



HOW TO DO BUSINESS WITH UNIVERSITY PURCHASING

Vendor's Guide for Doing Business with the Medical University of South Carolina

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ABOUT MUSC

The Medical University of South Carolina (MUSC) has served the citizens of South Carolina since 1824. It has expanded from a small private college for the training of physicians to a state university with a medical center and six colleges for the education of a broad range of health professionals, biomedical scientists and other health related personnel. The campus area is an 82-acre academic medical complex, with 150 buildings.

As South Carolina's only comprehensive academic health center providing a full range of programs in the biomedical sciences, the Medical University of South Carolina is engaged in activities statewide. Its campus is located on more than 50 acres in the city of Charleston. The educational component of MUSC includes colleges of Medicine, Pharmacy, Nursing, Graduate Studies, Dental Medicine, and Health Professions. More than 2,700 students attend the University with approximately 800 graduating each year. The MUSC Medical Center consists of Medical University Hospital, Storm Eye Institute, Children's Hospital, Institute of Psychiatry, the Ashley River Tower and Charleston Memorial Hospital. There are 709 licensed beds throughout these facilities.

MUSC employs more than 12,000 people and has an annual payroll of more than \$535 million. It is one of South Carolina's largest State agencies and also one of the largest higher education employers. Today, MUSC accounts for more than \$2.3 billion in economic activity within the Trident area.

I. INTRODUCTION

The responsibility of the purchasing office of the Medical University of South Carolina is to procure quality goods and services and to maximize the value of the tax dollar. This guide contains information that you will need in order to do business with the University.

The State of South Carolina Consolidated Procurement Code governs university procurement policies and procedure.

The purchasing office is open for consultation with perspective vendors and sales persons, during regular offices 8:30 a.m. - 5:00 p.m., Monday – Friday. We are located at:

Harbor View Office Tower
19 Hagood Avenue, Suite 408
Charleston, South Carolina, 29425

An appointment to meet with a purchasing representative is required and may be scheduled by calling (843) 792-4521.

II. VISITATION

The Medical University of South Carolina administers a vendor pass policy in keeping with our security procedures. Vendors are required to obtain passes to visit departments for purposes of routine appointments, repair calls or deliveries on university property.

There are two type of vendor passes that the university issues:

(1) TEMPORARY VENDOR PASS

The vendor representative must first contact the MUSC department to be visited to make an appointment. Once the appointment is made, a vendor pass must be requested through University Purchasing office. The Purchasing office will confirm the vendor representative's appointment with the university department; upon confirmation the vendor pass will be prepared. The Purchasing office will then coordinate an appointed time and location with the vendor representative to pick up the pass.

In most instances passes being dispersed during regular business hours will be distributed from Suite 408 of the Harborview Office Tower, located at 19 Hagood Avenue, Charleston, South Carolina. Weekend and after-hour passes will be issued from University Public Safety, located at 101 Doughty Street, Charleston, SC, after verification has been received from the appropriate university official. A picture ID must be presented to receive your vendor pass.

A Temporary Pass is issued for a very short period of time, usually one day or less. The information displayed on the pass consists of the company's name and address, the name of representative, location and telephone extension of the person the vendor is visiting on the MUSC campus. The company (vendor) representative MUST sign the pass request, which will be kept on file in the Purchasing office. The temporary pass is a throw away stick on label which can be disposed of at the conclusion of the visit.

(2) CONTRACT VENDOR PASS

A Contract Pass is issued upon award of a contract and issuance of a purchase order (PO). The Purchasing Officer who issued the purchase order must sign the contract vendor pass. The pass may be for duration of 1 year or the university's fiscal year. A copy of the Contractor Pass Request will be forwarded to Public Safety. Once Public Safety processes the request, the vendor will be notified to go to Public Safety to pick up the issued pass.

The pass displays the following information: (1) the wording 'CONTRACT VENDOR'; (2) name of the department requesting the vendor pass for which the service will be performed i.e., Purchasing; and (3) expiration date of the contract. Upon expiration of the pass, it must be returned to university purchasing for return to public safety.

While on MUSC campus the vendor pass must be visibly displayed at all times.

Vendor passes issued by the University may not be used to access departments within the Medical Center. The Medical Center maintains several Vendor mate check-in stations located throughout the campus where vendor representatives may access to print temporary badges.

III. PURCHASING POLICY AND PROCEDURES

It is the intent of the Medical University of South Carolina to procure and provide goods and services at the time and place needed, in the proper quantity, of the proper quality and at the best available price.

The University normally uses three types of procurement methods: Telephone quotations, written price quotations and competitive sealed bids or proposals.

The Medical University of South Carolina reserves the right to waive irregularities and informalities and to accept any bid or to reject any and all bids in the best interest of the Medical University and the State of South Carolina.

IV. GENERAL INFORMATION

In most cases, purchases must be approved by the purchasing office. Normally, shipments should not be made without receipt of the University purchase order and definitely not until a purchase order number has been provided. All invoices shall be referenced with the University purchase order number. Invoices must be submitted to the Medical University of South Carolina, Accounts Payable Department, P.O. Box 130010, Charleston, South Carolina unless otherwise directed. Any purchases that have not been approved by the purchasing office will be returned to the vendor at the vendor's cost or may be considered a donation to the Medical University.

Some vendors may be interested in offering items to the University on consignment; the Procurement Office will consider such offers on a case by case basis.

All products for evaluation must have a valid University Purchase Order assigned for tracking and insurance purposes prior to delivery to the University complex. Evaluation products without assigned purchase order numbers WILL NOT be considered viable evaluations.

V. SHIPPING INSTRUCTIONS

All shipments must be shipped F.O.B. destination unless otherwise directed on the purchase order. All shipments must be directed to the location shown on the purchase order.

VI. MINORITY BUSINESS ENTERPRISES

In accordance with Article 21 of the South Carolina Consolidated Procurement Code, the Medical University of South Carolina seeks to use the services of businesses owned by ethnic minorities and women and small businesses. To accomplish this goal more effectively, the purchasing office maintains and regularly updates a list of such businesses.

VII. RESIDENT VENDOR PREFERENCE (applies only in some formal solicitations)

As provided in Section 11-35-1524(6) of the South Carolina Consolidated Procurement Code, a vendor shall be deemed to be a resident of South Carolina if such vendor is an individual partnership, association or corporation that is:

A) Authorized to transact business in South Carolina.

B) Maintains an office in South Carolina. (As defined in Section 11-35-310(22) of SCCPC.)

C) Maintains an inventory for expendable items which are representative of the general type of commodities on which the bid is submitted and located in South Carolina at the time of the bid having a total value of ten thousand dollars or more based on the bid price, but not to exceed the amount of the contract, or is a manufacturer which is headquartered and has at least a ten million dollar payroll in South Carolina and the product is made or processed from raw materials into a finished end product by such manufacturer or an affiliate (as defined in Section 1563 of the Internal Revenue Code) of such manufacturer, and

D) has paid all duly assessed taxes.

If you wish to exercise the Resident Vendor Preference as defined, a claim must be completed and returned with your bid.

VIII. FORMAL SOLICITATION CONDITIONS AND INSTRUCTIONS

Each bidder should carefully examine solicitation documents, including any addenda. Should the bidder identify any discrepancies or ambiguities, he shall at once notify the purchasing office. No allowance will be made for oversight or misunderstandings by the bidder after solicitations are received.

Solicitation Preparation and Mailing:

The bid form must be either typewritten or handwritten in ink to show prices and notations. No erasures will be permitted. An error must be crossed out and initialed by the person signing the bid. A signature on a formal solicitation must be a principal duly authorized to bind contracts.

Formal solicitations must be received by MUSC Procurement Department in a sealed envelope, clearly marked, with the solicitation number. Bidders are responsible for the actual delivery of formal solicitations during business hours. No formal solicitations will be accepted after the stated solicitation opening.

Affirmative Action:

The successful proposer will take affirmative action in complying with all Federal and State requirements concerning fair employment and employment of the handicapped, and concerning the treatment of all employees without regard or discrimination by reason of race, color, religion, sex, national origin, or physical handicap.

Formal Solicitation Opening:

The formal solicitation opening shall be public on the date and at the time specified. Invitations for Bid (IFB's) will be opened and tabulated. IFB files may be examined during normal working hours after award and upon receipt of request. No formal solicitation shall be altered, amended, or withdrawn after the scheduled bid opening. Negligence on the part of bidders in preparing bids confer no right for the withdrawal of bid after opening.

No oral or telephone interpretations of specifications shall be binding upon the University. All requests for interpretations or clarifications shall be made to the University at least five (5) business days prior to the date set for the bid opening. All changes or interpretation of the specifications shall be made by written addendum.

By submitting any solicitation, the bidder certifies under penalty of perjury that the bidder has not acted in collusion with any other bidder or potential bidder.

IX. GRATUITIES

All employees of the Medical University of South Carolina are prohibited from accepting gifts, meals, trips or any other article and/or object of value from a vendor although the intent of such gesture may be honorable or a customary practice of the vendor.

It is suggested that these gratuities be directed in cost savings to our solicitations for benefit to the entire University.

VENDOR REGULATIONS:

Vendors who are doing or seeking to do business with public agencies are prohibited from offering or providing travel, meal, and lodging expenses to public officials or employees of such agencies, even if the expenses are incurred in the officeholder's responsibility to inspect and observe the vendor's products in operations. Likewise, public officials and employees whose responsibilities include writing specifications, awarding contracts, making recommendations, or are otherwise involved in the procurement process are prohibited from soliciting, accepting, or receiving travel, meal and lodging expenses from a vendor who is doing or seeking to do business with the agency. *(See South Carolina Consolidated Procurement Code and the Vendor Brochure)*

X. RESERVATION OF RIGHTS

The Medical University of South reserves the right to make modifications to the contents of this guide without prior notice to the vendor. If a disparity occurs between this guide and the solicitation documents or purchase order, the solicitation document and/or purchase order will govern. The information stated in this guide shall not be construed as an interpretation of University policy and procedures or interpretation of State statutes.

XI. Helpful Hints:

- Adhere to the Medical University of South Carolina's Solicitation and Distribution Policy.
- Suggest and carry out improvements in your services which will better suit our requirements.
- Advise us if our specifications for a product on a formal solicitation can be improved to provide better performance, more durable products, and/or a lower cost.
- Keep us supplied with current information regarding the goods and/or services provided.

- Advise us of your vacation schedules, back orders, impending shortages or strikes, and technological advances.
- Follow through on orders to ensure delivery is on schedule, this applies to dealers who supply the University on your behalf.
- Insist on receiving a purchase order number on any request that the University places with you.
- Ensure all shipments contain our purchase order number on the invoice and all packages.
- Make each visit a profitable one for both you and us.

XII. PURCHASE ORDER TERMS AND CONDITIONS

Medical University of South Carolina is an agency of the State of South Carolina, exempt from federal income tax under Section 115 of the Internal Revenue Code. Purchases by the University are exempt from the excise taxes imposed by chapter 31 and 32 and subchapter B chapter 33 of the Internal Revenue Code.

BY ACCEPTANCE OF THIS ORDER SELLER AGREES WITH BUYER AS FOLLOWS:

- a. Contractor shall not perform any work prior to the receipt of a purchase order from the using governmental unit. The University shall order any supplies or services to be furnished under this contract by issuing a purchase order. Purchase orders may be used to elect any options available under this contract, e.g. quantity, item, delivery date, payment method, but are subject to all terms and conditions of this contract.
- b. This order may be accepted only upon the terms and conditions set forth herein. If this purchase order is based upon a written Invitation for Bid or Request for Proposal, terms contained in those documents shall, if in conflict, supersede those contained herein. When so accepted, this order contains the complete and final agreement between the buyer and seller respecting the goods and services specified. Any additional or different terms proposed by the seller are hereby rejected unless accepted in writing by MUSC University Purchasing Office. This purchase order constitutes a contract on the part of the Medical University of South Carolina to pay the seller for the goods or services described.
- c. Purchase orders may be electronic. No particular form is required. Purchase order requirement may be waived if approved in writing by University Procurement Services.
- d. An order placed pursuant to the purchasing card provision qualifies as a purchase order.
- e. The seller, by acceptance of this order will be deemed to represent that seller has complied, or will comply, with all applicable federal, state and local laws and ordinances and all lawful orders, rules and regulations thereunder.
- f. Seller warrants that the prices stated herein or on his invoice are as low as any net prices now given by seller to any other customer for like goods or services and seller agrees that if at any time during the life of this order, he quotes or sells at lower net prices, similar goods or services under similar conditions, such lower net prices shall, from that time, be substituted for the prices provided herein.
- g. This purchase order is not assignable by the seller without the prior consent of the University Purchasing Office.
- h. The failure of the buyer to enforce at any time any of the provisions of this agreement shall in no way be construed as a waiver of such provision nor in any way affect the right of the buyer thereafter to enforce each and every provision of this agreement.
- i. Seller shall submit invoice and address any invoicing concerns to: Medical University of South Carolina, Accounts Payable, Charleston, SC 29425, (843)792-4343.
- j. Address all other questions to the University Purchasing Officer noted at the top left hand section on the front of this form.

Performance/Delivery/Completion:

- a. All shipments are to be made FOB destination, freight prepaid, to receiving point at the University unless otherwise indicated on this Purchase Order. If other than FOB destination, all transportation, insurance, crating and/or packing charges are to be entered as separate items on seller's invoice.
- b. Any materials shipped in excess of the quantity specified in the order may, at the University Purchasing Officer's option, be returned to the seller at seller's expense. The University will not be obligated to pay for services or labor provided in excess of that specified in this order.
- c. Complete shipments are preferred; however, partial shipments may be acceptable and payable. Final payment will not be made until this order is filled in its entirety or until unfilled items are canceled.
- d. Subject to conditions beyond the control of the seller, delivery or completion must actually be effected within the time stated on the purchase order. When completion is not timely, the University Purchasing Officer, may, if stipulated, obtain the goods or services elsewhere and charge the seller with any loss incurred as a result thereof or, at his option, to cancel the order. It is understood that time is of the essence under this agreement. Whenever the seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this order, seller shall so inform the University Purchasing Office.

Inspection/Warranties:

a. All goods purchased hereunder shall be subject to inspection by the buyer to the extent practicable at all times and places including the period of manufacture. Notwithstanding any prior inspection or payments hereunder, items shall also be subject to final inspection prior to acceptance within a reasonable time after delivery. No inspection or test made prior to the final inspection shall relieve the seller from responsibility for defects or other failure to meet the requirements of this order.

b. Seller warrants that all items delivered hereunder shall be free from defects in workmanship, material and manufacture; shall comply with the requirements of this agreement, including any drawings or specification incorporated in design. Seller further warrants that all items purchased hereunder shall be merchantable quality and shall be fit and suitable for the purposes intended. The foregoing warrants are conditions to this agreement and are in addition to all other warranties, expressed or implied and shall survive any delivery, inspection, acceptance or payment by the buyer. If any warranties specified herein or otherwise applicable are breached by the seller, the University Purchasing Office, may at its election, (1) require the seller to correct at seller's sole expense any defect or non-conformance by repair or replacement, or (2) return any defective or non-conforming goods to seller at the

seller's expense and recover from the seller the price thereof. The foregoing remedies are in addition to all other remedies of law or as contained in this agreement and shall not be deemed to be exclusive. The foregoing representation and warranties shall survive acceptance of the goods or services.

c. The manufacturer guarantees that the design of the equipment being purchased conforms to NFPA, UL, ANSI, OSHA and any other existing safety standards in effect at time of shipment.

Background Check:

a. If Vendor must bring one or more of its employees on to the Medical University of South Carolina campus or other property in order to fulfill the terms of this agreement, Vendor is required to conduct a criminal background check and drug screen on said employee(s) prior to bringing or sending the employee(s) to the Medical University of South Carolina campus or other property. Vendor agrees that any employee with a criminal history that Vendor reasonably believes poses a threat to property or persons will not be brought or sent to the Medical University of South Carolina campus or other property. Vendor agrees to impose this same criminal background check and drug screen requirements on any subcontractors used by Vendor to fulfill its responsibilities under this agreement. Medical University of South Carolina reserves the right to verify compliance by Vendor upon request.

b. The drug screen must consist of a ten panel drug test screening from an independent accredited laboratory which includes THC (marijuana), Cocaine, Phencyclidine (PCP), Synthetic Opiates with extended opiates, Amphetamines, Barbiturates, Benzodiazepines, Methadone, Propoxyphene and Methamphetamines. The results must be within a 30 day period.

Bankruptcy:

a. Notice. In the event the Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the Contractor agrees to furnish written notification of the bankruptcy to the University. This notification shall be furnished within five (5) days of the initiation of the proceedings relating to the bankruptcy filing. This notification shall include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy petition was filed, and a listing of all University contracts against which final payment has not been made. This obligation remains in effect until final payment under this Contract.

b. Termination. This contract is voidable and subject to immediate termination by the University upon the contractor's insolvency, including the filing of proceedings in bankruptcy.

Discount For Prompt Payment:

a. Discounts for prompt payment will not be considered • In the evaluation of offers. However, any offered discount will form a part of the award, and will be taken if payment is made within the discount period indicated in the offer by the offeror.

b. As an alternative to offering a discount for prompt payment in conjunction with the offer, offerers awarded contracts may include discounts for prompt payment on individual invoices.

False Claims:

a. According to the S.C. Code of Laws § 16-13-240, "a person who by false pretense or representation obtains the signature of a person to a written instrument or obtains from another person any chattel, money, valuable security, or other property, real or personal, with intent to cheat and defraud a person of that property is guilty" of a crime.

Certificate of Insurance:

a. A 'Certificate' of Insurance MUST be on file in University Purchasing for vendors visiting on-site at MUSC and those that are so located, and those providing on-site equipment maintenance, evaluation, or other for the protection of MUSC.

b. A CONTRACTOR shall maintain throughout the performance of its obligations under an Agreement a policy or policies of Workers' Compensation Insurance with such limits as may be required by law, and a policy or policies of general liability insurance with limits sufficient to cover any loss or potential loss resulting from this contract insuring against liability for •injury to and death of persons and damage to and destruction of property arising out of or based upon any act or omission of the CONTRACTOR or any of its subcontractors or their respective officers, directors, employees or agents and a policy or policies of Automobile Liability Insurance with such limits as may be required by law insuring against liability for injury to and death of persons and damage to and destruction of property arising out of or based upon any act or omission of the CONTRACTOR or any of its subcontractors or their respective officers, directors, employees or agents while operating their vehicle(s) on MUSC property.

Drug Free Workplace Certification:

a. Contractor will comply with all applicable provisions of The Drug-free Workplace Act, Title 44, Chapter 107 of the South Carolina Code of Laws, as amended. [02-2A065-1]

Ethics Certificate:

a. By accepting this Purchase Order Contractor has not, and will not, induce a person to violate Title 8, Chapter 13 of the South Carolina Code of Laws, as amended (ethics act).

b. The following statutes require special attention: Section 8-13-700, regarding use of official position for financial gain; Section 8-13-705, regarding gifts to influence action of public official; Section 8-13-720, regarding offering money for advice or assistance of public official; Sections 8-13-755 and 8-13-760, regarding restrictions on employment by former public official; Section 8-13-775, prohibiting public official with economic interests from acting on contracts; Section 8-13-790, regarding recovery of kickbacks; Section 8-13-1150, regarding statements to be filed by consultants; and Section 8-13-1342, regarding restrictions on contributions by contractor to candidate who participated in awarding of contract.

c. The state may rescind any contract and recover all amounts expended as a result of any action taken in violation of this provision.

d. If contractor participates, directly or indirectly, in the evaluation or award of public contracts, including without limitation, change orders or task orders regarding a public contract, contractor shall, if required by law to file such a statement, provide the statement required by Section 8-13-1150 to the procurement officer at the same time the law requires the statement to be filed. [02-2A075-2]

Smoking Policy:

a. Acting upon the recommendations of the Student Government Association and the faculty senate, our board of trustees recently determined that MUSC has become a totally tobacco-free campus effective March 1, 2012.

b. As South Carolina's academic health center and home to the only National Cancer Institute-designated cancer institute in the state, it is a part of our mission to prevent cancer and to lead by example in providing the healthiest environment possible for everyone on our campus.

c. Effective March 1, 2012, MUSC is a tobacco-free campus. Smoking is not permitted in any areas on campus. This includes the use of chewing tobacco and e-cigarettes.

Indemnification -Third Party Claims:

- a. Notwithstanding any limitation in this agreement, and to the fullest extent permitted by law, Contractor shall defend and hold harmless indemnitees for and against any and all suits or claims of any character (and all related damages, settlement payments, attorneys' fees, costs, expenses, losses or liabilities) by a third party which are attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property arising out of or in connection with the goods or services acquired hereunder or caused in whole or in part by any act or omission of contractor, its subcontractors, their employees, workmen, servants, agents, or anyone directly or indirectly employed by them or anyone for whose acts any of them may be liable, regardless of whether or not caused in part by an indemnitee, and whether or not such claims are made by a third party or an indemnitee; however, if an indemnitee's negligent act or omission is subsequently determined to be the sole proximate cause of a suit or claim, the indemnitee shall not be entitled to indemnification hereunder.
- b. Contractor shall be given timely written notice of any suit or claim. Contractors' obligations hereunder are in no way limited by any protection afforded under workers compensation acts, disability benefits acts, or other employee benefit acts. This clause shall not negate, abridge, or reduce any other rights or obligations of indemnity which would otherwise exist.
- c. The obligations of this paragraph shall survive termination, cancellation, or expiration of the parties' agreement. This provision shall be construed fairly and reasonably, neither strongly for nor against either party, and without regard to any clause regarding insurance.
- d. As used in this clause, indemnitees means the State of South Carolina, its instrumentalities, agencies, departments, boards, political subdivisions and all their respective officers, agents and employees.

Other:

- a. Provisions of the South Carolina Consolidated Procurement Code have been complied with in issuing this purchase order. This purchase order shall not be modified except by written agreement of the University Purchasing Office and seller. If litigation arises out of or under this agreement, the seller agrees to submit to the jurisdiction of the State of South Carolina and agrees that the laws of South Carolina will control this agreement.
- b. The University is an equal opportunity/affirmative action employer and does not knowingly conduct business with suppliers who practice discrimination. Performance under this contract certifies that seller is an Equal Opportunity Employer.

XIII. South Carolina Purchase Orders in Excess of \$100,000 Utilizing Federal Funds

In anticipation of a Medical University of South Carolina Purchase Order in excess of \$100,000 being issued utilizing federal funds, your signature is necessary to indicate compliance.

Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) as amended – Contracts and subgrants of amount in excess of \$100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 84-1 et seq) and the Federal Water Pollution Control Act as amended (33 U.S.C. et seq.). Violations shall be reported to the Federal awarding agency and the regional office of the Environmental Protection Agency (EPA).

Bryd Anti-Lobbying Amendment (31 U.S.C. 1352) – Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient.

Debarment and Suspension (E.O. #'s 12549 and 12689) – No contract shall be made to parties listed on the General Services Administration's List of Parties excluded from Federal Procurement or Non-procurement programs in accordance with E.O. #'s 12549 and 12689, "Debarment and Suspension." This list contains the names of parties debarred, suspended or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than E.O. 12549. Contracts with awards that exceed the small purchase threshold shall provide the required certification regarding its exclusion status and that of its principal employees.

XIV. I-312 INSTRUCTION AND REQUIREMENTS
Bidder/Offeror Re: SC Withholding Tax Amendments
Code Section 12-9-310 (A) (2) (3)
(Code Section 12-8-540 and 12-8-550 Revised 2/96)

Effective July 1, 1994, Section 49, Appropriations Bill, Part II Amended, Code Section 12-9-310 (A) (2) (3) to eliminate withholding from payments to nonresident contractors and rental recipients if the nonresident is registered or registers with the SC Department of Revenue or the SC Secretary of State's Office. The nonresident must provide an affidavit to whomever they are contracting with to that effect. This information will be included in IFB's and RFP's. Note: Effective 2/96, Code 12-8-540 and 12-8-550 as referenced below.

The affidavit will be retained by the entity or persons letting the contract to the nonresident. In the absence of an affidavit being provided, withholding will be required (Contracts -- 2%, Individual/Partner Rental or Royalty Recipients --7% and Corporation Rental or Royalty Recipients -- 5%).

The filing of the affidavit affirming registration by the nonresident eliminates the requirement to withhold by those letting contracts to nonresident as well as the posting of the surety bond by the nonresident. Enclosed is an affidavit and instructions to be used when contracting with nonresidents.

Forms to register for all taxes administered by the SC Department of Revenue may be obtained by calling the License and Registration Sect at (803) 737-4872 or writing the SC Department of Revenue, Registration Unit, Columbia, SC 29214-0140.

REQUIREMENTS TO MAKE WITHHOLDING PAYMENTS

Code Section 12-8-540 requires persons making payment to a nonresident taxpayer of rentals or royalties at a rate of \$1,200 or more a year for the use of or for the privilege of using property in South Carolina to withhold 7% of the total of each payment made to a nonresident taxpayer who is not a corporation and 5% if the payment is made to a corporation.

Code Section 12-8-550 requires persons hiring or contracting with a nonresident taxpayer to withhold 2% of each payment to the nonresident where the payments under the contract exceed \$10,000 in any one calendar year who is conducting business or performing personal services of a temporary nature in South Carolina. Note: This section does not apply to payment on purchase orders for tangible personal property when those payments are not accompanied by services to be performed in South Carolina effective tax years beginning after December 31, 2000.

PURPOSE OF AFFIDAVIT

A person is not required to withhold taxes with regard to any nonresident taxpayer who submits an affidavit certifying that it is registered with either the South Carolina secretary of state of the South Carolina department of revenue.

TERM AND DURATION OF AFFIDAVIT

It is recommended that an affidavit be obtained from a nonresident taxpayer for each separate contract or agreement; otherwise, the affidavit submitted by a nonresident taxpayer shall remain in effect for a period of three (3) years, or for a lesser time if the person earlier receives notice of revocation of exemption from withholding from the South Carolina Department of Revenue

INTENT TO AWARD

Intent to Awards documents are maintained for public viewing in the Department of Purchasing, Ste. 408, Harborview Tower Office Building, 19 Hagood Avenue, Charleston, SC.

Revised and/or updated 9/3/2014