

SAMPLE AGENCY AGREEMENT

AGREEMENT between _____
 _____ (hereinafter called the "Contractor"
 and _____

 (hereinafter called the "Owner") entered into this ____ day of _____ 20 ____.

RECITALS

1. Contractor and Owner entered into a Construction Contract (hereinafter called the "Contract") dated _____ for performance of the work described therein. A copy of said Contract is attached hereto as Exhibit A.
2. Pursuant to Specification Section ____, SALES AND USE TAX SAVINGS, of the Contract, Contractor and Owner desire to enter into an agreement whereby certain purchases under the Contract can be made through Owner as a means of taking advantage of Owner's status of being exempt from sales and use taxes.

AGREEMENT

1. Owner does hereby appoint Contractor as agent for Owner to purchase for, and in the name of the Owner, all materials, supplies, equipment, and other items which Contractor and its subcontractors require for performance of the Contract. The purchase of any materials, supplies, equipment, or other items which are required for the performance of the Contract are expressly made outside the authority granted hereunder.
2. Owner will be liable for the payment of all purchases made hereunder.
3. Specification Section ____, SALES AND USE TAX SAVINGS, of the Contract is incorporated by reference and made a part of this Agency Agreement establishing general provisions, procedures, and forms that are applicable to the Contractor's performance hereunder.
4. As the Owner's agent the Contractor will purchase materials, supplies, equipment, and other items utilizing the specified purchase order forms. For items so purchased, vendors will render statements and invoices to the Contractor as the Owner's agent. The Contractor will review and approve the invoices, as appropriate, and forward the invoices to Owner for payment. By approving and forwarding such invoices to the Owner for payment, the Contractor certifies the validity and accuracy of the invoices and that, to the best of his knowledge, the items covered by the invoices are of the quality and quantity specified in the Contract.

5. The Contract provides that the Contractor will perform the work under the Contract for the Contract sum of \$_____, which includes the costs of all materials, supplies, equipment, and other items to be purchased hereunder, plus sales and use taxes thereon. Payments made by Owner to vendors pursuant to this Agency Agreement shall also constitute payments against the Contract sum of \$_____. However, said amount due Contractor under the Contract shall be reduced by the sum of any savings of sales and use tax and 50 percent of any cash discounts earned on the purchases made hereunder. In the event that Contractor pays for materials, supplies, equipment, or other items that should have been purchased and/or paid for by the Owner under this Agency Agreement, the Owner may, at its discretion, also reduce the said amount due as Contract sum by the amount of sales tax that was due and or paid.

6. Contractor shall maintain separate accounting records of all transactions carried out under this Agency Agreement. Such records shall be open to Owner during normal business hours of Contractor for a period of two (2) years after completion of the project.

7. The authority granted to Contractor hereunder may be revoked by Owner at any time upon written notice delivered to Contractor at his offices located at _____ during normal business hours.

8. Any costs of administration to be incurred by Contractor in conjunction with this Agency Agreement are included in the Contract sum cited in Article 5 above.

CONTRACTOR

OWNER

Name of Firm

Name of Owner

By: _____

By: _____

Name and Title

Name and Title

Attest to: _____

Attest to: _____