



Escambia Santa Rosa Okaloosa Walton

**District[1] MEDICAL  
EXAMINER**

*Deanna A. Oleske, M.D.*  
*Chief Medical Examiner*

## DOMES

### Owner Direct Purchase Program Guidelines

Pursuant to Florida Statutes, Section 212.08(6), and Florida Administrative Code, Number 12A1.094, DOMES is exempt from Florida Sales Tax for the purchase of construction materials, supplies and/or equipment incorporated into a construction project.

As a cost savings measure DOMES, a tax-exempt entity of the State of Florida, has implemented an owner direct material purchase program.

- A. The Operations Department will establish owner direct material purchase projects and budgets through the established budgeting process. The owner direct material purchase program may be utilized for major construction and remodeling and/or renovation projects which have construction cost estimates in excess of \$5,000,000.00.
- B. The construction manager and contractor must agree to adhere to the District's owner direct material purchase procedures. Likewise, it will be the selected contractor's responsibility to ensure that any and all subcontractors abide by said direct material purchase procedures **per Florida Statutes and Administrative Codes**.
- C. All requirements of Rule 12a-1.094 F.A.C. and State Statute 212.08(6) must be met. The following are instances which do not meet these requirements:
  - 1. When the contractor or subcontractor installing the materials is also selling the materials to the government entity.
  - 2. When the contractor or subcontractor is the manufacturer of the materials.
  - 3. When the contractor or subcontractor has the exclusive rights from the manufacturer of the materials to furnish and install the materials.
  - 4. When the contractor or subcontractor has already purchased the materials. The government entity cannot, after the fact, try to prepare or change the documentation to appear to have properly followed the procedures.

## Construction Manager Award – Contract, PO, GMP & ODP

- A. Pre-Construction Services - Once Contractor has been selected, an initial proposal for Pre-Construction services will be submitted to the Director to be included on the agenda for Board approval. Upon Board approval, a contract and purchase order will be issued in accordance with established procedures. (Note: Retainage will not be held on pre-construction services).
- B. Guaranteed Maximum Price (GMP) and ODP – Each of the GMP's (Civil, Structural, etc.) to be awarded to the contractor will be handled by change order that must be presented to the Board for approval. Each GMP will include a line item identification for the estimated ODP materials (including sales tax) for said portion of the work to be performed if applicable. The estimation for ODP will not be encumbered as part of the contractor's purchase order amount. Reconciliation of the actual cost of ODP materials including the sales tax savings will follow as construction progresses and invoicing is complete preferably upon substantial completion of project. Facilities will determine timeline for reconciliations.

Upon selection and approval of subcontractors, and award of material bids, the contractor will generate a list of vendors and materials to be purchased via the ODP process.

- C. Direct Material Purchase List – The materials to be purchased via the ODP process are considered tangible personal property that will go into or become a permanent part of the construction project. The list of materials should contain but not be limited to the following categories:
  - 1. Acoustical
  - 2. Block/Brick
  - 3. Concrete
  - 4. Doors
  - 5. Electrical
  - 6. Glass & Glazing
  - 7. ICF
  - 8. Mechanical
  - 9. Millwork
  - 10. Plumbing
  - 11. Roofing
  - 12. Specialties
  - 13. Structural Steel

Such direct purchase of materials by the Owner does not relieve the Contractor or its trade contractors of their responsibility to ensure the materials and equipment meet the requirements and specifications of the Contract Documents.

#### D. ODP Purchase Order Request – Vendor Requisition Form

1. Upon acceptance of vendor material bids, the contractor will prepare a purchase requisition based on the list of materials eligible for ODP. A separate purchase requisition must be submitted for each supplier/quote to a contractor or subcontractor. **Under no circumstances will Operations create a purchase order for materials that have already been received.**
2. A vendor requisition form must accompany the vendor's bid proposal and contain the following information:
  - a. Date
  - b. Name of project and site address
  - c. Contractor name, address, phone number, point of contact, and email address
  - d. Vendor name, address, phone number, point of contact, and email address
  - e. Subcontractor name, address, phone number, point of contact, and email address
  - f. Description of items for purchase/Scope of work/Division#
  - g. Totals for material cost/freight/shipping
  - h. Identification of tax savings
  - i. Contractor's signature

[Access Form Here: Owner Direct Purchase Request](#)
3. The vendor proposal must be submitted on company letterhead and be addressed to "DOMES" The proposal must contain the following information:
  - a. Date
  - b. Vendor name and address
  - c. Bill to address – DOMES

C/O Contractor name and address

- d. Ship to Address – Project site address
- e. Description of item(s)
- f. Unit Cost
- g. Quantity of Item
- h. Expiration date – **Make sure the quote will not expire before a PO can be processed.**
- i. Freight cost if applicable

- j. Total material cost
- k. Total for taxes separate from material cost
- l. Vendor signature/stamp

An email thread will NOT be accepted as a proposal request and should not be included as part of the proposal. Also, NO handwritten quotes, dollar amounts, info on proposals and no “~~strike throughs~~.”

- 4. Contractor will forward ODP purchase request electronically to the operations office, Attn: Dan Schebler, [dans@d1meo.org](mailto:dans@d1meo.org) and copy the A/E and project manager on the email.
  - a. Operations will review the request and if approved will enter a requisition to the purchasing department for generating a purchase order.
  - b. If the request is not approved, Operations will return the request to the contractor for modification and re-submission.
  - c. Once the purchase order is processed both the PO and the Certificate of Entitlement, along with a list of guidelines for invoicing, will be returned electronically to the vendor. The contractor will be copied in the email.
  - d. In the event that the vendor is not currently established in the district finance system, the appropriate forms will be emailed to the vendor contact noted on the request form. \*\*\*Note that this can cause some delays in processing the purchase order.

#### E. Delivery, Invoicing, and Vendor Payments

- 1. Vendor shall coordinate delivery of materials with contractor and/or subcontractor per verbiage included on district purchase order. All material purchases should be inspected and verified for correctness and lack of defects.
- 2. Vendor invoices are to be directed to the attention of DOMES, C/O Contractor, per verbiage on purchase order. Once invoice is received and material delivery verified, invoices may be submitted for payment.
- 3. Invoices should be submitted in a timely manner. At least twice monthly if not weekly is advised.
- 4. All invoices should be submitted with the attached Invoice Payment Submittal form. Submit one form per vendor per set of invoices with required signatures.  
[Access Form Here: ODP Invoice Payment Submittal](#)
- 5. The Invoice Review Checklist documents the necessary information to be included on all invoices as well as “red” flag items to be aware of before submitting for payment. This is the same list that will be emailed to the vendor at the time the PO is issued and emailed. This list should be shared with the subcontractors as well.  
[Access Form Here: Vendor/Contractor Invoice Checklist](#)
- 6. The invoices and payment submittals should be sent electronically to the attention of Dan Schebler, [dans@d1meo.org](mailto:dans@d1meo.org). The A/E and project manager should be copied in the email.

7. If all submitted documentation is correct, receivers will be done and checks released. If there are any issues with said invoices/transmittals, contractor will be notified accordingly.
8. The contractor shall identify all ODP POs and invoicing under the correct division on the Schedule of Values included with each monthly pay app.
9. An Owner Direct Purchase Summary Log shall be submitted monthly for all invoices submitted for payment. Attached is a sample ODP Summary Log. Your form should include but not be limited to the information on the sample.

[Access Form Here: ODP Summary Log \(Sample\)](#)

#### F. Change orders Regarding Owner Direct Purchase Orders

1. Change orders affecting owner direct purchase orders have to be approved by the Contractor, A/E, and the Director.
2. Contractor will submit a new material quote from the vendor and attach to the Change Order Request form.

[Access Form Here: ODP Change Order Request](#)

3. When the change order has been processed a new “revised” PO will be issued and forwarded in the same manner as the original PO.
4. Deductive change orders will be handled on an individual basis depending on the reason for the deduction.
5. General reconciliation of the ODPOs will occur upon substantial completion of project.
6. Per our in-house accounting procedures, as an ODPO is nearing a zero balance, we may add a \$1.00 hold line to the PO. This keeps the PO open until the end of the project in the event that extra materials are needed. Once we close a PO it cannot be reopened. Please make note of this and do not include the \$1.00 in your reconciliation totals.

**\*\*\*DOMES cannot be held responsible for construction delays due to non-compliance of these procedures.**

#### G. Reconciliation and Closeout

1. Reconciliation of the ODPOs will occur upon substantial completion of the project.
2. Per in-house accounting procedures, as an ODPO is nearing a zero balance, we may add a \$1.00 hold line to the PO. This keeps the PO open until the end of the project in the event that extra materials are needed or an issue occurs. Once we close a PO it cannot be reopened. Please make note of this and do not include the \$1.00 in your reconciliation totals.
3. Each individual ODPO will be reconciled. The PO reconciliation form is to be completed and signed by the vendor, subcontractor, and contractor (CM) verifying

that there are NO outstanding invoices/credits. If there are remaining funds on the PO, they will be returned to the CM by way of a change order to the Board.

[Access Form Here: Purchase Order Reconciliation form](#)

4. Please provide a log/list of all ODPOs to include original PO# and amount plus all applicable change orders, correct sales tax amount (adjustments per actual expenditures), total invoiced/paid, and any remaining balance of PO. Also include tax adjustments for freight, shipping, etc. if applicable. This list along with all signed reconciliation forms shall be submitted in advance of the change order for final ODP reconciliation. Once all information has been verified, the change order shall be presented to the Board for approval. No ODPOs will be closed or funds released until the change order has been Board approved.
5. Following ODP reconciliation, other required project closeout documentation shall be submitted per Facilities established procedures.