

**UAB FACILITIES  
STANDARD OFFICE INSTRUCTIONS**

**USE OF SALES TAX AGREEMENT  
ON FACILITIES PROJECTS**

**PURPOSE:**

To establish a policy which determines the exemption rules for use of the standard Sales Tax Agreement as it is required in the Front End Documents

**GENERAL REQUIREMENTS:**

Generally all projects with formal contracts managed by Project Management Services or Design Build Services will require the standard UAB Sales Tax Agreement and subsequent Invoice Transmittals unless the project meets one of the conditions outlined below:

**Value Limits for Exemption:**

- Total estimated contract value is less than five hundred thousand dollars (\$500,000)  
and/or
- Total estimated value of materials and supplies in such contract is less than two hundred thousand dollars (\$200,000)
- There are special or extenuating circumstances that make it beneficial to the Owner not to use a Sales Tax Agreement on a particular project

**PROCEDURES:**

- 1.0 The Department of Project Management Services or Design Build Services Project Manager or Project Supervisor shall use the standard version of front-end documents for the preparation of the Project Manual for bidding purposes when the estimated value of the contract is greater than the value limits specified in the General Requirements above and there are no special circumstances which make it beneficial to the Owner to waive the use of the Sales Tax Agreement.
- 2.0 The Department of Project Management Services or Design Build Services Project Manager or Project Supervisor shall remove the requirement for a Sales Tax Agreement at bidding by including an exemption statement in the Special Conditions section of the Project Manual when:
  - The estimated value of the contract is within the limits specified in the General Requirements above  
and/or
  - There are no special circumstances that make it beneficial to the Owner to maintain the Sales Tax Agreement as a part of the Contract

(END OF PROCEDURE)