

SECTION 010280

TAX EXEMPT STATUS - FILING PROCEDURES

PART 1 - GENERAL

1.1 PROCEDURES

- A. St. Tammany Fire Protection District is a tax-exempt entity. As such, St. Tammany Fire Protection District reserves their right to take advantage of their tax status on any or all purchases of material(s) being incorporated into this project. The Contractor and Subcontractors hereby agree to cooperate in providing information relating to the value of materials to be purchased for the purpose of the District's monitoring and documenting of all materials purchased free of sales tax.
- B. The Contractor and Subcontractors are to include all required state and local sales or use tax in their bid proposals as it will be the option of STPPFD to take advantage of their tax exempt status.
- C. All aspects of purchasing will be monitored by a "Construction Professional" employed by STPPFD. Prior to a notice to proceed order being issued, the Contractor and Subcontractors will meet with the monitor to establish dollar amounts included in their estimates for materials by Divisions, or Subdivisions thereof, of the specifications. Upon proceeding, as purchase order amounts are established and issued, the information shall be made available to the monitor to post against the established material values. As monthly payment requests are processed and payment made to the General Contractor, copies of actual paid invoice amounts expended toward the contractor's/subcontractors' material purchases shall be made available to the monitor with proper documentation. (All subject to an independent audit at the expense of the Owner if they so desire).
- D. The monitor will set up a "Sales Tax Savings Spread Sheet" using the material values as provided and documented by the Contractor and/or Subcontractors. Only the sales tax value will be deducted for material purchases and no Contractor's or Subcontractor's labor, insurance, equipment, overhead, mark-up or bonds will be deducted. The material's tax value will be accumulated as each monthly payment request is submitted by the Contractor.

Periodically deductive Change Orders will be issued for the tax savings with a final deductive Change Order being issued at the completion of the project, thereby reducing the total Contract amount due the Contractor by the value of the material's sales tax. The taxes which are included in the contract will be recouped through periodic deductive Change Orders throughout the life of the project.

- E. The Contractor and/or Subcontractors remain entirely responsible for establishing delivery dates, receiving, protecting and/or storing the materials from the vendor(s) and installing same. The Contractor shall at all times have the care, custody, and

control of the materials and maintain insurance sufficient to cover the value of the materials.

- F. It shall be stated on each purchase order “All materials furnished with this purchase order shall be shipped to the Contractor, and used exclusively on the St. Tammany Fire Protection District No. 1, Fire Station #18. Documentation will be provided to the Contractor and Subcontractors indicating the Owner’s tax exempt status. A copy of the certificate is to be provided to material suppliers for their file and record.

1.2 INDEMNIFICATION

- A. St. Tammany Fire Protection District No. 1, as Owner, agrees to indemnify, defend and hold Contractor fully harmless from and with respect to any State or local sales or use tax liability claimed, alleged, or asserted by any State or local government agency with respect to the purchase, use, consumption or storage of materials and supplies and rental of equipment on which any said claim is based were made strictly in accordance herewith and further provided that the items in question were purchased or rented exclusively for this particular Project and delivered by the vendor or vendors in question directly to job site or to a bonded storage facility. Specifically, this agreement to indemnify, defend and hold harmless from and with respect to sales and/or use taxes shall not apply in the case of any materials or supplies purchased by Contractor or Subcontractors for their own inventory.

PART 2 - PRODUCTS (Not Used)

PART 3 - EXECUTION (Not Used)

END OF DOCUMENT 010280