

PSM

December 28, 2004

NOTICE TO THE TRADE - DeCA NOTICE 05-30

SUBJECT: DeCA Produce Options Round Table Discussion

A round table discussion will be held on January 25, 2005. The round table discussion is scheduled for 8:00 a.m. - 4:00 p.m., in the Board Room, at the Defense Commissary Agency (DeCA), 1300 E Avenue, Fort Lee, Virginia 23801-1800. All interested participants are invited. The purpose of this meeting is to discuss all suggestions, recommendations, questions, and concerns, as they relate to the establishment of a DeCA Fresh Fruits and Vegetable (FF&V) Program to meet DeCA's goal of the best quality at the best possible price. Private discussion periods will be conducted after the round table on January 26 and 27 to discuss any proprietary concerns. A list of suggested topics for discussion is attached (Attachment 1). DeCA operates 272 stores with volume over \$350 million in the United States, Europe, and the Far East (Attachment 2) and is soliciting market research on the several concepts of how to best meet this goal.

We request that all questions, suggestions, recommendations, and concerns relating to the creation of a DeCA (FF&V) Program be submitted in writing before the discussion by close of business January 17, 2005. This will enable DeCA to set up an agenda, to help facilitate the round table discussion. This round table discussion will be recorded. Please return the attached industry profile (Attachment 3) to assist DeCA in analyzing input.

Please fax, e-mail or phone questions to my point of contact, Carroll Allred. The fax number is (804) 734-8629, e-mail: [carroll.allred@deca.mil](mailto:carroll.allred@deca.mil) or call (804) 734-8387.

//s//

Scott E. Simpson  
Chief Operating Officer

Attachments:  
As stated

## INDUSTRY PROFILE INFORMATION

(Return by January 17, 2005, to DeCA Headquarters, 1300 E Avenue, Fort Lee, VA 23801 or FAX to the attention of Carroll Allred at (804) 734-8629.)

In order to better understand current contractor support capabilities, it is requested that you submit the following:

**COMPANY:** \_\_\_\_\_

**NAME:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_

**PHONE:** \_\_\_\_\_ **FAX:** \_\_\_\_\_ **Cell #** \_\_\_\_\_

**EMAIL:** \_\_\_\_\_

1. Indicate applicable category:  Grower  Distributor  Wholesaler  Broker  
 Other \_\_\_\_\_

2. Indicate all of the outlets you currently supply with produce.

- Commissary
- Retail Markets
- Distributors/Suppliers/Wholesaler
- Terminal Markets
- DSO/DSCP
- Other \_\_\_\_\_

3. Do you currently furnish products to DeCA?

Yes  No      If yes, attach a list of items and stores:

4. Are you a full-line supplier of produce?

Yes  No

If no, list major commodities supplied

\_\_\_\_\_  
\_\_\_\_\_

5. Does your number of employees exceed 100?  Yes  No  
Does your number of employees exceed 500?  Yes  No  
Do your average annual receipts exceed \$500,000?  Yes  No  
Do your average annual receipts exceed \$ 5 million?  Yes  No

Topics for discussion include but are not limited to the following:

- What does the private sector consider to be produce?
- How does the private sector use web ordering and electronic funds transfer (EFT).
- How should DeCA obtain support for its produce requirements; i.e., international, national, regional, and/or locally?
- How does the private sector buy and distribute FF&V? Can this system support DeCA's requirements?
- Is it economical for a single store to have more than one primary supplier?
- How can small businesses participation be enhanced?
- Is it beneficial to track sales movement? If so, what are industry standards for reporting.
- What pricing practices used in industry support DeCA's mission of providing a benefit to its patrons?
- How is nonperformance identified and avoided in the private sector?
- How does industry determine stock assortment for different sized stores?
- What are industry standard contract periods?
- What supply methods are available to meet DeCA's widely dispersed stores, and the benefits and risks associated with each?
- How does the grocery industry currently deal with deteriorated products? Can this approach be tailored to DeCA operations?
- How are specialty/ethnic products handled by industry; i.e. procurement to patron sale?
- Is it industry practice for suppliers or associations to provide décor items, point of purchase, etc., as part of produce programs? If so, how could DeCA take advantage of this concept?
- Does industry provide planograms and seasonal resets?
- What type(s) of promotional activities are available in industry?
- Are there ideal order lead-times?
- How is distribution currently done in industry today, and can it meet DeCA's needs?

- Does industry use “guaranteed sales”?
- Does industry use “accruals/allowances”?
- What kind (percentage) of savings are achievable for the patrons?
- Do vendors/suppliers get involved in merchandising assistance? Cost?
- Are there any other methods/best practices in retail, not currently being utilized by DeCA that should be considered?

