Finance & Operations Procurement and Business Services Policy FO-PUR-13
How to Purchase Live Animals for Agriculture

AUTHORITY
Texas purchasing statutes were broadly written to cover purchase of goods and services needed by the state. The Texas Government Code does not include unique methods for purchase of live animals. The University's method involves four basic actions. First is to purchase live animals through a public or private auction (see policy - purchase of live animals at a public or private auction). Second is to describe in writing the required qualities of the needed commodity. Third is to solicit offers by advertising those requirements to the public; and fourth is to select the lowest and best offer(s) received, meeting those requirements.

DEFINITION
Live animals are beef cattle, dairy cattle, chickens, goats, hogs, horses, sheep, etc. as listed in the commodity class for live animals.

PURCHASE OF LIVE ANIMALS AT A PUBLIC OR PRIVATE AUCTION
The Agriculture Department will have the authority to purchase live animals at public and private auctions in an amount, not to exceed twelve thousand dollars ($12,000) per auction. The Agriculture Department will be required to write a proprietary purchase justification letter (signed by the Chair) for each purchase in the sale and submit it to the Procurement and Business Services Department with the Banner Requisition.

BID PROCEDURES (OTHER THAN PUBLIC OR PRIVATE AUCTIONS)
For purchases up to $5,000, Agricultural Sciences adheres to Purchasing Policy PUR-09 and completes a Banner Requisition. Only one bid is required.

For purchases over $5,000 up to $10,000, the department adheres to Purchasing Policy PUR-09 by contacting at least two certified HUBs. If no certified HUBs are listed with the TPASS, then the entire list for that commodity must be printed and attached to the Banner Requisition.

FOR PURCHASES OVER $10,000 (OTHER THAN PUBLIC OR PRIVATE AUCTIONS):

Step 1. Agricultural Sciences shall write an adequate description (specification) of the required animals along with the terms and conditions of the transaction. Procurement and Business Services will review and assist.

Step 2. Agricultural Sciences shall prepare and submit a Banner Requisition and the specification to their Dean and Vice President for approval. Agricultural Sciences should include potential bidders to be added to the bid mailing list.

Step 3. Procurement and Business Services will receive the Requisition and specification, and then prepare an Invitation for Bids. The IFB, any changes to the specification, and proposed bid opening date will be sent back to Agricultural Sciences for approval prior to mailing.

Step 4. Procurement and Business Services will mail the Invitation for Bids to bidders identified by Agricultural Sciences or Procurement and Business Services. Procurement and Business Services will conduct the formal bid opening and tabulate the bids received. Copies of the bids will be sent to Agricultural Sciences for their review.

Step 5. Agricultural Sciences and Procurement and Business Services will jointly evaluate the bids by starting with the apparent low bidder. When desired, the low bidder's herd may be inspected to grade the animals. If the quality and quantity requirements are met by the lowest bidder, then Procurement and Business Services will issue a purchase order and give the vendor delivery instructions.
Step 6. If the quality and quantity requirements are not met by the lowest bidder, then proceed to the second lowest and so on until the quality and quantity requirements are met. Adequate documentation shall be made whenever a low bidder is not selected. Preferred is a spreadsheet listing the grading of the animals. Procurement and Business Services will issue one or more purchase orders as needed.

Reviewed by: John C. Hitzeman, Associate VP for Business Services
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