



## CHAPTER IV

# PURCHASING AND STORING OF FOOD ITEMS

**Learning Objectives :** At the end of this unit learners would be able to :

1. Explain purchasing procedures.
4. state the Principles of food storage.

### I. INTRODUCTION

Purchasing and storing of food items required for actual preparation of food for service is very important. Only right purchasing of food items will result in good yield and proper portions of the finished food. There are different ways of procuring the food items. Before talking about the actual food purchase we should understand the “need” for it.

### II. DETERMINATION OF FOOD NEEDS

Determination of food needs is a major phase of the total purchasing responsibility, “Needs” refer to quality as well as quantity, both of which are closely inter-related with cost control.

Quantity of food required is based on the number of persons to be served, the size portion to be served and the amount of the waste and shrinking loss involved in the preparation of the foods. This general procedure may be used in determining amounts of meats, poultry, fruits and vegetables for specific menu items.

Records of meal census may be used to good advantage to determine the numbers to be served.

Standardized recipes give portion sizes and quantities required for prepared food. A knowledge of wholesale weights and sizes for various commodities helps the buyer to translate his quantity needs into appropriate units of purchase.

### III. SYSTEMATIC ORDERING PROCEDURE

The complexity of purchasing system will depend on the size and the type of organization and established management policies. Procedures should be as simple as possible, with record keeping and paper work limited to those essential for control and communication.





Good purchasing system include the use of specification and appropriate buying method, a systemized ordering schedule, and maintenance of an adequate flow of goods to meet production requirements. A systematic minimum and maximum stock level provides a means of altering the buyer to needs, particularly regarding canned and frozen foods and staples etc.

Frequency of purchase and the amount of food purchased at one time is fairly dependent on the amount of money at hand, the method of buying frequency of deliveries, and space for inventory stock. With adequate and suitable storage, the purchase of staples may vary from 2 to 6 month supply with perishables weekly and/or daily.

A well- organized purchasing routine will save time, eliminate error, and give assurance that the right food will be at the right place when needed.

#### IV. METHOD OF BUYING

The following methods of buying may be adopted for quantity food purchasing.

1. **Informal or the open market:** For small establishments purchasing is done as per daily need from the local market on regular basis. Only those material and perishables are purchased which are required on that particular day. The quantities purchased are small and depends on the need and consumption.







2. **Formal competitive bid buying through tenders:** Large establishments plan purchasing for a specified time from the local vendors. The vendors are asked to submit their closed bid for a list of items to be supplied for a specific period of time. At least three or more vendors are called through advertisements in the local news papers. These suppliers are given names of the items to be supplied and their specifications. The rates are fixed for a period of time as per company policy. Terms and conditions are specified for supplies and payments.
3. **Negotiated buying:** It is a semiformal method of buying. This is done for items which are of one time purchase nature and there are not many suppliers of the items. After bidding, the rates are further negotiated with the supplier and purchases are made. Negotiations are done by the authorized purchase manager or manager.
4. **Future contracts:** These contracts are done by the company with the suppliers to stabilise the costs of material and services hired. These are the items which are used on a regular basis but required at different intervals.

## V. BULK PURCHASING

For certain items, bulk purchases are recommended. These purchases are made to ascertain the minimum price buying. These are the items which are related to seasonal crops and the items which can be stored for long time without deterioration in their quality. In fact some of these items like rice when used after keeping the raw rice for a period of time is found to cook and taste better.





## Purchasing Procedure

*Purchasing Procedure has the following stages*

1. Kitchens, Restaurants, Bars, etc send their requisitions to the store and stores intimates purchase department regarding the requirements. The procedure and specimen for making requisition slip can be seen in the chapter 'Storing and Issuing Control'.



2. Purchase officer makes the final list of items to be purchased and decides the department/supplier from whom to purchase and the quantity and quality required.



3. Either he places order on telephone and sends the purchase order later or the order is placed against purchase order. A copy of the purchase order is marked to stores department so that stores can receive the items as per the purchase specifications.



4. The goods are received along with the supply order by the stores department. The stores check the quality, quantity, weight etc. and checks the purchase order and supply order. After ensuring the right quality and quantity he/she signs the supply order and returns the copy of supply order to the supplier. A copy of the supply order is also send to purchase department and accounts department. The supplier sends the bill along with a supply order and purchase order to accounts department for settlement of the bill.



5. The stores receive the goods enteries in the stores and supplies to the respective departments are also made.



**PURCHASE REQUISITION FORMAT**

Number.....

Date.....

Cost Centre.....

**ABC HOTEL  
PURCHASE REQUISITION**

Please purchase for..... department.

Required on.....

| Item No. | Code No. | Description | Quantity Required | Remarks |
|----------|----------|-------------|-------------------|---------|
|          |          |             |                   |         |

Required by..... Checked by..... Approved by.....

| Issuing Department |                   |                |             |                   | Purchase Department   |          |               |
|--------------------|-------------------|----------------|-------------|-------------------|-----------------------|----------|---------------|
| Item No.           | Balance available | Daily/ Monthly | Consumption | Quantity Required | Purchase Order No.    | Supplier | Delivery Date |
|                    |                   |                |             |                   |                       |          |               |
| Store Keeper.....  |                   |                |             |                   | Purchase Officer..... |          |               |





## SPECIMEN OF PURCHASE ORDER

### Purchase Order

Date: 10.02.2007

ABC HOTEL

No. 56765

Ref: No ABC/07/45456

New Delhi

Phone: 34543456

To:

XYZ

The Cannaught Place

New Delhi.

Please enter our reference number on supply order and bill

| Quantity | Particulars        | Rate |    | Total  |    |
|----------|--------------------|------|----|--------|----|
|          |                    | Rs.  | P. | Rs.    | P. |
| 100 Kg   | Almonds Type '6'   | 190  | -  | 19,000 | -  |
| 250 Kg   | Pistachio Type '8' | 180  | -  | 25,000 | -  |
|          | Total              |      |    | 44,000 | -  |

The acceptance of this order is an acceptance of all conditions herein.

Signature  
Purchase Officer  
for ABC Hotel







## STANDARD PURCHASE SPECIFICATIONS

After the use has been determined, the food buyer must determine the specifications for each quality of food desired, define in detail the specifications of each standard before proceeding to locate a product that will meet these standards.

Specifications should be brief and simple but complete. They can be specified in terms of brand, weight, size, color, freshness, packing etc.. For example dressed chicken for different uses as roasted chicken should weigh 650 gms each, for curry 900 gms each etc. The contracts are also made in the same categories.

### Reasons/Objectives for preparing Standard Specifications:

- Buying Standard:** For each item to be purchased a buying standard is established by the management.
- Written Order:** The supplier is informed in writing precisely what the management requires to purchase.
- Price:** The price of the item is settled along with the purchase specification of the item.
- Receiving Department:** The receiving department is supplied with the copy of purchase specification to inform what quality to be accepted.
- Quality of Finished Product:** The right quality of item will ensure the right quality of finished product (dish). This will ensure the standard food and standard portion size.
- Chefs Performance:** If chef is supplied the standard raw material then he can not blame the purchase department for providing sub standard raw material for any complaint in the kitchen.

## VI. SELECTION OF FOODS

Familiarity with grade standards for each commodity is essential to the understanding of the levels of quality in foods.

### Methods of Purchasing

The true cost of an item is different from the printed price of the same item. The true costs incurred will be the invoice price less discounts. Compliments costs, carriage inwards





costs, packaging, insurance, forwarding cost, etc is added true cost. In case of purchasing of heavy equipments, the installation cost is also included in true cost.

### The following are the methods of purchasing:

1. Contract Purchasing
2. Purchasing through Quotations
3. Cash Purchases
4. Purchasing through Tenders
5. Centralised Purchases
6. Periodical Purchases

### 1. Contract Purchasing

The contract means when the buyer and seller-sign a contract to supply the certain quantity of item or to supply approximate quantity of item for a certain period. Contract purchasing can be of two types. These are:

Specific period contract and specific quality contract.

### Purchasing through Quotations

This form of purchasing is particularly used for perishable items like fruits, vegetables, milk, eggs, bakery products, etc. The supplier at times does not want to sign a contract to supply a certain item at a fixed price for a certain period. In such cases purchasing through quotations becomes popular. The quotations from different suppliers for certain items are collected and the quotations are compared and the competitive supplier is placed an order either for all the items for which he has offered quotation or a part of the items are ordered to one supplier and remaining items can be ordered to the other suppliers.

### 3. Cash Purchases

The departmental stores selling all kind of groceries, fruits, vegetables, frozen food have mushroomed in this competitive world and the prices are very competitive and change on daily basis due to competition. Hotels, at times prefer to send their representatives with the list and purchase from various departmental stores, pay cash and carry the items. This ensures the best quality of fresh perishables at competitive rates. Usually management fixes the list of departmental stores from where to purchase grocery and other perishable items. These departmental stores are large enough to ensure regular supply of all commodities at competitive rates. Even credit facilities can be extended by the departmental stores.







#### 4. Purchasing through Tenders

The open tenders are called to supply certain quantity of items with specifications. The prospective suppliers apply through sealed tenders on the tender forms supplied by the hotel along with earnest money. Tenders are opened at a specific time and date in the presence of those suppliers who are present. Rates are compared and the order is placed. The unsuccessful supplier's earnest money is returned and the selected supplier's earnest money is retained and returned after the contract is over. The contract is signed between the hotel and supplier. The difference between contract supply and tender supply is that the contract can be given to any near by supplier but in case of tender the advertisement is required to be made and all suppliers with a specific financial status are allowed to fill up the tender for supplies. Purchasing through tender is recommended when a large quantity is required and by making an open offer through print media a large number of prospective suppliers can be reached and more competitive rates can be obtained.

#### 5. Centralised Purchase

A chain of hotels may prefer to have a centralised purchasing system for non perishable items. All requisitions/requirements for the entire year or for a specific period are sent to head office. The Purchase department places order for all the hotels and dispatch the items to various hotels. The advantage of centralized purchasing is that it reduces the purchase department's over heads and due to large quantity of ordered food more competitive rates can be settled for all commodities. The centre stores keep some ready stock of various items where ever possible. Some times the suppliers are directed to supply the requisite quantity to the respective hotels and the hassle of supplying is also eliminated.

#### 6. Periodical Purchase

Certain items are not purchased on regular basis and are procured periodically. The procedure adopted for their purchase is usually quotations, cash and carry or contract purchasing. Usually either the non perishable items are purchased through periodical purchase system or those items which may not be required on regular basis.





## STANDARD PURCHASE SPECIFICATIONS

A concise description of the quality, size, weight, quantity, etc of a particular item is described in a Standard Purchase Specification. The specification is determined by the management after a lot of consideration and should be adhered to as far as possible. For making the purchase specifications, the menu, pricing, portion size, price of the menu/dish, desired food cost, etc are considered. The bin card contains the specification of the item mentioned on each bin and is strictly followed by stores, purchase department, receiving department and the chef, bar, restaurant, etc. Copies of the purchase specifications are also readily available with all the above mentioned departments.

## VII. RECEIVING OF PURCHASED ITEMS

Any item purchased should be carefully inspected for ensuring quality and quantity of the article by the authorized person who has knowledge of standard purchase specifications on which material is supposed to be supplied. He is authorized to receive or reject the supplied items. Meats, fish, shell fish and such other items which are costly and highly perishable should be inspected by the chef for freshness and quality standards.

## VIII. STORAGE

The proper storage of food immediately after it has been received and checked is an important factor in the prevention and control of loss or waste from pilferage, deterioration or infestation. Proper storage procedures are discussed in the next chapter.

### a) Periodical Check of Local Markets for Fluctuations in Rates

Periodically local markets should be checked for actual market price to make sure that the buying is in order and the purchases are made at right price.

### b) Storage of Purchased Items

After a careful selection, inspection and receiving of items the next most important thing is a proper storage of these items. Soon after the purchased goods are delivered they need to be send to the respective storage areas. It is important to maintain the freshness and quality of the purchased items because they may not be used on the same day or time. It is therefore suggested to place them in an appropriate storage place as soon as possible.





The items are first segregated as per their storage places. The items purchased are of following nature:

- **Dry items:** These items are non perishable; means which do not need any specific temperature for storage and can be kept at room temperature. These include packed items like masala, cleaning agents, sugar, atta, rice, pulses, convenience food (canned products) etc.
- **Perishable items:** Meat, Fish, Chicken and other meats, etc. are highly perishable items and need to be kept under freezing refrigeration as soon as they are received and checked for quality and quantity. Vegetables and fruits, fresh milk and milk products are also perishable and need to be kept under refrigeration.

## STORING

The basic motive of the store department is to supply the requisite stores to Kitchens, Restaurants, Bars, House Keeping, etc. as and when required. There should be no wastage of stocks due to bad storage, over stocking, wrong storing, wrong issuing (FIFO), etc. The store keeper should not only be able to supply the requisite supplies but the goods supplied should also be as per the desired specifications. Unnecessary storing of large quantity should also be avoided as this will increase the inventory cost and larger store space is required and this may also be a cause of wastage of stores.

The stores/should be located near the receiving departments and they should also be conveniently located so that various departments can pick up their stores without wasting much time and energy. The goods lifts can be provided to supply the goods to various departments.

The size of the stores should be large enough so that different items can be stored separately. More over space is required to un-pack the large packets and then stack them properly. It is a saying that in stores there should be a space for every thing and every thing should be at a proper place. The stores should be well ventilated and well lit. This helps in increasing the shelf life of the goods. The store should also have sufficient racks, containers, refrigerators, deep freezers, etc. so that the goods can be stored at proper temperature. For storing wines, the cellar should be made in basement or the temperature of the cellar should be maintained so that the wines are stored properly and they should not get corky during storage time.







The store department should adhere to specific timings so that all departments could pick their stocks. Usually different timings are allocated to various departments to pick their stocks. This scheduled timing helps hotel to supply goods to every one without wasting time. After the store timings the store should be properly locked and sealed and the keys should be deposited with time office. Only the staff working in store department should be allowed to enter in the stores. In case store is to be opened in the absence of store keeper, three responsible officers should open the store and all goods issued should be recorded and the store keeper should be informed about the same on his arrival to the hotel.

### Layout of Stores

Whatever form of layout is used, it is advisable that the stores stock lists should be printed in relation to the layout so that stock taking becomes convenient.

Consideration to be followed for typical layout of scores:

- (i) The stored items should be either arranged in an alphabetic order or numerically. Separate bin cards should be made for all items.
- (ii) Frequently issued goods are stored near the delivery door/window and the items which are not issued frequently can be stored a little away from the window/door.
- (iii) Stored commodities can be grouped. For example all pulses can be stored at one place and fruits and vegetable at other and the canned food at different places/ racks.

### c) Principles of Food Storage

The fundamental principle in the storage of food is to keep it clean, safe to use, cool and covered. Daily cleaning of storage area and regular inspections should be done to avoid any fault in the storage. Weekly cleaning and spring cleaning is a must to ensure protection from hazards of rodents and insects which may spoil the stored food items.

- To check the pilferage and maintain high standards of hygiene access to the stored items should be restricted to the authorized persons only.
- Only daily required perishable items should be given and kept in the kitchen. Rest of it should be kept in deep freezers and fridge.
- The dry store room should be well-lit, dry (without dampness), well ventilated, clean,





vermin proof and away from direct sunlight.

- Storage shelves or cupboards should be heavy and balanced to take the load of the items kept on it. Their height should be such that it is easy to handle. They should be placed in such a way that it can be seen easily by the store in charge for an instant referral.
- Preferably, the racks should have provision of adjustment of height in between the shelves so that the spaces are utilized to the maximum as per the size of the stored items.
- Tight fitted covers should be used for the storage bins.
- Heavy items of large packing should be kept at lower racks. Light weight items should be kept at higher shelves.
- Frequently issued items should be kept in front and items used seldom should be kept far end.
- FIFO- First in first out and LIFO-Last in first out should be monitored. This system keeps the stock rotating and allows maintaining a proper use of article within stipulated timeframe.
- No food storage bins, boxes etc. should be kept directly on the floor. It should always be kept at a raised platform.
- The storage bins should be made of a material which does not get rusted or gets grease accumulated on them. They should be easy to clean. Care should be taken to prevent any reaction of the container with the material kept in it.
- Care should also be taken while stacking the food items. Items which are very strong in smell or fragrance should not be kept close to the items which may absorb it. For example; if kept side by side Tea leaf may absorb the smell of detergent soap.
- Sea foods must be stored in the deep freezers at  $-35^{\circ}\text{C}$  wrapped in the food grade poly bags.
- Always put a tag (meat tags) on meats stating; Date and time of delivery, weight, type and cut.
- Bin Cards should be used for information of the product.
- Par stock levels should always be checked for reordering.





## RECOMMENDED TEMPERATURES FOR STORAGE OF SOME COMMODITIES

Following is the list of some food items with the recommended temperatures on which they should be stored

| S.No. | Item                                      | Recommended Temperatures |
|-------|-------------------------------------------|--------------------------|
| 01.   | Dressed Poultry Frozen                    | -18°C                    |
| 02.   | Dressed Poultry Fresh (same day use)      | -3 to 0°C                |
| 03.   | Eggs                                      | 2°C                      |
| 04.   | Milk (Bottled/Poly bag) and milk products | -1 to 4.4°C              |
| 05.   | Fish                                      | -5 to -1°C               |
| 06.   | Shell Fish                                | -18 to -10°C             |
| 07.   | Meats                                     | -8 to -3°C               |
| 08.   | Root vegetables                           | Room temp. (22°C)        |
| 09.   | Tomatoes                                  | 13-15.5°C                |
| 10.   | Fresh fruits                              | 5-8°C                    |
| 11.   | Grocery dry                               | Room temperature         |
| 12.   | Oils and fats                             | Room temperature         |







Purchasing plays an important role in controlling both the cost and quality of production is another essential aspect so that the store department can adhere to specific timings at which all departments could pick their specific stocks.

### REVIEW QUESTIONS

- (1) What is standard purchase specification. Draw a SPS.
- (2) Define purchasing and storing.
- (3) What are the different methods of purchasing?
- (4) List the principles of food storage.
- (5) Give the recommended temperatures for storage of some commodities.

