

The Purchasing Post

Caveat Emptor

Let the buyer beware. An old saying everyone has heard. Buying a “pig in a poke” is another old saw. Basically check out the product being purchased. Read the fine print. Verify the receipt. Any promises or guarantees should be in writing.

At K-State Purchasing, once an order is placed or contract is signed, the responsibility for the receiving of the product and paying of the invoice shifts to the department. So look items over before releasing any money.

Before paying an invoice it is recommended to perform a three-way match of the purchase order, packing list, and invoice.

- Compare the packing list to the PO; make sure the product received is the product ordered and in the correct quantity. Any backorders of product should be noted on the packing list. Don't forget to follow-up with the vendors on backorders. Some vendors will consider the original shipment completed because they don't want to “mess” with small dollar shipments & invoices. Depts. may have to sit on the payment till the entire order is received if necessary. Note any damage, too, in case short-pay is required.

- Compare the packing list to the invoice, again for quantity and type.

- Compare the invoice to the purchase order. Is the company billing K-State the same as the company from where the order was placed? Does the price being invoiced match the price quoted? Are there any additional charges, such as freight, that were not part of the original quote?

Even contract vendors or vendors with a long established history make mistakes. Catalog contracts are cumbersome beasts to verify pricing against but it is necessary.

Caveat Venditor – Let the seller beware. Not as well known a phrase but it applies in purchasing transactions, too. In the sealed bid process, if the vendor makes an error in their response they are not allowed to change their quote. Sometimes the error is very noticeable; i.e the vendor's quote is much lower than the rest of the group so they must have overlooked something in their cost analysis. Their recourse is to remove their bid from consideration or to live with the error and eat the loss in their profit. Sometimes the error isn't discovered until invoicing, e.g. the vendor tries to add shipping to the invoice. K-State won't pay the freight charge if it isn't stated in the bid and so the vendor has to absorb the cost.



PURCHASING TRAINING

It has been over a year since our last training session and a lot of changes have occurred in the interim. In order to bring the University up to date, Purchasing has scheduled a training workshop for Thursday, October 6, 2011 at 10:00 am in Room 213 of the K-State Student Union. Please register at

<https://eforms.ksu.edu:8080/events/register.aspx>
(Copy and Paste into browser)

Sorry for the confusion, but due to the response a bigger room was needed. Please note the new date and location.

The 10/5 session has been cancelled, so please register for the 10/6 session instead.

Questions? Contact us at 785-532-6214 or kspurch@k-state.edu.

