

SUBJECT: Direct Owner Purchase (DOP) Procedures for Major and Minor Construction	Effective Date: 5/21713	Procedure Number: FS 2013 RM0018	
	Supersedes:	Page 1	Of 3
	Responsible Authority: Director, Resource Management, Facilities and Safety		

APPLICABILITY/ACCOUNTABILITY:

This procedure applies to all Contractors, UCF Project Managers, Facilities Planning and Construction (FP&C) the Facilities and Safety Business Office (FSBO), and Purchasing personnel who use or manage the Direct Owner Purchase Program to procure materials and fixed equipment used in building construction.

PROCEDURE STATEMENT:

In order to pursue state sales tax savings for selected materials and fixed equipment purchased as part of a building construction project when the cost of the item is \$5,000 or greater, the following procedures must be followed:

At the Orientation and Pre-Construction meetings, the Project Manager, representatives from the Facilities and Safety Business Office (FSBO), and the Purchasing Department will review the following information with the Contractor:

1. The Project Manager and FSBO representative must remind the Contractor that DOP requests cannot include taggable assets.
2. The Project Manager and FSBO representative will review the Direct Owner Purchase Program Instructions, and associated forms, with the Contractor. The Project Manager will also provide a copy of, or link to, the F.A.C., Rule 12A-1.094, which cites Florida’s rules regarding tax exempt sales of tangible personal property to government entities.
3. Between the 50% and 100% Construction Documents phases, the Contractor and Subcontractors, with the assistance of the Project Manager, will identify materials and fixed equipment that have the potential for direct purchase. The items must have a value of \$5,000 or greater. Facilities Planning and Construction will determine whether some or all of the items identified by the Contractor will be procured utilizing DOP.

4. The Contractor will present the DOP list at the Guaranteed Maximum Price presentation (GMP).
5. After the GMP presentation, as part of the negotiation process, the negotiation committee will review the DOP list and inform the Contractor of its approval as part of the contract amendment. The tax savings identified become part of the Owner's contingency.
6. The Contractor and Subcontractors must follow the Direct Owner Purchase Program Instructions and comply with the F.A.C., Rule 12A-1.094 for all materials and fixed equipment purchased through DOP.
7. The DOP process requires that actions are taken by the Contractor, the Subcontractors, the Project Manager, the Facilities and Safety Business Office, and the Purchasing Department. (See Appendix A.)
8. By submitting a complete DOP request packet, the Contractor/Subcontractor acknowledges compliance with F.A.C., Rule 12A-1.094 for the materials and fixed equipment being sold to the University.
9. When FSBO receives the packet from the Contractor, the following internal UCF procedures apply:
 - a. The accountant assigned to the project will review the Request for Purchase Order Form with the Project Manager for all materials and fixed equipment.
 - b. The accountant will initiate an e-Procurement requisition and assign the appropriate account code for the materials and fixed equipment.
 - c. Purchasing will then issue a purchase order (PO) and send it, along with a Certificate of Entitlement, to the Contractor.
10. When the DOP process has been completed, a check will be issued directly to the Vendor for the materials and fixed equipment purchased.

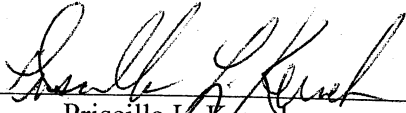
REFERENCES:

BOG Regulation 14.020, University Supervision of Construction Program

Direct Owner Purchase Program Instructions (and forms)

Florida Administrative Code, Rule 12A-1.094

FS Chapter 212.08(6) Exemptions; Political Subdivisions

Approved By:	Date Approved:
 Priscilla L. Kernek Associate Vice President Administration and Finance Facilities and Safety	5/17/13

Appendix A

Project Number and Name

Direct Owner Purchase Program Instructions

The following steps identify actions that the contractor, subcontractor, vendor, or UCF must follow. Use these instructions as a checklist.

1. The subcontractor and vendor must complete their sections of the **Direct Owner Purchase Packet**, and submit the **Packet** to the contractor for further processing. UCF will not be held responsible for construction delays due to incomplete submission of this packet.

Direct Owner Purchase Packet: The subcontractor and vendor must complete (in entirety), their sections of the following four documents.

- **Direct Owner Purchase Request Form**
 - The subcontractor must complete this form, and sign it with an original signature.
 - The contractor must assign an RPO# number to this request, notate it on the top, left, RPO# section of the form; and sign it with an original signature.
 - **Direct Owner Purchase Order Information Sheet**
 - The subcontractor must submit this information sheet to the vendor.
 - The vendor who will be paid for this purchase must complete this information sheet and return it to the subcontractor.
 - **W-9 Form (IRS)**
 - The vendor will complete all four pages of this form and return it to the subcontractor. The vendor must use the latest version as noted on the Purchasing Department website: <http://www.purchasing.ucf.edu/>
 - **Vendor Proposal**
 - The vendor will prepare a proposal quoting the costs (with taxes) for the items to be purchased, and submit it to the subcontractor.
2. The subcontractor must submit the complete **Direct Owner Purchase Packet** (all four documents) to the contractor for further processing.
 3. The contractor will submit the **Direct Owner Purchase Packet** (all four documents) to the UCF Project Manager.
 4. Concurrently, the contractor will prepare a deductive change order for the **Packet**, and submit it (along with the **Direct Owner Purchase Packet**) to the Project Manager.

Appendix A

5. The Project Manager will review and approve the items, and submit the **Packet** to the Facilities & Safety Business Office (FSBO).
 6. The FSBO will initiate an e-Procurement requisition and attach a copy of the Direct Owner Purchase Packet (4 documents), and the Certificate of Entitlement.
 7. Upon approval, the Purchasing Department will issue a purchase order and Certificate of Entitlement to the contractor.
 8. The contractor will forward a copy of the purchase order and Certificate of Entitlement to the subcontractor or vendor.
 9. The contractor will be responsible for maintaining an **Owner Purchase Order Log**.
10. **Invoices:**
- The vendor will submit the invoice(s) to the subcontractor.
 - The subcontractor will complete an **Invoice Summary Form** for *EACH* purchase order, and submit it, along with the invoice(s), to the contractor.
 - The contractor will verify that the invoice is correct, by signing the face of the invoice. The contractor will notate the PO number on the invoice. The contractor will submit the **Invoice Summary Form** and corresponding invoice(s) to the FSBO.
 - FSBO will log and stamp the invoices as they are received; obtain appropriate UCF signatures, and forward the invoice to Finance & Accounting for processing.
11. Finance & Accounting (F&A) will mail the check to the vendor, unless other payment arrangements have been made in advance (e.g., direct deposit, pick up at F&A).