

**FAP 111-41-00**  
**DELIVERY AND RECEIVING**

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**1. Definitions:**

- a. "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.
- b. "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.
- c. "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. Delivery:** 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.

**3. 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.

**4. Delivery Hours:** All deliveries shall be made during the working days and hours of Monday through Friday, 8:00 a.m. to 4:30 p.m., not including state holidays, or as designated by the Commonwealth on the contract or Delivery Order.

**5. Penalty for Late Delivery:** In addition to being cause for disciplinary action, the vendor who fails to make delivery as specified in the contract shall be charged in accordance with the terms and conditions of the contract. Furthermore, a delivery not made within the time provided by the contract may create a critical situation requiring the commodity to be obtained from some other source. If a critical situation is created and it is in the best interest of the Commonwealth, the contracting agency may enter the open market and purchase the commodity sought under the contract. The vendor shall be charged with the increase in price incurred by the Commonwealth.

**6. Receiving Deliveries and Filing Freight Claims:** Unless otherwise specified in the contract, each agency is responsible for the prompt receiving, inspecting and acceptance of agency-ordered goods.

- a. Each agency shall designate responsible personnel to certify that:

1. The listed materials were received;
  2. The quantities were as stated;
  3. The condition was satisfactory, unless noted; and
  4. If payment is due.
- b. Each agency designee may use a receiving report in the state's eProcurement system to document items received.
- c. **Shortages and/or Damages upon Delivery:**
1. If there are any shortages or apparent damages upon delivery, the responsible personnel designee(s) shall note said shortages or 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.
  2. If there are any concealed damages or shortages not recognized upon delivery, those shall be reported to the agency procurement supervisor or designee within seven (7) calendar days after receipt of delivery.
  3. The agency procurement supervisor or designee shall request an inspection by the delivering carrier's adjuster by completing the company's freight claim form.
  4. 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.
  5. If a vendor fails to handle a freight claim or repair or replace damaged materials promptly, the using agency shall immediately file a Performance Evaluation (PE) document in accordance with FAP 111-42-00(1).
- d. If goods are delivered that do not conform to the order, the agency shall notify the vendor promptly. If after thirty (30) days of the written notice the vendor does not replace rejected materials, the agency may sell the rejected items and submit the proceeds to the vendor less expenses.
7. **Failure to Comply:** If a vendor fails to comply with any of the delivery terms and conditions of a contract, the agency shall follow the procedures in accordance with FAP 111-42-00.