

HRI 215

Purchasing

COURSE OUTLINE

Prerequisites

NONE

Course Description:

Presents the method and procedures for purchasing food for hotels, restaurants and institutions. Deals with markets, federal and trade grades, governmental regulations, packaging, comparative versions price buying, yields and quality control.

Semester Credits: 3 Lecture Hours: 3 Lab/Recitation Hours: Select Hours

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Course Outcomes

At the completion of this course, the student should be able to:

1. Apply generally accepted principles and procedures of selection and procurement in the hospitality industry
2. Analyze specific product characteristics, especially their market distribution, quality standards, and other selection factors
3. Prepare product specification

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Required Materials:

1. Supplies and/or tools:
 - a. 2 full uniforms, consisting of: Chef Jacket with school logo and name, black & white checkered pants, neckerchief, slide, white apron, white chef hat, black closed heel and toe, non-skid shoes. Or, Business casual attire.
 - b. Notebook, PEN, calculator.

Textbook:

1. Feinstein, Andrew Hale and Stefanelli, John M. Purchasing: Selection and Procurement for the Hospitality Industry. 8th Edition or current. Wiley & Sons, Inc. Hoboken, New Jersey 9780471730088

The following supplementary materials are available:

- 1.
- 2.

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Topical Description: (Outline chapters and sections to be covered in the book – may include timeline)

Chapter 1: The concepts of selection and procurement

- Types of hospitality operations
- Purchasing functions in different types of hospitality operations

Chapter 2: Technology applications in purchasing

- Technologies that distributors use
- Technologies that buyers use
- What lies ahead?

Chapter 3: Distribution systems

- Distribution system for food, nonalcoholic beverages, and nonfood supplies
- Distribution system for beer, wine and distilled spirits
- Distribution system for furniture, fixtures, and equipment
- Distribution system for services
- Retailers
- What happens throughout the channel of distribution?
- Ultimate value
- The buyer's place in the channel of distribution
- The optimal economic values and supplier services

Chapter 4: Forces Affecting the distribution systems

- Economic force
- Political force
- Ethical force
- Legal force
- Technological force
- Other forces

Chapter 5: An overview of the purchasing function

- Purchasing activities

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- Purchasing objectives
- Problems of the buyer
- Evaluation of the purchasing function

Chapter 6: The organization and administration of purchasing

- Planning
- Organizing
- Staffing
- Training budgeting
- Directing
- Controlling

Chapter 7: The Buyer's relations with other company personnel

- The buyer's relations with the supervisor
- The buyer's relations with colleagues
- The buyer's relations with hourly employees

Chapter 8: The purchase specifications: an overall view

- Why have specs?
- Who decides what to include on the specs?
- What information does a spec include?
- What influences the types of information included on the spec?
- Who writes the specs?
- Potential problems with specs
- The optimal quality to include on the spec
- Who determines quality?
- Measures of quality
- Is the quality available?
- The buyer's major role
- The optimal supplier services to include on the spec

Chapter 9: The optimal amount

- Optimal inventory level
- Correct order size and order time: a common approach
- Correct order size and order time: another approach
- Correct order size and order time: variations of the Levinson Approach
- Correct order size and order time: combination approach

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- Correct order size: a theoretical approach
- Correct order time: a theoretical approach
- Correct order size and order time: other problems with theoretical approaches
- Correct order size and order time: some benefits of the theoretical approach

Chapter 10: The optimal price

- How AP price influence buyers
- How AP prices are determined
- Ways to reduce AP price so that overall value is increased
- Opportunity buys

Chapter 11: The optimal payment policy

- The objective of payment policy
- Cost of paying sooner than necessary
- Cost of paying too late
- What is the best policy
- The mechanics of bill paying
- Another word about discounts

Chapter 12: The Optimal supplier

- The initial survey
- Trimming the initial list
- The relationship of purchasing policy to supplier selection
- Buying plans
- Other supplier selection criteria
- Most important supplier selection criteria
- Make a choice
- Supplier-buyer relations
- Salesperson-buyer relations
- Evaluating suppliers and salespersons
- Getting comfortable

Chapter 13: Typical ordering procedures

- Purchase requisitions
- Ordering procedures
- The purchase order
- Change order

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- Expediting
- Streamlining the ordering procedure

Chapter 14: Typical receiving procedures

- The objective of receiving
- Essentials for receiving
- Invoice receiving
- Other receiving methods
- Good receiving practices
- Reducing receiving costs

Chapter 15: Typical storage management procedures

- The objectives of storage
- What is needed to achieve storage objectives?
- Managing the storage facilities
- A value analysis of storage management procedures

Chapter 16: Security in the purchasing function

- Security problems
- Preventing security problems
- Who checks the checker?

Chapter 17: Fresh Produce

- Selection factors
- Purchasing fresh produce
- Receiving fresh produce
- Storing fresh produce
- Issuing fresh produce
- In-process inventories

Chapter 18: Processed produce and other grocery items

- Management considerations
- Selection factors
- Purchasing processed produce and other grocery items
- Receiving processed produce and other grocery items
- Storing processed produce and other grocery items
- Issuing processed produce and other grocery items

Chapter 19: Dairy Products



- Selection factors
- Purchasing dairy products
- Receiving dairy products
- Storing dairy products
- Issuing dairy products
- In-process inventories

Chapter 20: Eggs

- Selection factors
- Purchasing eggs
- Receiving eggs
- Storing eggs
- Issuing eggs
- In-process inventories

Chapter 21: Poultry

- Selection factors
- Purchasing poultry
- Receiving poultry
- Storing poultry
- Issuing poultry
- In-process inventories

Chapter 22: Fish

- Selection factors
- Purchasing fish
- Receiving fish
- Storing fish
- Issuing fish
- In-process inventories

Chapter 23: Meat

- Types of meat items purchased
- Management considerations
- Selection factors
- Purchasing meat
- Receiving meat
- Storing meat

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- Issuing meat
- In-process inventories

Chapter 24: Beverages

- Management considerations
- Selection factors
- Purchasing beverage alcohols
- Receiving beverage alcohols
- Storing beverage alcohols
- Issuing beverage alcohols
- In-process inventories
- Nonalcoholic beverages
- Selection factors
- Purchasing nonalcoholic beverages
- Receiving nonalcoholic beverages
- Storing nonalcoholic beverages
- Issuing nonalcoholic beverages

Chapter 25: Nonfood expense items

- Management considerations
- Purchasing nonfood expense items
- Typical nonfood items that hospitality operators use

Chapter 26: Services

- Management considerations
- General procedures in service purchasing
- Typical services that hospitality operators purchase
- Another word about security when buying services

Chapter 27: Furniture, Fixtures and equipment

- Management considerations
- General procedures in FFE purchasing
- Selection factors
- Financing the FFE purchase

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Notes to Instructors
(List information about optional topics, departmental exams, etc)

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- 3.
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