

PDC PROJECT MANAGEMENT GUIDE

PMG-E08: OWNER DIRECT PURCHASE PROGRAM

PURPOSE: To establish guidelines for the administration of the Planning Design & Construction (PDC) Owner Direct Purchase (ODP) program.

A. Introduction.

The Owner (UF) may elect to implement a direct purchase program, where eligible materials included in any Trade contractor’s bid are purchased by UF directly from the supplier of such materials in order to achieve sales tax savings. Such materials are referred to as “Direct Purchase Materials” or “Owner Direct Purchase” (ODP) materials. See also the Agreements for Construction Management Services and Design/Build Services.

Materials NOT eligible for Direct Purchase include cases where:

- 1) The contractor or subcontractor is the manufacturer of the materials.
- 2) The contractor or subcontractor has exclusive rights from the manufacturer of the materials to furnish and install the materials.
- 3) The contractor or subcontractor has already purchased the materials.

B. Instructions for Preparation of Purchase Order Request Forms.

- 1) Prior to initiating any ODP actions, the Construction Manager or Design Builder, herein referred to as CM/DB, shall provide Owner with a list of proposed ODP materials for consideration and approval by UF. Minimum purchase is \$10,000.

NOTE: The project team should coordinate its efforts at this point with UF Purchasing, which might be able to offer in-place contracts for materials & equipment to bidders as a procurement option.

- 2) If UF elects to purchase any ODP materials, it shall so notify the CM/DB, who shall then upload the completed ODP Requisition forms to the SharePoint ODP Library. The ODP request shall be presented to UF in sufficient time to allow for the approval and processing of the purchase orders. At least 10 work days should be allowed for approval and dispatch of purchase orders for items related to the construction schedule’s critical path.
 - a) The ODP Requisition Form is available on the PDC website under Forms and Standards. The CM/DB should carefully prepare the form to ensure the delivery address, contact and phone numbers are accurate.
 - b) The ODP Requisition backup shall include a copy of the written quote from the vendor(s) to the trade contractor(s). This quote must document the specific materials to be purchased and their pre-tax price. The quote should be uploaded as a separate document to the SharePoint ODP Library.
 - c) Quotes shall be denoted as Delivered At Place (DAP), previously known as Freight/Free On Board (FOB).
 - d) The direct purchase of materials by the Owner does not relieve the CM/DB and/or its trade contractors of their responsibility to ensure the materials and equipment meet the specifications and requirements of the Contract Documents.
 - e) The CA will process the ODP requisition using the “UF Owner Direct Purchase Program Form” in MyUFMarket and insert the properly completed UF ODP Comment Letter and Certificate of Entitlement as an attachment. The Certificate of Entitlement must be retained in the Vendor’s and the Contractor’s books and records for review by the Department of Revenue.

- f) The UF ODP Comment Letter and the Certificate of Entitlement will be sent to both the vendor and the contractor with the purchase order after approval by UF Purchasing.
 - g) Requisitions exceeding \$1,000,000 exceed the purchasing authority of the UF Division of Purchasing and must be approved by the Office of the CFO which will require additional approval time.
- 3) A change order shall be executed by the CM/DB to both reduce the Owner-Builder contract by the amount(s) being directly purchased and transfer the tax savings for these materials to ODP Tax Savings within the GMP. The ODP Summary Log (see below) shall be provided as backup for this type of Change Order. This change order may need to be prepared and submitted with each group of ODP requisitions depending on the budget requirements of the project. See policy on change orders. Additionally, the CM/DB shall in a timely manner reduce the applicable trade contractors' contract amount(s) by the cost of the Owner Direct Purchase materials and sales tax related thereto.
- 4) To avoid confusion, a uniform and consistent sales tax percentage shall be used for all ODP actions on a particular project.

C. Tracking & Reporting.

The CM/DB shall develop and update on a regular basis the ODP Summary Log and ODP Invoice Log. See attached templates.

D. Instructions for Preparation of Invoices.

- 1) Upon delivery of the ODP materials to the Project Site, the CM/DB and/or its trade contractor(s) shall confirm the type, quantity, and condition of the materials. If the materials are in good order, the CM/DB shall clearly indicate its approval by stamping/signing each invoice and uploading the invoices to the SharePoint ODP Library in a timely manner.
- 2) The CM/DB shall upload an updated copy of the ODP Invoice Log with each set of invoices by Purchase Order Number. See attached templates.
- 3) The UF PM shall review the ODP Invoice Log and indicate approval of the invoice(s) with their signature. The Contract Administrator will turn on the alert for the ODP Library to be notified of new items.

E. Closeout.

- 1) The CM/DB shall provide to UF confirmation, in writing, from each subcontractor signed by the vendor the amount of actual purchases on each ODP Purchase Order. The UF Contract Administrator will then verify these amounts match the purchase orders in PeopleSoft.
- 2) Upon reconciliation of all Purchase Order amounts, a final change order will be executed to finalize the amounts for all subcontractor deductions and sales tax savings. The final reconciled amount will then be returned to the CM/DB GMP contract.
- 3) Following execution of this change order, it becomes the CM/DB's responsibility to work with the subcontractor to pay any remaining balances on ODP Purchase Orders.