

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM  
BUSINESS PROCEDURES MANUAL

Procedure 4.5  
Page 1 of 2

Effective Date: September 15, 2009  
Supersedes: Procedure 4.5 dated December 1, 2005  
Applies To: Colleges and the System Office  
Procedure Responsibility: KCTCS Purchasing

## **Deliveries**

### **Sections:**

Section 4.5.1 – Freight Terms  
Section 4.5.2 – Damaged Shipments  
Section 4.5.3 – Discrepancies on Shipments  
Section 4.5.4 – Delivery Schedules  
Section 4.5.5 – Expediting Orders

### **Section 4.5.1 – Freight Terms**

Shipments on purchase orders are to be delivered in accordance with the terms of the order. Deliveries under purchase orders may be complete or partial depending on the terms of the contract. Liability for delivery is specified by the freight terms in the purchase order contract with the vendor as indicated below.

- A. "FOB Destination Freight Prepaid and Allowed" - KCTCS does not take title to the goods until delivered at the specified destination. Damages or processing of claims for damages shall be the responsibility of the shipper or contractor. Freight charges will be the responsibility of the shipper or contractor, unless otherwise specified on the purchase order.
- B. "FOB Destination Freight Prepaid and Added to Invoice" – The same terms apply as above except that freight charges will be the responsibility of KCTCS. The supplier pays for shipping charges and adds the actual cost to the invoice for goods ordered.
- C. "FOB Shipping Point or Factory" - KCTCS takes title to the goods upon shipment and assumes all responsibility for damages, processing of claims and/or freight charges. This term is applicable only when the two freight terms listed above cannot be negotiated with the supplier.

### **Section 4.5.2 – Damaged Shipments**

Damage to a shipment should be noted on the freight bill and the notation signed by the truck driver. KCTCS Purchasing should be notified immediately when this occurs so that payment will not be made prematurely.

### **Section 4.5.3 – Discrepancies on Shipments**

Shipments that deviate from the specifications set forth on the purchase order such as short shipments, over shipments or substitutions of commodities are to be communicated to the supplier in writing immediately for resolution. This information shall be communicated as well to KCTCS Purchasing and Accounts Payable in order to prevent payment until the discrepancy is resolved.

### **Section 4.5.4 – Delivery Schedules**

- A. Deliveries shall be made to the location indicated on the purchase order during normal business hours unless otherwise specified and coordinated with the end user.
- B. Deliveries not made within the time provided by a contract may create an emergency situation whereby the commodity or service must be obtained from some other source. In this case, KCTCS Purchasing may cancel the order and pursue alternate sources on the open market. The contract vendor failing to make delivery as specified may be charged with any increase in price incurred by KCTCS by the purchase on the open market.

### **Section 4.5.5 – Expediting Orders**

- A. The requisition is to show the date delivery is required. Requisitions should be submitted far enough in advance to allow enough lead time to allow for processing in accordance with KCTCS purchasing procedures. An unrealistic and unattainable date in relation to the date of submission of the requisition and procedural requirements is to be avoided.
- B. The purchase order shall show the expected delivery date based upon the vendor's bid or quotation.
- C. Delivery schedules of open orders are to be monitored by the appropriate business officer(s) or end users. The appropriate purchasing officer in KCTCS Purchasing will provide assistance in expediting any order when deliveries are not made in accordance with the terms of the purchase order contract.

**END OF PROCEDURE**