

FAP 111-41-00
DELIVERY AND RECEIVING

1. A delivery under an order placed by the Commonwealth may be complete or partial depending upon the terms of the contract. The initial purchase document shall indicate whether partial delivery and partial payment is acceptable. Acceptance of any late deliveries shall not constitute a waiver of any of the Commonwealth's rights under its contract with the vendor.
 - a. **Delivery Point** - All deliveries shall be made to the destination specified in the Order.
 - b. **Freight** - The cost of freight shall be a consideration in every order. An agency shall conserve freight costs by ordering minimum quantities that allow freight-free shipping, if feasible. F.O.B. Destination Freight Prepaid and Allowed is the preferred freight term for purchases by state agencies. If F.O.B. Destination Freight Prepaid and Allowed is not available and if separate freight charges apply, an agency shall insist upon the freight terms of F.O.B. Destination, Freight Prepaid.
 - c. **Liability for Delivery** - Liability for delivery to an agency is governed by the freight terms specified in the Order.
 - (1) "F.O.B. Destination Freight Prepaid and Allowed" means the vendor or shipper owns all goods in transit and is liable for delivery to the point of destination. The vendor or shipper is responsible for filing any claims with the delivering carrier for breakage or other loss and for any damage resulting from transportation. **The vendor shall include the cost of freight in the unit price.**
 - (2) "F.O.B. Destination, Freight Prepaid" means the vendor or shipper owns all goods in transit and is liable for delivery to the point of destination and shall prepay all handling, crating, and transportation charges to the location of the using agency. The vendor shall bill the using agency for reimbursement for the cost of transportation from the shipping point to the delivery point, by submitting the prepaid and receipted freight bill with the invoice for the items shipped. A receipt for delivery service and parcel post shipments is not required.
 - (3) "F.O.B. Origin or Shipping Point" means the agency owns the goods in transit, pays freight charges and shall file any claims with the delivering carrier for losses or damages.
2. **Packaging and Crating:** All commodities or equipment shall be packed and delivered according to accepted commercial practices and the packaging and marking instructions in the contract. A charge shall not be made for packing cases, bailing, crating, barrels, drums, sacks, or other containers. If the contract specifies, the vendor may make a memorandum charge and require the using agency to return containers for credit, with transportation costs paid by the vendor, or to pay for them if not returned within a reasonable time.
3. **Delivery Hours:** All deliveries shall be made during normal business hours or as designated by the Commonwealth on the contract or Delivery Order.
4. **Penalty for Late Delivery:** In addition to being cause for disciplinary action against a vendor, a delivery not made within the time provided by the contract may create an emergency situation requiring the commodity to be obtained from some other source. If an emergency situation is created, an agency may enter the open market and purchase the commodity sought under the contract. The vendor who fails to make delivery as specified in the contract shall be charged with any increase in price incurred by the Commonwealth and the cost shall be deemed a debt owed by the vendor to the Commonwealth of Kentucky.

5. **Freight Claims:**

- a. An agency receiver of goods delivered shall note shortages or apparent damages on the delivering carrier's freight bill and obtain the delivering driver's signature below this notation before forwarding it to the agency procurement supervisor or designee.
- b. The agency procurement supervisor or designee shall request an inspection by the delivering carrier's adjuster on an official Freight Claim-Request for Inspection form. After receiving an official inspection report offering a compromise offer of settlement, the agency procurement supervisor or designee shall forward a copy of the report, along with a copy of the freight bill, to the vendor immediately.

Concealed damages shall be reported to the delivering carrier within seven (7) calendar days after receipt of delivery.

- c. If a vendor fails to handle a freight claim or repair or replace damaged materials promptly, the agency shall file an official Vendor Tracking Document with the Office of Material and Procurement Services.

6. **Receiving:**

- a. An agency is responsible for prompt receiving, inspecting, and acceptance of goods for all agency requirements, unless otherwise specified in the contract.
- b. An agency shall designate responsible personnel to certify that the listed materials were received, that quantities were as stated, that condition was satisfactory unless noted, and that payment is due.
- c. An agency shall notify the Office of Material and Procurement Services using the electronic Vendor Tracking document if a vendor fails to comply with the delivery terms and conditions of a contract established by the Office of Material and Procurement Services.
- d. To the maximum extent possible, all state agencies shall use receiving reports in the state's procurement system to document items received.