

Memo to: UH-Downtown/PS Holders
From: Max Castillo, President
Subject: Receiving and Returning Shipments

UH-Downtown/PS 05.C.08
Issue No. 1
Effective Date: 01/19/00
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1. PURPOSE

This PS defines the policy and procedure for receiving and returning commodities received at the University of Houston - Downtown (UHD).

2. POLICY/PROCEDURES

2.1 Receiving Freight Shipments at the Receiving Dock

Unless specifically indicated on the order, all shipments are delivered to UHD's receiving dock or street location. The procedures listed below should be followed depending on the condition of the shipment.

2.2 Inspection of Shipping Containers

Before accepting shipment, the person receiving commodities should inspect the shipping containers for any visible damage and ensure that all the containers are present. The person receiving the commodities should note any discrepancies on the shipping documents.

2.2.1 No visible damage or shortage

Accept the shipment if the containers are not crushed, torn, wet, or otherwise damaged.

2.2.2 Minor visible damage

Damage to the shipping containers should be noted on the shipping document and signed by the delivery person before the shipment is accepted. It is very important to note any minor damages in order to document any claims for possible concealed damage.

2.2.3 Severe visible damage

If shipping containers are damaged in such a manner that it is obvious the goods are badly damaged, the entire shipment may be accepted or refused. There is no option to accept or reject a part of the shipment. The vendor must be contacted and requested to re-ship the entire order (this assumes the terms of shipment were F.O.B. Destination). If damaged commodities are unloaded at your facility, immediately notify the vendor and request that the order be re-shipped. If the vendor abandons the merchandise (fails or refuses to pick it up), contact Purchasing Department immediately regarding disposition.

2.2.4 Shortages

Any shortages of shipping containers, cartons, etc. are to be noted on the shipping document, and the Receiving Report, and the partial shipment accepted.

2.3 Inspection of Merchandise

When merchandise is being unpacked, uncrated, etc., it should be checked against a copy of the purchase order for shortages, compliance with the order's specifications, and also any concealed damages. Any discrepancies should be noted on the Receiving Report, which is then forwarded from Purchasing to Accounts Payable. The carrier cannot be held responsible unless shipments are checked immediately upon arrival, and written reports are made to the carrier within 15 days of receipt.

2.3.1 Concealed Damage

The Purchasing Department should be notified in writing if damages are discovered after unpacking. Notification by facsimile transmission is acceptable. The ordering department is required to state on the shipping document "allow for concealed damages" when accepting shipments.

2.3.2 Concealed Shortage

If there is a minor shortage (such as 11 of an item rather than 12), simply note on the shipping document and receiving report, and deduct the difference on the invoice. If it is major concealed shortage, notify the vendor in writing, and have them ship the needed goods at their expense. Notify UHD Purchasing about any shortages.

2.3.3 Substitutions

Substitutions must be approved by the UHD Purchasing Department on term contracts, open market, and schedule orders. For delegated orders, the UHD's Purchasing Department must approve the substitution.

2.4 F.O.B. Destination

UHD Purchasing recommends that all orders be placed as "F.O.B. Destination" freight prepaid and allowed. Under these terms, the risk of loss to goods does not pass to UHD until the goods are delivered to the stated destination and UHD has accepted the shipment. If goods are not accepted or received, the vendor is responsible for re-shipping new goods at their expense.

2.5 Inside Delivery

Inside delivery must be specified in the Invitation for Bid, including the exact location and available access or access limitations. It is the sole responsibility of the vendor for making inside delivery and removal of packing materials. The freight company is not responsible. If there is a problem, the vendor should be contacted immediately.

2.6 Returned Items by the Department

The department shall notify Purchasing for any returned items on purchase order transactions. The department will note on the Receiving Report the returned item(s). The Receiving Report is then forwarded to Accounts Payable. For non-purchase order transactions, the returned item(s) will be noted on the vendor's invoice. If no other items are listed on the invoice, the invoice will be filed pending receipt of a credit memo from the vendor. If other delivered items are listed on the invoice, the department should prepare a purchase voucher to Pay for those items only, attach the invoice and forward both to Accounts Payable.

2.7 Failure to Meet Specifications

UHD Purchasing will notify the vendor in writing and request that the problem be corrected. If it is a Term Contract or an Open Market Order processed through the GSC, the Purchasing Department will also notify the GSC, Central Procurement Services (CPS). Payment to the vendor should be withheld until the merchandise meets or exceeds all specifications without exception.

3. REVIEW AND RESPONSIBILITIES

Responsible Party (Reviewer): Purchasing Manager

Review: Biennial



President