



## DEFENSE COMMISSARY AGENCY

HEADQUARTERS  
1300 E AVENUE  
FORT LEE, VIRGINIA 23801-1800

REPLY TO  
ATTENTION OF

DOB

DEC 6 2006

NOTICE TO THE TRADE – DeCA NOTICE 07-15

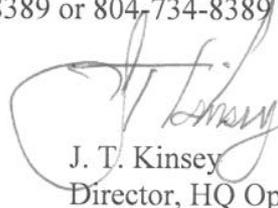
SUBJECT: Swell Allowance Pilot Program Progress

On October 1, 2006, the Defense Commissary Agency (DeCA) began its pilot to implement the Swell Allowance Program for selected companies. Good news! The pilot is proceeding smoothly and the first deductions from payments were accomplished as planned on November 3, 2006.

The purpose of the Swell Allowance Program is to save time and labor for both DeCA and our Industry partners by reducing the number of unsaleable Vendor Credit Memos (VCM) written at the stores and central distribution centers. Unsaleables are products that are no longer fit for sale, e.g., expired merchandise, leaky containers, etc. This is in contrast to DeCA's price recoup which is used to cover unidentifiable losses, such as theft and breakage by patrons not collectable from DeCA vendors. The Swell Allowance Program is replacing written VCMs for unsaleables (Block 2 on DeCA Form 70-10, Vendor Credit Memo). The monies DeCA will receive under the Swell Allowance Program will be the same monies DeCA would have received if VCMs had been processed.

Due to the high volume of proposals, and our commitment to the integrity of the Swell Allowance Program, DeCA has decided to phase-in the implementation of the Swell Allowance Program for the remaining companies. This is in lieu of full implementation of all companies as originally stated. We continue to accept offers from companies while negotiating others.

Thank you for your support of this program. DeCA is committed to ensuring it is a win-win for both DeCA and our Industry partners. If you have any questions concerning this program, please contact Ms. Mary DeSantis, DSN 687-8975 or 804-734-8975 for Performance and Policy or Ms. Sheila Walton, DSN 687-8389 or 804-734-8389 for Corporate Planning.



J. T. Kinsey  
Director, HQ Operations

Customers, Workforce, Partners → **Raving Fans!**  
DeCA's VISION will focus on people - all working together to create "Raving Fans."