



# State Procurement Manual

Department of Administration, State Bureau of Procurement

Number  
PRO-412

<b>Section</b>	<b>Effective</b>	<b>Replaces</b>
CONTRACT ADMINISTRATION AND TRANSACTIONS	9/16/19	PRO-E-3, E-5 Various Dates
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**SCOPE:** The purpose of this policy is to establish responsibility and procedure for the proper receiving and inspection of goods, acceptance of services, and handling claims where such are not acceptable.

**POLICY:** The state agency is responsible for receiving and inspecting goods. For contractual services, agencies are responsible for monitoring and accepting a contractor's performance in accordance with the terms and obligations of the contract. See PRO-405, Contract Administration and PRO-413, Reporting Supplier Complaints.

- PROCEDURES:**
- I. General Agency Responsibilities
    - A. Whenever possible, agencies will specify F.O.B. destination on solicitations, contracts and purchase orders to avoid filing loss or damage claims. Agencies may accept F.O.B. origin when conditions warrant; however, they should first consult with their risk management office.
    - B. Save all delivery receipts. The cycle of procuring merchandise is not complete until such has been verified as being in absolute compliance with the corresponding purchase order, received, recorded on the receiving report, and supporting documents transmitted to the appropriate offices within the agency.
    - C. Refuse delivery of merchandise which is not in complete agreement with the corresponding purchase order, and to report this action to the agency purchasing office.
    - D. Any container received that has a hazardous warning label without an accompanying Safety Data Sheet (SDS) will be reported to the agency purchasing office. It is the purchasing office's responsibility to contact the vendor for



### Legal Authority

Wis. Stats. 16.528; 16.53(2); 16.72(1)  
Agencies Affected: All, unless otherwise noted

Authorized:  
Sara Redford, Director  
State Bureau of Procurement



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a SDS as required by PRO-609, Purchasing Products with Safety Data Sheets, and Products Containing Phosphorus.

- E. Report to the agency purchasing office any defective merchandise, improper or short case count, substitutions or failure by the vendor to comply with the order specifications, even if the merchandise has been received in error and placed into service.
- F. Develop the internal administrative procedure to be followed within each agency for handling claims resulting from that agency's purchase orders.

## II. Acceptance of Contractual Services

- A. Unless otherwise specified in a contract, acceptance is a manifestation of assent by an agency to the terms, services, deliverables or other items offered by the contractor, after inspection.
- B. If an agency does not accept that a service has been satisfactorily performed by a contractor, it will notify the contractor immediately and document the cause for non-acceptance.

## III. Good Faith Disputes

When goods and/or services are not accepted for the reasons outlined herein or in the applicable contracts, or if an improper invoice is received agency staff will: notify the agency purchasing or finance office of a good faith dispute/improper invoice so that the prompt payment policy may be complied with. See PRO-409, Prompt Payment Policy.



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#### IV. Escalation, Involvement of State Bureau of Procurement

If the problem is not resolved after reporting problems to the supplier, contact the State Bureau of Procurement for assistance. See PRO-413, Reporting Supplier Complaints.



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