REGULATORY REQUIREMENTS AND TAX EXEMPTIONS

DESCRIPTION OF REQUIREMENTS

a. This project is being bid EXCLUDING TAXES and requires the Contractor to comply with applicable provisions of Section 40-9-14.1, Code of Alabama, 1975, as amended; applicable provisions of the Alabama Administrative Code; and applicable requirements of the Alabama Department of Revenue (ADOR). The Contractor and the Owner will be required to apply for Certificates of Exemption with the ADOR which will handle administration of the Certificates. The Contractor shall account for the tax savings for Base Bid and Alternates on its bid, and as otherwise may be required by the Alabama Department of Revenue during the course of the project.

b. Base bid and all Alternate Bids *shall exclude* the cost of all required taxes including, in part, state and local sales and use taxes, and/or as otherwise may be required by the ADOR.

c. Forms required to be completed and submitted shall be those included in the Bid and Contract Documents; those required by the ADOR; and any others as required by the Owner.

d. The purchase of tools, equipment, and similar items, which do not become the Owner's property, are specifically excluded from the Owner's tax exemptions, and any additional exclusions as required by the ADOR's Rules and Regulations.

GENERAL PROCEDURES

a. The provisions of this section shall take precedence over applicable portions of the Contract and Bid Documents including, in part, "Instructions to Bidders," "General Conditions of the Contract" and "Supplementary Conditions"; unaltered provisions of those documents shall remain in effect.

b. The Contractor, subcontractors, and all material dealers are hereby made aware of the Intent of the Owner to reduce the cost of the Project by the purchase of property, materials, etc., in the manner described herein, and neither they nor the Contractor shall withhold their consent to this arrangement.

c. Any and all administrative costs incurred by Contractors and subcontractors administering the tax savings shall be considered to be included in the Base Bid Proposal and each Alternate for the Work. No additional amount shall be added to the Contract because of the service provided by the Contractor in the purchase of property, materials, etc., as described herein, or in reporting exempt purchases to the ADOR, or otherwise complying with the reporting requirements established by the ADOR.

d. The administration of the sales and use tax savings shall be administered as indicated herein and as otherwise required or directed by the ADOR. In the event of conflict, the requirements or directions of the ADOR shall govern.

e. The Contractor, notwithstanding this special purchase arrangement, shall select, describe, order, obtain approvals, submit samples, coordinate, process, prepare shop drawings, pursue, receive, inspect, store, protect, insure, guarantee, warrantee, provide, and otherwise be responsible for all materials and systems, the same as if this tax savings procedure were not implemented.

f. When necessary or required Purchase Orders shall be used only for materials for the Work of this project.

g. The Contractor or subcontractor, as the case may be, shall be liable for any actual sales and use tax due; all assessments; and all civil penalties levied by the ADOR as a result of the failure to implement this procedure; the failure to properly report as required by the ADOR; or any unauthorized purchase or use of purchase orders.