

The Purchasing Post

Freight

Freight is a hidden cost in items. Most items are shipped with delivery, installation, and training included in the cost of the equipment. Depending on the complexity of the item, it may make sense to let the vendor handle the shipping arrangements. However, there are times when money can be saved by K-State taking the responsibility to dictate the freight terms on a purchase.

First, I would like to address some terms used in the shipping world.

Most confusing one is FOB, usually means “free on board”. FOB refers to the point where transfer of the product’s ownership occurs, i.e. FOB: Origin or FOB: Destination. K-State usually requires FOB: Destination on orders because we don’t want responsibility of the item until it is at our door.

Next set of terms defines who pays the shipping costs:

- Freight prepaid & add – vendor pays freight costs and invoices the University department.
- Freight prepaid & allowed – vendor absorbs the freight costs.
- Freight collect – University department is responsible for freight costs.

The State of Kansas already has contracts in place with Fed-Ex and UPS (#09291) for the small shipments. It is the larger shipments where freight costs can be expensive. LTL (less than truckload) shipments are the most common and weigh between 100 to 15,000 pounds. Anything over 15,000 pounds is considered a TL (truckload) shipments.

In determining freight costs, one will need 1.) the zip code of the shipping point; 2.) the freight class, which refers to the type of product being shipped, e.g. is the item small but dense like copy paper or light weight and bulky like foam cups; and 3.) the gross weight of the shipment, including pallet & packaging, if applicable.

Oops – Out of room. Will continue on this topic next month



Fiscal Year Dates

Fiscal Year End Dates

April 30, 2009
Cover Sheets, Contract (DA146) & Real Estate (DA47)

May 4, 2009
Purchase Requisitions at \$25,000 & over

May 20, 2009
Purchase Requisitions under \$25,000

Fiscal Year End Training Dates

Salina Campus (TC169)
May 5, 2009 – 1:30 p.m. to 3:30 p.m.

Manhattan Campus (Big XII Conference Room)
May 6, 2009 – 1:30 p.m. to 3:30 p.m.

May 7, 2009 – 9:00 a.m. to 11:00 a.m.

Extension Offices (Wimba)
May 8, 2009 – 9:00 a.m. to 11:00 a.m.

