

PROCUREMENT SERVICES POLICY 23 PRICING DEVIATIONS

The University of North Carolina at Greensboro

Approved by Paul Forte, Interim AVC for Finance, August 4, 2021

Revised August 4, 2021

1. Purpose

This document addresses deviations in pricing from the purchase order when invoices are received.

2. Scope

This policy applies to all University departments, units and divisions.

3. Definitions and Roles and Responsibilities

Not relevant for this policy.

4. Policy

Purchase Order (PO): A legally binding document prepared by the purchaser to describe the terms and conditions of a purchase.

Campus departments are to be attentive to any changes in Purchase Order prices as reflected on a vendor's invoice. The University will issue payment for the price recorded on the Purchase Order unless the following circumstances exist:

- Where there is a pricing deviation under invoiced unit price which will increase the amount paid by no more than 10 percent (%)
- The purchase order is not a "Quote Order" or a State Term Contract order. (Pricing under these types of orders must show no deviation.)
- When the pricing deviation affects a "Quote Order" or a State Term Contract order or exceeds the allowable variance for the particular type of purchase order, the campus department must concur in the deviation.
- Accounts Payable will contact the campus department to discuss the change in price. In lieu of accepting the price deviation, the campus department may decide to refuse or return the merchandise to the vendor. It is the campus department's responsibility to coordinate return of materials to the vendor.

OR

- The campus department may decide to retain the merchandise and assume the additional cost. In such a case, the campus department will initiate a request for a change order. If the vendor's increased cost is not acceptable, the

vendor will be requested to forward a corrected invoice showing prices as indicated on the Purchase Order.

When a vendor notifies Procurement Services of a pricing deviation (especially, an increase) prior to delivery or performance, Procurement Services will review the request and if the request is deemed justified Procurement Services will contact the campus department to determine the department's desire to complete the order at the additional costs. If the campus department agrees to incur the additional costs, a change order will be issued.

When the pricing deviation is caused by the incurrence of a freight charge, the University will pay the invoiced freight if it appears reasonable and is not a "Quote Order" or State Term Contract Order. Where multiple shipments exist, multiple freight charges may be incurred.

5. Compliance

The Director of Procurement Services is responsible for ensuring compliance with this policy.

6. Additional Information

6.1 Supporting Documents

[State of NC Purchasing manual](#)

6.2 Approval Authority

This policy should be approved by the Interim Associate Vice Chancellor for Finance.

6.3 Contacts for Additional Information and Reporting

- Responsible Executive: Michael Logan, Director of Procurement Services, (336)334-4104, mflogan@uncg.edu
- Responsible Administrator: Richard Fleming, Assistant Director of Procurement Services, (336)334-3078, rrflein@uncg.edu