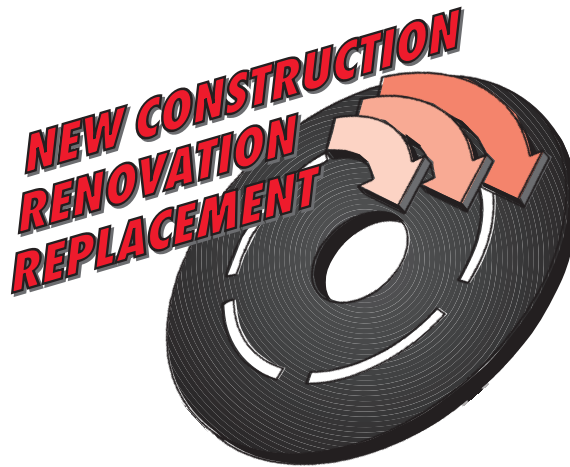


### OVERVIEW

This chapter explores the benefits of being creative. Yes, as you explore equipment purchasing options, you may want to take advantage of alternate methods to acquire equipment. As long as the guiding principles are still met, an alternate purchasing strategy may be cost effective and efficient.

The purchasing process which has been outlined in the preceding chapters should continue to be followed even as you explore these alternate options. Those options briefly described in this chapter are: pre-owned equipment, leasing, and cooperative purchasing.



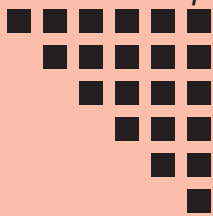
## Pre-Owned Equipment

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Very popular among restaurants and for-profit foodservice operations, pre-owned equipment often reduces capital outlay before an operation becomes established. Pre-owned equipment deserves serious consideration by school foodservice professionals. The pre-owned equipment may be on the market due to:

- under capitalized business having to sell it
- failed business venture
- menu change
- output (performance, capacity) requirements changed
- upgrade/trade-in

### *Traveler's Tip*



Mismatching voltage is a problem in pre-owned equipment. If you have a piece of pre-owned equipment that has never quite worked like you thought it would, check the voltage. The difference in heat output, energy consumption, and production on a 230 volt piece of equipment operating on 208 volts is 25% less. In each of these cases, there is nothing wrong with the equipment. It is just not right for the situation.

Pre-owned equipment may be a good value for one of your schools and it may be a good decision if:

- it is in excellent working condition
- it is partially or totally refurbished, i.e., new parts, repainted
- it is non-mechanical, this equipment is usually a good value as there are no electrical or motor parts
- it meets CNP needs

*Examples include:*

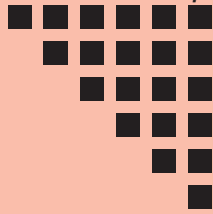
- work tables
- reach-in cooler/warmer
- metal shelving
- ovens
- kettles/braising pans

In other words, some equipment requirements lend themselves to the purchase of a pre-owned model more than other equipment.

*Alternate Purchasing Strategies*



### *Traveler's Tip*



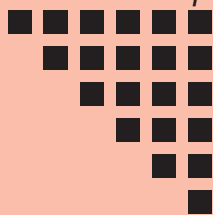
When considering purchasing pre-owned equipment be careful of:

- high maintenance equipment
- electro-mechanical controls may be a better choice compared to solid state or micro processor base equipment using water such as: steam cooking equipment, ice machines, dishwashers

All of these pieces of equipment should be carefully examined by an expert.

Be sure to choose pre-owned equipment that is safe to use and for which current operator safety devices are still usable or available (safety guards on slicers). Always use a reputable dealer who may offer a 30-90 day warranty. They may even provide a history of the equipment. It is recommended that you have a service agency verify credibility of equipment before you make a commitment to purchase it.

### *Traveler's Tip*



Check equipment to be sure it is a good investment.

Ask if parts are still available. Manufacturers are required to make parts available for 10 years. Remember to check environmental and local code regulations. For example, there are new regulations on coolants/refrigerants.

In summary, pre-owned equipment, especially pieces without mechanical parts, may make sense for your program. Identify the reputation of pre-owned equipment companies in your area. Put each piece through its paces. If they measure up, these pre-owned pieces may provide good value.



## Leasing Equipment

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Another option to consider is the lease of certain pieces of foodservice equipment or lease purchase.

*Benefits of leasing include:*

- method of financing may be less than a traditional loan
- relinquishes responsibility of ownership, i.e., maintenance, both routine and scheduled
- reduces risk of ownership for experimental menu offering and special events
- disposition is automatic

*Downside of leasing:*

- may be more expensive than traditional loan process in final total fee
- obligation of product such as chemicals, coffee, soft serve yogurt, or ice cream machines
- at the mercy of the leaser for ongoing maintenance

Before you lease a piece of equipment, be sure to know all the facts. You will want to calculate total cost, maintenance plan, and buyout. If you are in doubt about leasing equipment, procurement experts in your district should be able to give you guidance.

## Cooperative Purchasing

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Cooperative purchasing options may be available with a neighboring school district or with districts within your state or region. Perhaps you are currently participating in group purchasing for food and supplies. If not, you may find this method:

- enhances buying power
- saves some of the time involved in the procurement process
- provides you with additional resources or ideas

## Summary

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In summary, you will find that a little extra effort or creative exploration may lead to a different method of acquisition. Remember, all other steps in the process remain the same.

*Alternate Purchasing Strategies*

