

Purchasing (RSTO 1325)



Credit: 3 semester credit hours (3 hours lecture)

Prerequisite/Co-requisite: None

Course Description

A study of purchasing and inventory management of foods and other supplies to include development of purchasing specification of order quantities, formal and informal price comparisons, proper receiving procedures, storage management, and issues procedures. Emphasis on product cost analysis, yields, pricing formulas, controls and record keeping at each stage of the purchasing cycle.

Required Textbook and Materials

1. Text is Purchasing, Selection and Procurement for the Hospitality Industry, 7th ed. Arthur A. Feinstein and J. Stefanelli.
2. This book has an accompanying student workbook.
3. Notebooks, pens, pencils and project materials.

Course Objectives

Upon completion of this course, the student will be able to:

1. Explain market factors affecting cost and availability of goods including seasonal, supply, and demand, distribution channel cost, and quantity levels. (SCANS: F1.3, F2.3, F4.4, F6.4)
2. Describe the mechanics of purchasing including food and supply sources, formal and informal bid procedures. (SCANS: C13.3, C16.3, C18.4)
3. Conduct proper receiving procedures assuring conformity of goods with specifications (SCANS: C3.4, C19.4, F8.4)

SCANS Skills and Competencies

Beginning in the late 1980's, the U.S. Department of Labor Secretary's Commission on Achieving Necessary Skills (SCANS) conducted extensive research and interviews with business owners, union leaders, supervisors, and laborers in a wide variety of work settings to determine what knowledge workers needed in order to perform well on a job. In 1991 the Commission announced its findings in *What Work Requires in Schools*. In its research, the Commission determined that "workplace know-how" consists of two elements: foundation skills and workplace competencies. The three-part foundation skills and five-part workplace competences are further defined in the SCANS attachment.

Course Outline

- I. Concepts of Selection and Procurement
 - A. Purpose
 - B. Purchasing Function
- II. Technology Applications in Purchasing
 - A. Technology that Distributors Use
 - B. Technology that Buyers Use
- III. Distribution Systems
 - A. Distribution System for Food, Nonalcoholic Beverages and Nonfood Supplies
 - B. Distribution System Alcohol
- IV. Forces Affecting the Distribution Systems
 - A. Economic
 - B. Political
- V. Overview of Purchasing Function
 - A. Purchasing Activities
 - B. Purchasing Objectives
- VI. The Organization and Administration of Purchasing
 - A. Planning
 - B. Organization
 - C. Staffing
- VII. The Buyer's Relationship with Other Company Personnel
 - A. The Buyers Relationship with The Supervisor
 - B. The Buyer's Relationship with Hourly Employee
- VIII. Purchasing Specification: an Overall View
 - A. Why have Specs
 - B. Who Writes Specs
- IX. Optimal Amount
 - A. Optimal Inventory
 - B. Correct Order Size
- X. Optimal Amount
 - A. Optimal Inventory Level
 - B. Correct Order size and Order Time
- XI. Optimal Price
 - A. How AP Price Influences Buyer
 - B. How AP Prices are Determined
- XII. Optimal Payment Policy
 - A. Objective of Payment Policy
 - B. Cost of Paying
- XIII. Optimal Supplier
 - A. Initial Survey
 - B. Buying Plan
- XIV. Typical Ordering Procedures
 - A. Purchasing Request
 - B. Ordering Procedures
- XV. Typical Receiving procedures
 - A. Objectives of Receiving
 - B. Essentials for Receiving
- XVI. Typical Storage Management Procedures
 - A. Objectives
 - B. Managing the Storage Facility
- XVII. Security in the Purchasing Function
 - A. Security Problems
 - B. Preventing Problems
- XVIII. Fresh produce
 - A. Purchasing Fresh
 - B. Storing
- XIX. Processed Produce and Other Grocery Items
 - A. Purchasing
 - B. Storing
- XX. Dairy products, Meats, Eggs, Poultry, Fish
 - A. Purchasing
 - B. Storing
- XXI. Beverages
 - A. Purchasing Non alcohol
 - B. Purchasing Alcohol
- XXII. Nonfood Items
 - A. Management Considerations
 - B. Purchasing Nonfood Items

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Grade Scale

90 – 100	A
80 – 89	B
70 – 79	C
60 – 69	D
0 – 59	F

Course Evaluation

Final grades will be calculated according to the following criteria:

Exams	10%
Final Exam	15%
Homework Assignment	55%
Project	20 %

Course Requirements

1. Project
2. Homework assignments.

WebCt Class Policies

1. You must have and LIT email account
2. All WebCt class email will be answered in a timely manner and teacher is accessible at office number as well. (409-839-2045 if I am not in leave a message and I will get back to you in a timely manor)
3. Students taking the WebCt classes should have access to a computer with a printer, should have DSL or Rode runner to be able to do the class. Students taking the WebCt class that do not have a computer should know that it is their responsibility to take care to secure a computer to meet the requirements. There are two learning labs on campus that have internet access, <http://www.lit.edu/currentlinks.asp?PageID=51> for information or For information you may call: (409) 880-8885 or (409) 839-2928 and on the 7th floor of the Lamar Library, for information contact <http://biblos.lamar.edu/> or call **409-880-7011**.

Course Policies

1. No food, drinks, or use of tobacco products in class.
2. No children or guests are allowed to attend this class.
3. Assignments are due on the date specified. Ten (10) points per day will be deducted for late assignments.
4. Tests. Students that miss a test are not allowed to make up the test. Students that miss a test will receive a grade of '0'.

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5. Attendance Policy. Two absences are allowed. If a student is tardy to class or departs early three (3) times, it will be equal to one (1) absence. Each absence beyond two absences will result in a 5 point deduction from your final grade.
6. Mandatory Attendance. Lab classes are mandatory. If students need to be absent from a lab class, they must contact the instructor prior to the absence. An alternate lab will be arranged if the instructor gives permission for the student absence.
7. Students are responsible for initiating and completing the drop process. If you stop coming to class and fail to drop the course, you will earn an 'F' in the course.
8. A sign in sheet is distributed the first of class. If you are late it is your responsibility to sign in at the end of the class period. If you are more than 45 minutes late for a 2 ½ hour class period you will be counted absent.
9. Class participation is encouraged, but disruptive talking is not. Students will be asked to leave if they are disruptive. If you continue to disrupt the class in subsequent classes you will not be allowed to return to class.
10. Turn off all pagers and phones before entering class. Students will be asked to leave if a pager or phone rings.

Disabilities Statement

The Americans with Disabilities Act of 1992 and Section 504 of the Rehabilitation Act of 1973 are federal anti-discrimination statutes that provide comprehensive civil rights for persons with disabilities. Among other things, these statutes require that all students with documented disabilities be guaranteed a learning environment that provides for reasonable accommodations for their disabilities. If you believe you have a disability requiring an accommodation, please contact the Special Populations Coordinator at (409) 880-1737 or visit the office in Student Services, Cecil Beeson Building.

Course Schedule

Week	Topic	Reference
1	Technology Applications in Purchasing Distribution Systems	Required Textbook
2	Forces Affecting the Distribution Systems Overview of Purchasing Function	
3	The Organization and Administration of Purchasing The Buyer's Relationship with Other Company Personnel	
4	Purchasing Specification: an Overall View	
5	Optimal Amount	
6	Optimal Price Optimal Payment Policy	
7	Optimal Supplier	
8	Typical Ordering Procedures Typical Receiving procedures	

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Week	Topic	Reference
9	Typical Storage Management Procedures Security in the Purchasing Function	
10	Fresh produce Processed Produce and Other Grocery Items	
11	Dairy products, Meats, Eggs, Poultry, Fish	
12	Beverages	
13	Nonfood Items	