or vendor. Such list shall include a brief description of the building materials and equipment and the name and address of the supplier or vendor. Suppliers or vendors reasonably anticipated to furnish building materials and equipment with an aggregate purchase value of less than \$10,000 need not be listed. Contractor's

initial list is attached hereto and incorporated herein. Building materials and equipment not required for the performance of the Contract shall not be purchased under this Addendum. The City reserves the right to delete or add items from this Addendum when it is in the City's best interest.

3. The City will be liable for the payment of all purchases properly made hereunder.
4. Contractor shall notify all suppliers or vendors not to make sales to the Contractor under this Addendum.
5. For each purchase approved by the City to be made under this Addendum, the Contractor shall furnish the City in writing information sufficient for the City to issue to the supplier its City purchase order for the requested building materials or equipment which shall include as an attachment the City's Certificate of Exemption. Suppliers and vendors will render statements for materials purchased to the City in care of the Contractor. After receiving and inspecting the materials when they arrive at the job site, verifying that all necessary documentation accompanies the delivery and conforms with the purchase order, Contractor will forward the invoices to the City's duly authorized representative for approval, processing and delivery to the City for payment. The City will process the invoices and issue payment directly to the supplier or vendor. Contractor will keep and furnish to the City all such records, summaries, reports of purchase orders and invoices, and reports of the status and use of goods handled under this Addendum, as the City may reasonably require.
6. The Contract provides that Contractor will perform the work under the Contract for the Contract Price in the amount of \$[REDACTED], as may be amended from time to time as provided in the Contract. Said amount, as amended, due Contractor under the Contract shall be reduced by the sum of all amounts paid by the City for materials and equipment purchased under this Addendum, including any shipping, handling, insurance or other, similar charges paid by the City, and all of the savings of sales and use tax on the purchase of such items.
7. The Contractor shall submit his proposal for base bid and proposals for each Alternate with the inclusion of all required taxes including applicable sales and use tax, the same as if tax were to be paid in the normal manner. Any sales and use tax savings will be affected during the performance of the Contract.
8. Contractor shall immediately notify all subcontractors and material and equipment suppliers of the City's intent to reduce the construction cost of the Project by the purchase of building materials and equipment in the manner herein described and the Contractor shall not withhold his consent to the arrangement.
9. Administrative costs incurred by the Contractor with this Addendum shall be considered to be included in the Total Lump Sum Bid amount for the Work. No addition shall be added to the Contract Price because of the service provided by

the Contractor in the purchase of building materials and equipment by the City.

10. All sales and use tax savings on the purchase of building materials and equipment shall be credited to the City and the amount of the Contract Price shall be reduced by the full amount of savings which result from the omission of payment of sales and use tax.
11. By virtue of its payment of material and equipment invoices, the City further intends to benefit from any discounts offered for timely payment to the extent of one-half of the discount offered, the remaining one-half to accrue to the Contractor as an incentive for the Contractor to process invoices well within the discount period. The Contractor shall pay any late penalties caused by its failure to facilitate the processing of invoices within the allotted time.
12. The Contractor, notwithstanding the terms and conditions of this Addendum, shall select, describe, obtain approvals, submit samples, coordinate, process, prepare shop drawings, pursue, receive, inspect, store, protect and guarantee the same as would have been the case if the tax saving procedures were not implemented.
13. The Contractor as bailee shall have the obligation of receiving, inspecting, storing and safekeeping all goods and materials purchased on behalf of the City pursuant to this Addendum. Further, the Contractor shall be responsible for the cost of replacing or repairing any goods or materials lost, stolen, damaged or destroyed while in the Contractor's possession or control as bailee, as well as processing all warranty claims for defective goods and materials to the same extent as if such goods had been Contractor-supplied or purchased in the name of the Contractor.
14. Contractor shall maintain separate accounting records for all transactions carried out under the authority granted to it under this Addendum. Such records shall be open to the City or its authorized agent during normal business hours of Contractor.
15. The City will take both legal and equitable title to the building materials and equipment received from the vendor when delivery is made by the vendor at the Project site. Unless already provided for under the terms of the Contract Documents, Contractor shall cause the City to be insured or named as an additional insured as its interest may appear against any loss or damage to such goods to the extent of their full insurable value. All such insurance shall be in such form and through such companies as may be reasonably acceptable to City and Contractor shall provide City certificates thereof requiring each insurer to provide the City ten (10) days written notice in advance of cancellation or modification of coverage.
16. Contractor shall be fully responsible for all matters relating to the procurement of materials and equipment covered by this Addendum, including but not limited to,

overseeing that the correct materials and the correct amounts are received timely with appropriate warranties; for inspecting and receiving the goods; and for unloading, handling and storing the materials until installed. Contractor shall inspect the materials when they arrive at the Project site, verify that all necessary documentation accompanies the delivery and conforms with the City's purchase order, and forward the invoice to the City for payment if the goods are conforming and acceptable. Contractor shall verify that the materials conform to Drawings and Specifications and determine before installation that such materials are not defective. Contractor shall manage and enforce the warranties on all materials and equipment covered by this Addendum. Contractor shall be responsible to the City for its failure to fully and timely perform its obligations under this paragraph, and this Addendum generally.

17. When title to the materials and equipment covered by this Addendum passes to the City prior to being incorporated into the Work, the Contractor's possession of the goods is a bailment until such time as each of such goods is returned to the City by being incorporated into the Work.
18. The City shall not be liable for delays in the Work caused by delays in delivery of or defects in the goods covered by this Addendum, nor shall such delays or defects excuse Contractor in whole or in part from its obligation to timely perform the Contract.
19. In the event Contractor objects to the payment of any invoice for goods covered by this Addendum, Contractor shall at no additional cost to the City, provide all assistance, records and testimony necessary or convenient for the City to resolve the supplier's claim for payment.
20. This Addendum and the authority granted to Contractor hereunder may be revoked by the City at any time upon verbal or written notice to Contractor at its offices located at _____, during normal business hours.

[END OF SECTION 00098]