

CONTRACT DOCUMENTS

**CITY OF LINCOLN
NEBRASKA**

**ANNUAL SUPPLY
OF
Fast Drying, Acrylic Waterborne Traffic Paint
Bid No. 15-012**

**Ennis Traffic Safety Solutions
115 Todd Court
Thomasville, NC 27360
469-522-5863**

**CITY OF LINCOLN
CONTRACT TERMS**

THIS CONTRACT, made and entered into by and between Ennis Traffic Safety Solutions, 115 Todd Court, Thomasville, NC 27360, hereinafter called "Contractor", and the City of Lincoln, Nebraska, a municipal corporation, hereinafter called "City".

WHEREAS, the City has caused to be prepared, in accordance with law, Specifications, Plans, and other Contract Documents for the Work herein described, and has approved and adopted said documents and has caused to be published an advertisement for and in connection with said Work, to-wit:

Fast Drying, Acrylic Waterborne Traffic Paint, Bid No. 15-012

and,

WHEREAS, the Contractor, in response to such advertisement, has submitted to the City, in the manner and at the time specified, a sealed Proposal/Supplier Response in accordance with the terms of said advertisement; and,

WHEREAS, the City, in the manner prescribed by law has publicly opened, read aloud, examined, and canvassed the Proposals/Supplier Responses submitted in response to such advertisement, and as a result of such canvass has determined and declared the Contractor to be the lowest responsible bidder for the said Work for the sum or sums named in the Contractor's Proposal/Supplier Responses, a copy thereof being attached to and made a part of this Contract;

NOW, THEREFORE, in consideration of the sums to be paid to the Contractor and the mutual covenants herein contained, the Contractor and the City has agreed and hereby agree as follows:

1. The Contractor agrees to (a) furnish all tools, equipment, supplies, superintendence, transportation, and other accessories, services, and facilities; (b) furnish all materials, supplies, and equipment specified to be incorporated into and form a permanent part of the complete work; (c) provide and perform all necessary labor in a substantial and workmanlike manner and in accordance with the provisions of the Contract Documents; and (d) execute and complete all Work included in and covered by the City's award of this Contract to the Contractor, such award being based on the acceptance by the City of the Contractor's Proposal, or part thereof, as follows:

Agreement to full proposal

2. The City agrees to pay to the Contractor for the performance of the Work embraced in this Contract, the Contractor agrees to accept as full compensation therefore, the following sums and prices for all Work covered by and included in the Contract award and designated above, payment thereof to be made in the manner provided by the City:

The City will pay for products/service, according to the Line Item pricing as listed in Contractors Proposal/Supplier Response, a copy thereof being attached to and made a part of this Contract. The City shall order on an as needed basis for the duration of the contract. The estimated cost of products or services for City departments shall not exceed \$36,085.00 during the contract term without approval.

3. Equal Employment Opportunity. In connection with the carrying out of this project, the contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, ancestry, disability, age or marital status. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, ancestry, disability, age or marital status. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other compensation; and selection for training, including apprenticeship.

4. E-Verify. In accordance with Neb. Rev. Stat. 4-108 through 4-114, the contractor agrees to register with and use a federal immigration verification system, to determine the work eligibility status of new employees performing services within the state of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program of the *Illegal Immigration Reform and Immigrant Responsibility Act of 1996*, 8 U.S.C. 1324 a, otherwise known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of a newly hired employee pursuant to the Immigration Reform and Control Act of 1986. The Contractor shall not discriminate against any employee or applicant for employment to be employed in the performance of this section pursuant to the requirements of state law and 8 U.S.C.A 1324b. The contractor shall require any subcontractor to comply with the provisions of this section.
5. Termination. This Contract may be terminated by the following:
 - 5.1) Termination for Convenience. Either party may terminate this Contract upon thirty (30) days written notice to the other party for any reason without penalty.
 - 5.2) Termination for Cause. The City may terminate the Contract for cause if the Contractor:
 - 5.2.1) Refuses or fails to supply the proper labor, materials and equipment necessary to provide services and/or commodities.
 - 5.2.2) Disregards Federal, State or local laws, ordinances, regulations, resolutions or orders.
 - 5.2.3) Otherwise commits a substantial breach or default of any provision of the Contract Document. In the event of a substantial breach or default the City will provide the Contractor written notice of said breach or default and allow the Contractor ten (10) days from the date of the written notice to cure such breach or default. If said breach or default is not cured within ten (10) days from the date of notice, then the contract shall terminate.
6. Independent Contractor. It is the express intent of the parties that this contract shall not create an employer-employee relationship. Employees of the Contractor shall not be deemed to be employees of the City and employees of the City shall not be deemed to be employees of the Contractor. The Contractor and the City shall be responsible to their respective employees for all salary and benefits. Neither the Contractor's employees nor the City's employees shall be entitled to any salary, wages, or benefits from the other party, including but not limited to overtime, vacation, retirement benefits, workers' compensation, sick leave or injury leave. Contractor shall also be responsible for maintaining workers' compensation insurance, unemployment insurance for its employees, and for payment of all federal, state, local and any other payroll taxes with respect to its employees' compensation.
7. Period of Performance. This Contract shall be effective upon execution by both parties. The term of the Contract shall be a one (1) year term with the option to renew for three (3) additional one (1) year terms.
8. The Contract Documents comprise the Contract, and consist of the following:
 1. Contract Terms
 2. Accepted Proposal/Supplier Response
 3. Addendums No. 1 and 2
 4. Specifications
 5. Instructions to Bidders
 6. Sales Tax Exemption Form 13

The herein above mentioned Contract Documents form this Contract and are a part of the Contract as if hereto attached.

The Contractor and the City hereby agree that all the terms and conditions of this Contract shall be binding upon themselves, and their heirs, administrators, executors, legal and personal representatives, successors, and assigns.

IN WITNESS WHEREOF, the Contractor and the City do hereby execute this contract.

EXECUTION BY THE CITY OF LINCOLN, NEBRASKA

ATTEST:

Teresa J. Medina
City Clerk



CITY OF LINCOLN, NEBRASKA

[Signature]
Mayor

Approved by:

Approved by Executive No. 888053

dated 3-5-15

EXECUTION BY CONTRACTOR

IF A CORPORATION:

ATTEST:

Secretary (SEAL)

Ennis Paint, Inc.
Name of Corporation

115 Todd Ct., Thomasville, NC 27360
(Address)

By: *Dane Alsbrook*
Duly Authorized Official Dane Alsbrook

Assistant Vice President
Legal Title of Official

IF OTHER TYPE OF ORGANIZATION:

Name of Organization

Type of Organization

(Address)

By: _____
Member

By: _____
Member

IF AN INDIVIDUAL:

Name

Address

Signature

City of Lincoln/Lancaster County (Lincoln Purchasing) Supplier Response

Bid Information		Contact Information		Ship to Information	
Bid Creator	Sharon Mulder Asst Purchasing Agent	Address	Purchasing 440 S. 8th St. Lincoln, NE 68508	Address	Public Works & Utilities, Street and Traffic Operations
Email	smulder@lincoln.ne.gov	Contact	Sharon R. Mulder Asst Purchasing Agent		901 West Bond Street, Door Y Lincoln, NE 68508
Phone	(402) 441-7428			Contact	
Fax	(402) 441-6513	Department		Department	
Bid Number	15-012 Addendum 2	Building	Suite 200	Building	
Title	Fast Drying, Acrylic Waterborne Traffic Paint	Floor/Room			
Bid Type	Bid	Telephone	(402) 441-7428	Floor/Room	
Issue Date	01/02/2015	Fax	(402) 441-6513	Telephone	
Close Date	1/16/2015 12:00:00 PM CT	Email	smulder@lincoln.ne.gov	Fax	
Need by Date				Email	

Supplier Information

Company Ennis Traffic Safety Solutions
 Address 115 Todd Court

 Thomasville, NC 27360
 Contact Crystal Gentry
 Department Contract Administration
 Building
 Floor/Room
 Telephone 469 (522) 5863
 Fax 336 (475) 7900
 Email contracts@ennistraffic.com
 Submitted 1/13/2015 2:45:05 PM CT
 Total \$36,085.00

Signature Dane Alsabrook

Email contracts@ennistraffic.com

Supplier Notes

Bid Notes

Bid Activities

Bid Messages

Please review the following and respond where necessary

#	Name	Note	Response
1	Instructions to Bidders	I acknowledge reading and understanding the Instructions to Bidders.	Yes
2	Sample Contract	I acknowledge reading and understanding the sample contract.	Yes
3	Specifications	I acknowledge reading and understanding the specifications.	Yes
4	Bid Documents	I acknowledge and accept that it is my responsibility as a Bidder to promptly notify the Purchasing Department Staff prior to the close of the bid of any ambiguity, inconsistency or error which I may discover upon examination of the bid documents including, but not limited to the Specifications.	Yes
5	Delivery	State number of delivery days ARO. FOB to the City/County at the location specified with all transportation charges paid.	14 calendar days
6	Contact	Name of person submitting this bid:	Dane Alsbrook
7	Renewal is an Option	Contract Extension Renewal is an option.	Yes
8	Special Provision Term Contract Provisions	I acknowledge reading and understanding the Special Provision Term Contract Provisions.	Yes
9	Term Clause of Contract	I acknowledge that the term of the contract is for a one (1) year term with the option for three (3) additional one (1) year renewals from the date of the executed contract. (a) Are your bid prices firm for the first one (1) year contract period. YES or NO (b) Are your bid prices subject to escalation/de-escalation YES or NO (c) If (b), state period for which prices will remain firm: through _____	(a) Yes
10	Electronic Signature	Please check here for your electronic signature.	Yes
11	Agreement to Addendum No. 1	Respondent hereby certifies that the change set forth in this addendum has been incorporated in their proposal and is part of their bid. Reason: See Bid Attachments section for Addendum information.	Yes
12	Agreement to Addendum No. 2	Respondent hereby certifies that the change set forth in this addendum has been incorporated in their proposal and is part of their bid. Reason: See Bid Attachments section for Addendum information.	Yes

Line Items

#	Qty	UOM	Description	Response
1	2,200	Gallon	White Waterborne Traffic Paint	\$8.65

Item Notes: Per specifications Deliver in 55 gallon drums

Supplier Notes:

Item Attributes: Please review the following and respond where necessary

#	Name	Note	Response
1	Manufacturer	Please state manufacturer	Ennis Paint
2	Paint Identification Number	Please supply the paint identification number	985201

2	1,650	Gallon	Yellow Waterborne Traffic Paint	\$9.45
---	-------	--------	---------------------------------	--------

Item Notes: Per specifications Deliver in 55 gallon drums

Supplier Notes:

Item Attributes: Please review the following and respond where necessary

#	Name	Note	Response
1	Manufacturer	Please state manufacturer	Ennis Paint
2	Paint Identification Number	Please supply the paint identification number	985202

3	150	Gallon	White Waterborne Traffic Paint	\$9.75
---	-----	--------	--------------------------------	--------

Item Notes: Per specifications Deliver in 5 gallon pails

Supplier Notes:

Item Attributes: Please review the following and respond where necessary

#	Name	Note	Response
1	Manufacturer	Please state manufacturer	Ennis Paint
2	Paint Identification Number	Please supply the paint identification number	985201

Response Total: \$36,085.00



PRODUCT DATA SHEET

DESCRIPTION: FAST DRY WATERBASE AIRFIELD MARKINGPAINT

PRODUCT NUMBER: 985201 white 985202 yellow 985203 black
 985204 red 985205 blue 985206 green

SPECIFICATIONS: TTP-1952E

MAXIMUM WET FILM : 15 mils **PAINT CLASS:** FAST DRY **REGULAR BUILD**

Revision: 4
Date: October 30, 2011

PRODUCT DESCRIPTION:

A user friendly high solids, fast drying traffic paint formulated specifically for airless equipment and conventional air atomized equipment used in painting roadways, airports, parking lots and smaller lane line striping equipment with or without pressure applied glass beads. It offers all of the benefits of a water reducible paint, and quickly dries to a no track condition.

Physical and color properties of paint conform to the requirements of TT-P-1952E Types I & II & TT-P-1952D, TT-P-1952B Specifications.

Colors are available in white (37925), yellow (33538),black (37038), blue(35180), Red (31136) , all colors are lead free

PRODUCT ADVANTAGES:

- Non-flammable. No special solvents needed
- Product reduces and cleans up easily with water.
- Products perform equally on both asphalt and concrete.
- Paint demonstrates excellent bead retention.
- Keeps traffic control to a minimum when striping.

RECOMMENDED FOR: The products are designed for use as traffic marking, legend work and parking, delineation over asphalt, Portland cement and concrete pavement

COVERAGES: 1 gallon yields 320 feet of 4" stripe @ 15 mils, 400 feet of 4" stripe @ 12 mils.

DRYING TIMES: Dries to no pickup in less than 10 minutes @ 15 mils when ambient and surface temperature are 75° F or higher at 50±5% humidity. See conditions for application below for further information.

TECHNICAL DATA

Total solid wt%	>76	Hiding power @15 mils	Complete
Total solid volume%	>60	Flash point ASTM D3278)	Non-flammable
Total pigment wt%	60-62	Reducer	water
NVV wt%	>41	VOC (g/L)	<100
Viscosity (KU @77°F)	80-90	Thinner	water
Weight per gallon (min)	>13.5(w) >13.0 (Y) >12.5(other colors)	pH	>10
Direct Reflectance at 15 mils wet film	84(w) 50(Y)		

ENVIRONMENTAL DATA: All products conform to the Federal Clean Air Act Amendment of 1990. Volatile Organic Content is below 100 grams per liter. All products are free of lead, chrome and other heavy or toxic metals. Consult MSDS for additional safety and regulatory information

DIRECTIONS FOR USE: Mix thoroughly before using. Thinning is not recommended and should be considered ready for use. Adding water increases the drying time and can compromise the performance. If thinning is necessary for smaller equipment, add

one (1) pint of water per five (5) gallons of paint. Product may be applied at desired mil thickness up to 15 wet mils. Thicker films will be slower drying and may exhibit cracking. Recommended wet film application is ten (10) to fifteen (15) mils. Using a 415 or 417 airless tip is a good starting point. Adjust application pressures and tip sizes to get an even flat desired mil thickness and line definition. If beaded application is required, apply drop on beads at the rate of four (4) to six (6) pounds per gallon of paint. Do not use organic solvents. All equipment must be clean and flushed with water before applying paints.

CONDITIONS FOR APPLICATION: All surfaces must be clean, dry and free from oil, grease, antifreeze, loose sand, aggregate or chipping or peeling paint.. For complete drying and minimum dirt retention, lots should be closed to traffic for two hours minimum after painting. New asphalt and concrete should be allowed to cure for a minimum of 30 days before the application of paint when possible. Any curing compounds used on new concrete must be mechanically abraded off prior to striping. When striping on freshly sealed surfaces use caution as some sealers can affect the curing and adhesion of traffic paint.

CAUTION: For industrial use only. Not for residential use.

New asphalt surfaces should ideally be allowed to age several months before striping. Latex paints will not bleed on asphalt, but shrinkage of the paint film during curing may cause new asphalt to lift or crack. Exceeding the recommended film thickness will increase the tendency to cause asphalt lifting. If it is absolutely necessary to paint on new asphalt, thin the paint with one to two pints of water per gallon of paint and spray with the lowest pressure possible to produce a thin coat of no more than 7 mils of wet film thickness. Check asphalt by applying a test strip to aid in determining the readiness for painting. If applying two coats or over striping lines within a fire lane, allow the first coat to dry fully before applying the second coat.

Application Limitation:

Applying a test strip to determine dry to no- pickup time when humidity higher than 65%. cone whenever necessary.

Do not heat paint in striping system above 110°F

Do not apply when temperatures are below 50 F or humidity is greater than 85%

Do not apply when rain is forecast.

Do not apply when temperature and humidity are near or below the dew point.

Do not mix with water

Do not apply when temperatures are near or below the dew point or rain is forecast within 2 hours.

Do not apply if temperatures expected to fall below freezing for 24 hours after application.

EQUIPMENT: All surfaces that come in contact with the paint should be stainless steel, PVC plastic, or a non reactive material. Galvanized, brass, copper, mild steel or aluminum will react with the product and clog the equipment.

CLEANUP OF EQUIPMENT: Flush the equipment with water. For dried residue a good household cleaner or "Windex" will aid in removal. A mixture of 25% alcohol and 75% water can be used to totally clean and flush the equipment, flush equipment with water only before reloading paint.

The Product Data offered herein is, to the best of our knowledge, true and accurate, but all recommendations are made without warning, expressed or implied. Because the conditions of use are beyond our control, neither Ennis Traffic Safety Solutions, nor its agents shall be liable for any injury, loss or damage, direct or consequential, arising from the use or the inability to use the product described herein. No person is authorized to make any statement or recommendation not contained in the Product Data, and any such statement or recommendation, if made, shall not bind the Corporation. Further, nothing contained herein shall be construed as a recommendation to use any product in conflict with existing patents, and no license under the claims of any patent is either implied or granted.

Ennis Traffic Safety Solutions
P.O. Box 404
1509 South Kaufman
Ennis, Texas 75120
1-800-331-8118



General Warranty and Shelf Life Information

1. Paint –

For a 1-year period when stored properly, the paint can be considered ready for use and should not require any excessive mixing but be redispersed with a paddle if necessary to a smooth uniform condition. It will not show excessive settling, curdle, liver, gel or have any excessive change of viscosity. No additional straining should be necessary when loading although it is considered good practice to mix and strain to ensure trouble free operation.

2. Thermoplastic –

The materials will meet the requirements of the specification for a period of up to 1 year. The thermoplastic will melt uniformly with no evidence of skins or unmelted particles for this 1-year period. No additional straining should be necessary when loading although it is considered good practice to ensure trouble free operation.

3. Application/Performance –

These products have been proven to meet certain standards of durability and retro-reflectance although without proper application, we cannot guarantee any material will meet any minimum standards. These materials are often part of a binder and bead package, which must be applied properly to obtain satisfactory results.

These are general warranty provisions and are intended as a rough guideline only; any government specification may override these conditions of warranty, which in case these become void.



Nebraska Resale or Exempt Sale Certificate

for Sales Tax Exemption

• Read instructions on reverse side/see note below

FORM
13

NAME AND MAILING ADDRESS OF PURCHASER			NAME AND MAILING ADDRESS OF SELLER		
Name	The City of Lincoln		Name	Ennis Traffic Safety Solutions	
Street or Other Mailing Address	555 South 10th Street		Street or Other Mailing Address	115 Todd Court	
City	State	Zip Code	City	State	Zip Code
Lincoln	NE	68508	Thomasville,	NC	27360

Check Type of Certificate
 Single Purchase Blanket If blanket is checked, this certificate is valid until revoked in writing by the purchaser.

I hereby certify that the purchase, lease, or rental by the above purchaser is exempt from the Nebraska sales tax for the following reason:

Check One Purchase for Resale (Complete Section A) Exempt Purchase (Complete Section B) Contractor (Complete Section C)

SECTION A — Nebraska Resale Certificate

Description of Item or Service Purchased

I hereby certify that the purchase, lease, or rental of from the above seller is exempt from the Nebraska sales tax as a purchase for resale, rental, or lease in the normal course of our business, either in the form or condition in which purchased, or as an ingredient or component part of other property to be resold.

I further certify that we are engaged in business as a: Wholesaler Retailer Manufacturer Lessor
of Description of Product Sold, Leased, or Rented

and hold Nebraska Sales Tax Permit Number 01- None, State Reason

or Foreign State Sales Tax Number State

SECTION B — Nebraska Exempt Sale Certificate

The basis for this exemption is exemption category 1 (Insert appropriate category as described on reverse of this form.)
If exemption category 2 or 5 is claimed, enter the following information:

Description of Item(s) Purchased	Intended Use of Item(s) Purchased
----------------------------------	-----------------------------------

If exemption categories 3 or 4 are claimed, enter the Nebraska Exemption Certificate number. 05-

If exemption category 6 is claimed, seller must enter the following information and sign this form below:

Description of Item(s) Sold	Date of Seller's Original Purchase	Was Tax Paid when Purchased by Seller?	Was Item Depreciable?
		<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO

SECTION C — For Contractors Only

1. Purchases of Building Materials or Fixtures:

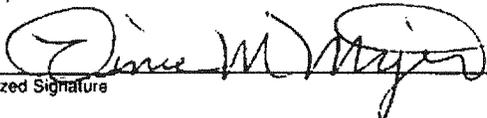
As an Option 1 or Option 3 contractor, I hereby certify that purchases of building materials and fixtures from the above seller are exempt from Nebraska sales tax. My Nebraska Sales or Consumer's Use Tax Permit Number is: 01-

2. Purchases Made Under Purchasing Agent Appointment on behalf of _____ (exempt entity):

Pursuant to an attached Purchasing Agent Appointment and Delegation of Authority for Sales and Use Tax, Form 17, I hereby certify that purchases of building materials, and fixtures are exempt from Nebraska sales tax.

Any purchaser, or their agent, or other person who completes this certificate for any purchase which is other than for resale, lease, or rental in the regular course of the purchaser's business, or is not otherwise exempted from the sales and use tax under Neb. Rev. Stat. §§77-2701 through 77-27,135, shall in addition to any tax, interest, or penalty otherwise imposed, be subject to a penalty of \$100 or ten times the tax, whichever amount is larger, for each instance of presentation and misuse. With regard to a blanket certificate, this penalty shall apply to each purchase made during the period the blanket certificate is in effect. Under penalties of law, I declare that I am authorized to sign this certificate, and to the best of my knowledge and belief, it is correct and complete.

sign here


Authorized Signature

Purchasing Agent
Title

2-17-15
Date

NOTE: Sellers must keep this certificate as part of their records. DO NOT SEND TO THE NEBRASKA DEPARTMENT OF REVENUE.

Incomplete certificates cannot be accepted.

www.revenue.ne.gov, (800) 742-7474 (toll free in NE and IA), (402) 471-5729

NOTE: This form cannot be used for the WATER Division of the City of Lincoln. The WATER Division is taxable per Reg. 066.14A or applicable laws.

INSTRUCTIONS

WHO MAY ISSUE A RESALE CERTIFICATE. Form 13, Section A, is to be issued by persons or organizations making purchases of property or taxable services in the normal course of their business for the purpose of resale either in the form or condition in which it was purchased, or as an ingredient or component part of other property.

WHO MAY ISSUE AN EXEMPT SALE CERTIFICATE. Form 13, Section B can only be issued by persons or organizations exempt from payment of the Nebraska sales tax by qualifying for one of the six enumerated **Categories of Exemption** (see below). Nonprofit organizations that have a 501(c) designation and are exempt from federal and state income tax are not automatically exempt from sales tax. Only the entities listed in the referenced regulations are exempt from paying Nebraska sales tax on their purchases when the exemption certificate is properly completed and provided to the seller. Organizations claiming a sales tax exemption may do so only on items purchased for their own use. For health care organizations, the exemption is limited to the specific level of health care they are licensed for. The exemption is not issued to the entire organization when multiple levels of health care or other activities are provided or owned by the organization. Items purchased by an exempt organization that will be resold must be supported by a properly completed Nebraska Resale Certificate, Form 13, Section A.

Indicate the category which properly reflects the basis for your exemption. Place the corresponding number in the space provided in Section B. If category 2 through 6 is the basis for exemption, you must complete the information requested in Section B.

Nebraska Sales and Use Tax Reg-1-013, Sale for Resale – Resale Certificate, and Reg-1-014, Exempt Sale Certificate, provide additional information on the proper issuance and use of this certificate. These and other regulations referred to in these instructions are available on our Web site: www.revenue.ne.gov/legal/regs/slstaxregs.

Use Form 13E for purchases of energy sources which qualify for exemption. Use Form 13ME for purchases of mobility enhancing equipment on a motor vehicle.

CONTRACTORS. Form 13, Section C, Part 1, must be completed by contractors operating under Option 1 or Option 3 to document their tax-free purchase of building materials or fixtures from their suppliers. Section C, Part 2, may be completed to exempt the purchase of building materials or fixtures pursuant to a Purchasing Agent Appointment, Form 17. See the contractor information guides on our Web site www.revenue.ne.gov for additional information.

WHERE TO FILE. Form 13 is given to the seller at the time of the purchase of the property or service or when sales tax is due. The certificate must be retained with the seller's records for audit purposes. Do not send to the Department of Revenue.

SALES TAX NUMBER. A purchaser who completes Section A and is engaged in business as a wholesaler or manufacturer is not required to provide an identification number. Out-of-state purchasers can provide their home state sales tax number. Section B does not require an identification number when exemption category 1, 2, or 5 is indicated.

PROPERLY COMPLETED CERTIFICATE. A purchaser must complete a certificate before issuing it to the seller. To properly complete the certificate, the purchaser must include: (1) identification of the purchaser and seller, (2) a statement whether the certificate is for a single purchase or is a blanket certificate,

(3) a statement of basis for exemption including completion of all information for the basis chosen, (4) the signature of an authorized person, and (5) the date the certificate was issued.

PENALTIES. Any purchaser who gives a Form 13 to a seller for any purchase which is other than for resale, lease, or rental in the normal course of the purchaser's business, or is not otherwise exempted from sales and use tax under the Nebraska Revenue Act, shall be subject to a penalty of \$100 or ten times the tax, whichever amount is larger, for each instance of presentation and misuse.

Any purchaser, or their agent, who fraudulently signs a Form 13 may be found guilty of a Class IV misdemeanor.

CATEGORIES OF EXEMPTION

1. Purchases made directly by certain governmental agencies identified in Nebraska Sales and Use Tax Reg-1-012, Exemptions: Reg-1-072, United States Government and Federal Corporations: and Reg-1-093, Governmental Units, are exempt from sales tax. A list of specific governmental units are provided in the above regulations. Governmental units are not assigned exemption numbers.

Sales to the United States government, its agencies, and corporations wholly owned by the United States government are exempt from sales tax. However, sales to institutions chartered or created under federal authority, but which are not directly operated and controlled by the United States government for the benefit of the public, generally are taxable. Construction projects for federal agencies have specific requirements, see Reg-1-017 Contractors.

Purchases that are not exempt from Nebraska sales and use tax include, but are not limited to, governmental units of other states, sanitary and improvement districts, urban renewal authorities, rural water districts, railroad transportation safety districts, and county historical or agricultural societies.

2. Purchases when the intended use renders it exempt as set out in paragraph 012.02D of Reg-1-012, Exemptions. Complete the description of the item purchased and the intended use as required on the front of Form 13. Sellers of repair parts for agricultural machinery and equipment cannot accept a Form 13 to exempt such sales from tax.

3. Purchases made by organizations that have been issued a Nebraska Exempt Organization - Certificate of Exemption are exempt from sales tax. Reg-1-090, Nonprofit Organizations; Reg-1-091, Religious Organizations; and Reg-1-092, Educational Institutions, identify such organizations. These organizations will be issued a Nebraska state exemption identification number. This exemption number must be entered in Section B of the Form 13.

4. Purchases of common or contract carrier vehicles and repair and replacement parts for such vehicles.

5. Purchases of manufacturing machinery or equipment by a taxpayer engaged in business as a manufacturer for use predominantly in manufacturing. This includes the installation, repair, or maintenance of such qualified manufacturing machinery or equipment (see Revenue Ruling 01-08-2).

6. A sale that qualifies as an occasional sale, such as a sale of depreciable machinery and equipment productively used by the seller for more than one year and the seller previously paid tax on the item. The seller must sign and give the exemption certificate to the purchaser. The certificate must be retained by the purchaser for audit purposes (see Reg-1-014, Exempt Sale Certificate).