

REJECTING NON-CONFORMING GOODS

2685

(May 2005)

Refuse shipment under any of the following circumstances:

- When the merchandise is not yours.
- When the merchandise is severely damaged and it is FOB destination.
- When the merchandise does not meet the terms specified in the order i.e., the order was for 200 tents and shipment is 100 pairs of shoes.

In all other cases, accept the merchandise and note all problems, exceptions, shortages, and damages on the delivery receipt.

PROCESS FOR REJECTION OF GOODS

2685.1

(May 2005)

The following process should be followed if the goods are not in conformance with any requirements of the purchase document:

Stage	Description
1	The person that is rejecting the goods must immediately communicate the problem(s) and rejection in writing to the purchaser.
2	The purchaser is responsible for notifying the supplier, making arrangements to hold the rejected goods somewhere protected from damage, and taking care of rejected goods until the supplier can take possession of the goods and remove them from the site.
3	A notice of rejection letter should be provided to the supplier describing the defect(s) that renders the delivery as non-conforming to the purchase document, what the delivery and inspection criterion was, and how the delivered product does not conform.
4	The purchaser can accept any unit of measure (e.g., lot, case, and pallet) and reject the rest.

Example:

A purchaser executed a purchase document for 50 cases of bond paper, but the supplier shipped 150 cases of bond paper. The receiving staff may either reject the entire shipment or accept the 50 cases of bond paper in accordance with the provisions of the purchase document. The remaining 100 cases of paper will be rejected and returned to the supplier.

- 5 If the supplier, within a reasonable time period, does not remove rejected goods, the **purchaser** may:
- Ship products back to the supplier at the supplier's expense.
 - Store the rejected goods with reimbursement required from the supplier for any incurred costs.

TIMELY SUPPLIER NOTIFICATION

2685.2

(May 2005)

Purchasers are required to contact the supplier in a timely fashion when rejecting goods that are over-shipments, defective or for any other non-conformance to the purchase document.

FREIGHT LOSS AND DAMAGE CLAIM PROCESSING

2685.3

(May 2005)

The time limit for filing claims for recovery is nine months after delivery. In the case of no delivery, the time limit is within nine months after a reasonable time for delivery has lapsed. Refer to **SAM** section 3863 for additional information.

Each unit must file a claim of less than \$100.00 directly with the carrier. Claims of \$100.00 or more must be forwarded to DGS Transportation Management, which prepares and files all such claims. The exception to this rule is in UPS transactions. The unit will deal directly with UPS regarding claims, irrespective of the amount. Refer to **SAM** §3862 and 3863.

RETURNED STOCK REPORT (STD 108)

2685.4

(May 2005)

In accordance with **SAM** section 8422.20 receiver or purchaser will prepare a **STD.108** when returning goods to a supplier. The **purchaser will** follow up with the supplier as necessary. The **STD.108** shall also be retained in the procurement file.

SUPPLIERS' RETURN AUTHORIZATION

2685.5

(May 2005)

Suppliers may require **purchasers** to obtain a return authorization before shipping goods back to the supplier.

Purchasers should contact the supplier prior to returning goods to confirm and follow any return authorization processes as required by the supplier.

SUPPLIER REFUSAL

2685.6

(May 2005)

If an over, short, damaged, or delayed delivery occurs, notify the vendor immediately. If the vendor cannot or will not correct the problem, notify your Business Services Officer in writing of the specific problems. The region and/or Business Services Sacramento will assist in resolving the problem.

(see next section)

(see HB Table of Contents)

(see Forms or Forms Samples)