

SALES TAX EXEMPT PURCHASING AGREEMENT

THIS SALES TAX EXEMPT PURCHASING AGREEMENT made as of _____, 2026 between _____ hereinafter called the "CONTRACTOR OR VENDOR" and the City of Mexico Beach, hereinafter called the "OWNER."

RECITALS

1. The CONTRACTOR OR VENDOR and the OWNER entered into a Agreement dated _____ (the "AGREEMENT") for the performance of the Work described therein, to which an executed copy of this Agreement shall be attached thereto and incorporated therein.
2. The CONTRACTOR OR VENDOR and the OWNER desire to enter into an arrangement whereby certain purchases under the Agreement can be made through the OWNER as a means of taking advantage of the OWNER's status of being exempt from sales and use taxes.
3. The OWNER is exempt from sales and use taxes. As such it is exempt from the payment of sales and use tax on purchases of tangible property, materials, etc., necessary for the performance of Work under construction Agreements, provided the OWNER determines it is to its best interest to do so, and provided the purchase of such properties, materials, etc., are handled in the manner hereinafter described.
4. The OWNER has determined it is in its best interest to provide the opportunity to eliminate the payments of sales tax for tangible property, etc. for this Project, and notifies the CONTRACTOR OR VENDOR of its intent to do so.

AGREEMENT

1. The parties intend by this Agreement to comply with the procedures and elements described in Florida Department of Revenue Technical Assistance Advisements 01 A-003 (January 8, 2001) and 00A-083 (December 21, 2000), and any conflict or ambiguity in this Agreement shall be resolved in favor of meeting elements necessary to make tax exempt the purchases contemplated by this Agreement.
2. The OWNER shall, at its sole discretion, have the option to directly purchase from the supplier or vendor, any supplies, materials or equipment included in the CONTRACTOR OR VENDOR's bid for the Agreement. The OWNER reserves the right to require CONTRACTOR OR VENDOR to assign to the OWNER agreements with suppliers for such goods. The CONTRACTOR OR VENDOR shall, from time to time submit, update and keep current, for consideration by the OWNER, a list of all materials, supplies, and equipment to be purchased, organized by supplier or vendor. Such list shall include a brief description of the materials, supplies and equipment, and the name and address of the supplier or vendor. Suppliers or vendors reasonably anticipated to furnish material, supplies, and equipment with an aggregate purchase value of less than \$10,000 need not be listed.

Goods not required for the performance of the Agreement shall not be purchased under this Agreement. The OWNER reserves the right to delete or add items from this Agreement when it is in the OWNER's best interest.

3. The OWNER will be liable for the payment of all purchases properly made hereunder.
4. The CONTRACTOR OR VENDOR shall notify all suppliers not to make sales to the CONTRACTOR OR VENDOR under this Agreement.
5. For each purchase approved by the OWNER to be made under this Agreement, the CONTRACTOR OR VENDOR shall furnish the OWNER in writing information sufficient for the OWNER to issue to the supplier its OWNER purchase order for the requested item which shall include as an attachment the OWNER's Certificate of Exemption. Suppliers will render statements for materials purchased to the OWNER in care of the CONTRACTOR OR VENDOR. After accepting the goods and reviewing and approving the invoices, the CONTRACTOR OR VENDOR will forward the invoices for approval, processing and delivery to the OWNER for payment. The CONTRACTOR OR VENDOR will keep and furnish to the OWNER all such records, summaries, reports of purchase orders and invoices, and reports of the status and use of goods handled under this Agreement, as the OWNER may reasonably require.
6. The Agreement provides that the CONTRACTOR OR VENDOR will perform the Work under the Agreement for a total lump sum of _____ as may be amended from time to time as provided in the Agreement. Said amount, as amended, due CONTRACTOR OR VENDOR under the Agreement shall be reduced by the sum of all amounts paid by the OWNER for materials and equipment purchased under this Agreement, including any shipping, handling, insurance or other, similar charges paid by the OWNER, and all of the savings of sales and use tax on the purchase of such items.
7. The CONTRACTOR OR VENDOR 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 Agreement.
8. The CONTRACTOR OR VENDOR shall immediately notify all SUBCONTRACTORS or VENDORS and material and equipment dealers of the OWNER's intent to reduce the construction cost of the project by the purchase of properties, materials, etc., in the manner herein described and the CONTRACTOR OR VENDOR shall not withhold his consent to the arrangement.
9. Administrative costs incurred by the CONTRACTOR OR VENDOR with this Agreement, including administering the purchases in the name of the OWNER, shall be considered to be included in the base bid proposal for work. No addition shall be added to the Agreement amount because of the service provided by the CONTRACTOR OR VENDOR in the purchase of property, materials, etc., in the name of the OWNER.

10. All sales and use tax savings on the purchase of property shall be credited to the OWNER and the amount of the Agreement shall be reduced by the full amount of savings which are affected by the omission of payment of sales and use tax.
11. By virtue of its payment of material and equipment invoices, the OWNER 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 OR VENDOR as an incentive for the CONTRACTOR OR VENDOR to process invoices well within the discount period. The CONTRACTOR OR VENDOR shall pay any late penalties caused by their failure to facilitate the processing of invoices within allotted time.
12. The CONTRACTOR OR VENDOR, notwithstanding this special purchase arrangement, shall select, describe, order, obtain approvals, submit samples, coordinate, process, prepare shop drawings, pursue, receive, inspect, store, protect, guarantee and otherwise be responsible for all materials, the same as would have been the case if the tax saving procedures were not implemented. The OWNER shall issue a signed purchase order prior to the CONTRACTOR OR VENDOR ordering material.
13. The CONTRACTOR OR VENDOR as bailee shall have the obligation of receiving, inspecting, storing and safekeeping all goods and materials purchased on behalf of the OWNER pursuant to this Agreement. Further, the CONTRACTOR OR VENDOR shall be responsible for the cost of replacing or repairing any goods or materials lost, stolen, damaged, or destroyed while in the CONTRACTOR OR VENDOR'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 OR VENDOR-supplied or purchased in the name of the CONTRACTOR OR VENDOR.
14. The CONTRACTOR OR VENDOR shall maintain separate accounting records for all transactions carried out under the authority granted to it under this Agreement. Such records shall be open to the OWNER or its authorized agent during normal business hours of CONTRACTOR OR VENDOR.
15. As equitable and legal owner of the materials and equipment purchased under this Agreement, the OWNER shall bear the risk of loss thereto and shall have the insurable interest therein. Therefore, the CONTRACTOR OR VENDOR shall, at no additional cost to the OWNER, cause the OWNER 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 the OWNER and the CONTRACTOR OR VENDOR shall provide OWNER certificates thereof requiring each insurer to provide the OWNER ten 10 days written notice in advance of cancellation or modification of coverage.
16. CONTRACTOR OR VENDOR shall be fully responsible for all matters relating to the procurement of materials and equipment covered by this Agreement, including but not limited to, overseeing that the correct materials and the correct amounts

are received timely with appropriate warranties; for inspecting and accepting the goods; and for unloading, handling and storing the materials until installed. The CONTRACTOR OR VENDOR shall inspect the materials when they arrive at the job site, verify that all necessary documentation accompanies the delivery and conforms with the OWNER's purchase order, and forward the invoice to the OWNER for payment if the goods are conforming and acceptable. CONTRACTOR OR VENDOR shall verify that the materials conform to plans and specifications and determine before installation that such materials are not defective. CONTRACTOR OR VENDOR shall manage and enforce the warranties on all materials and equipment covered by this Agreement. CONTRACTOR OR VENDOR shall be responsible to the OWNER for its failure to fully and timely perform its obligations under this paragraph, and this Agreement generally.

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

IN WITNESS WHEREOF the parties have caused these presents to be executed in their names as of the date and year first above written.

CONTRACTOR OR VENDOR:

By: _____
(NAME OF CONTRACTOR OR VENDOR TO BE INSERTED)

CITY OF MEXICO BEACH

By: _____
Richard Wolff, Mayor, City of Mexico Beach