

## **Part II Chapter 28 Procurement Overshipment and Undershipment**

- A. Requirements.** Agencies have the discretion to accept overshipments and undershipments of materials for which an order has been issued, subject to the following conditions.
- 1. Items purchased by weights and measures (e.g. lb., oz, yd, ft.).** For these items each purchase order line item may be received, accepted, and considered complete for deliveries up to 20% greater than or less than the purchase order line item amount. If the amount delivered is greater than 20% of the purchase order line item amount, the using Agency shall request, written Agency approval of the increased amount by the DGS Chief Procurement Officer or designee. If written approval is granted, an overshipment may also require a sole source amendment to the purchase order due to the disproportionate amount delivered.
  - 2. All other purchased items.** For all other purchased items, each purchase order line item may be received, accepted, and considered complete for up to 15% greater than or less than the quantity on the purchase order line item. If this amount has a difference greater than 15% of the purchase order line item, a written request is submitted by the using Agency and written approval granted by the Chief Procurement Officer (or designee) within DGS Bureau of Procurement. If written approval is granted an overshipment may also require a sole source amendment to the Purchase Order due to the disproportionate amount delivered.
  - 3. Commonwealth specifications that provide a specified shipment allowance.** When a Commonwealth specification provides an allowance that conflicts with the allowance set forth in this chapter, the allowance in the specification shall take precedence.
- B. Overshipment.** The Agency has the following options for overshipments:
- 1. Return:** The Agency may return the overshipped portion of the materials to the supplier without cost or loss to the Commonwealth.
  - 2. Approval:** This procedure is used by Agencies when requesting approval to accept an overshipment for a purchase order.
  - 3. Procedures.**
    - a. Agency.** The Agency procurement officer (or DGS Commodity Specialist) is notified in writing with required information about the overshipment along with a request for the acceptance.
    - b. Agency Procurement Officer.** They will:
      - (1)** Determine that sufficient funds are available to pay for the overshipment.

- (2)** Send a written request for approval with justification to accept the overshipment to the Chief Procurement Officer (or designee) within the Bureau of Procurement. The request should include the following information:
  - (a)** Explanation of the need and justification for accepting the overshipment.
  - (b)** Purchase order number and line item.
  - (c)** Total dollar amount of overshipment.
- (3)** If approved, update the requisition and notifies the appropriate procurement officer (or DGS Commodity Specialist).
- (4)** Agency procurement officer (or DGS Commodity Specialist) will update the purchase order to increase the quantities to accept the overshipment. Attaches the approval email to the purchase order.
- (5)** E-mail the purchase order workflow approvers to release the purchase order with an explanation of the overshipment.

**C. Undershipment.**

- 1. Requirement.** This procedure is used by Agencies when materials on a purchase order are:
  - a.** Under shipped or not shipped; or
  - b.** No longer needed by the Agency.
- 2. Procedures.** The Agency will:
  - a.** Contact the Agency procurement officer and explain that undershipped materials are not required. Cancellation action requested by the supplier is acceptable if there is no dispute between the Agency and the supplier.
  - b.** Request the supplier to:
    - (1)** Voluntarily cancel the undershipped and unneeded material; and
    - (2)** Provide confirmation by sending written notice to the Agency.
  - c.** If the supplier confirms the voluntary cancellation of undershipped material, the Agency will:
    - (1)** Attach a copy of the supplier confirmation to the purchase order (or retain a copy).
    - (2)** Forward the supplier notice to the purchasing agency.

- d.** Update the purchase requisition and purchase order if the document is a DGS generated purchase order, notify the purchase order to decrease the quantities.