

COLORADO STATE UNIVERSITY PURCHASING MANUAL

I. GENERAL

- A. The purchase of livestock for the University requires special procedures since such livestock must be promptly paid for, is generally to be used for research projects and must possess special and specific qualities and characteristics for such use, may be required from a specific locality and may require special individual or herd historical records. Because such livestock is generally not available through regular sources, judgment of an expert is required to assure the specific required characteristics are met. Premium price may be warranted.
- B. The sale of such animals may not always be appropriate for advertised and sealed bid procedures. Feedlot types are generally sold to packers by negotiated bid. Individual or small groups of animals with special characteristics may be sold at auction or sold to individual buyers at a negotiated price. These methods are considered to be most advantageous to the University.
- C. Attempts shall always be made to secure the maximum amount of competition, when buying or selling livestock.

II. POLICY

- A. An Authorization for Expenditure (AFE) is authorized for use for the purchase of livestock up to and including \$5,000 (see AFE exception #4). Purchase of livestock greater than \$5,000 must be processed on an official University purchase order resulting from a purchase requisition generated by the ordering department.
- B. The Director of Purchasing hereby delegates authority to the College of Agricultural Sciences, the College of Veterinary Medicine and Biomedical Sciences and applicable Agricultural Experiment Station centers to make purchases and sales of livestock by use of special procedures outlined in this instruction.
- C. Any conflict of interest, as outlined in paragraph VI, Section PU-1 of the Purchasing Manual and as outlined in the Academic Faculty and Administrative Professional Staff Manual D.8.7 must be avoided.
- D. State of Colorado law prohibits University employees from purchasing surplus University property for private use. See C.R.S. 17-24-106.6(2)(a).

III. RESPONSIBILITY

- A. Purchasing Department sets general policies that satisfy the special requirements of the University and ensure compliance with purchasing standards appropriate under the

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circumstances. Purchasing Department monitors the livestock purchases and sales operations and the ordering department retains documentation as outlined in these instructions.

- B. Designated coordinators for the College of Agricultural Science, the College of Veterinary Medicine and Biomedical Sciences and Superintendents of applicable experiment stations are responsible for complying with these instructions in their respective organizations, and serving as liaison with the Purchasing Department, Accounts Payable and Treasurer.
- C. Designated livestock experts of the University, who are familiar with the specific requirements of the research project, who are qualified to judge the qualities and characteristics of livestock required for the project, and who are familiar with day-to-day prices for such characteristics are responsible for protecting the interests of the University, and under conditions outlined in these instructions, fulfill requirements for documentation and certification that prices paid or received were the best available to the University.
- D. The respective colleges and superintendents of applicable Research Centers should designate in writing the selection of coordinators and designated livestock experts for the purposes outlined above. A copy of such designation shall be forwarded to the Purchasing Department at the beginning of each fiscal year.
- E. All responsible parties shall insure that a possible conflict of interest is not present.

IV. PROCEDURES

A. Sale of livestock

1. Types of sales. The type of sale will be used which is most feasible and advantageous to the University and which meets the operational requirements of the department. Such type of sale may include auction, sale to packers, sale to individuals, etc. University personnel are prohibited by law from purchasing University property.
2. Sale price. A price under market should never be accepted. Sale price may be established by auction, by fixed price, by sealed bid or by negotiation.
3. Sale documentation. The specific livestock, characteristics, bidding information, selling price and certification must be documented on the Purchase/Sale of Livestock form. The sale should also be documented on the appropriate University sales accounting forms. Forms and procedures are outlined below.

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- a. Purchase/Sale of Livestock form. See Section 38, Attachment # 1. The Purchase/Sale of Livestock form must be prepared for each sale. The form must describe the livestock and give reason for the sale. When bids or offers to buy by packinghouse buyers or other buyers are secured either written or verbal, this information should be recorded in the Bid Summary section of the form. If bids are not secured, but other means of sale are used such as auction, negotiation, trading, etc., this information shall be noted in the Special Circumstances area of the form. The designated individual must complete the certification. A copy of the form must be attached to a reproduced copy of the applicable sale accounting form and forwarded to the Purchasing Department. The coordinator and/or the selling department should retain a copy of the form.

- b. Sale accounting form. Cash sales must be documented on the University Cash Sale form and charge sales documented on the Service-Sales Invoice. Procedures and document distribution are outlined in Financial Procedures Instruction FPI-24.00, "Commercial Accounts Receivable". If payment on account is received by the department, prompt deposit must be made with the University Cashier as outlined in Financial Procedure Instruction, FPI-23.00.

B. Purchase of livestock.

1. Establishment of need and specifications. The need for the livestock should be established and approved by the designated coordinator. Any special characteristics required should be determined, documented, and when applicable, reference must be made to a specific research project.

2. Types and prices of purchase. The type of purchase most advantageous and feasible to the University within the guidelines of this instruction and which meet the operational requirements of the department must be used. Such methods of purchase may include sealed bids, telephone bids, auctions or negotiated prices.

3. Documentation of purchase.
 - a. Authorization for Expenditure (\$5,000 and less). Authority for purchase and acknowledged receipt of livestock should be documented on the AFE. Instructions for use of the AFE are outlined in Section PM-4 of the University Purchasing Manual. A copy of the Purchase/Sale of Livestock form, referencing the appropriate AFE number, must be forwarded to Accounts Payable.

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- b. Purchase Order (greater than \$5,000). A purchase requisition should be initiated by the requesting department or experiment station as outlined in Section PM-3 of this manual. A copy of the Purchase/Sale of Livestock form, referencing the appropriate purchase requisition number, must be forwarded to the Purchasing Department.

 - c. Purchase/Sale of Livestock form. See Section 38, Attachment #1 which must be prepared for each purchase. The form must document the specific requirements. Bids should be secured when applicable and all bid data recorded in the Bid Summary section. If bids are not secured but other means of purchase are used such as auction, negotiation, trading, etc., this information shall be noted in the Special Circumstances area of the form. The designated individual must complete the certification. The coordinator and/or department receiving the livestock should retain the original.
4. Payment for purchase. Request the seller to mail an invoice directly to Colorado State University, Accounts Payable. After receipt of the invoice, AP will mail a check direct to the seller. If payment is required upon purchase or delivery an advance payment check may be secured from Accounts Payable upon presentation of justification.