

PSM

January 26, 2007

NOTICE TO THE TRADE – DeCA NOTICE 07-22

SUBJECT: DeCA CONUS- and OCONUS-Wide Price Line Frozen Whole Turkey and Fresh Turkey Parts Merchandising Program

The purpose of this Notice to the Trade (NTT) is to provide for a Brand Name Frozen Whole Turkey and Fresh Turkey Parts Merchandising Program beginning August 1, 2007. This program will encompass all brand name price line frozen whole turkeys and a premier brand name line of fresh turkey parts. The objective of this program is to offer our patrons competitive pricing on whole frozen turkeys during a key holiday period (November 1–21). This program is designed to obtain the best possible value for our patrons with regard to brand name fresh and frozen turkey products. It will encourage competition among suppliers, standardize pricing in geographical areas, increase turkey category sales over previous years, and provide competitive pricing on frozen turkeys throughout the year. The Butterball brand has been selected as the Defense Commissary Agency's (DeCA) premier frozen whole turkey, based on customer preference.

The MBU will accept marketing presentations from potential suppliers February 21–22, 2007, for the following three marketing sales areas: (1) Central, Northeast, Europe; (2) Southern, Midwest, Puerto Rico, Gitmo; and (3) Southwest, Northwest, Alaska, Hawaii, Far East. All presentations will be conducted at DeCA Headquarters located at 1300 E Avenue, Fort Lee, Virginia 23801-1800. Specific store locations by marketing area are provided at attachment 1. The brand name Butterball will not be considered as a price line frozen whole turkey supplier, but a presentation can be made as a fresh turkey parts supplier.

All presentations will be videotaped and will not exceed 1 hour in duration. Each vendor will be given 15 minutes before and after each presentation to prepare and clear the room. Contact Ms. Evelyn Trisvan at (804) 734-8614 to schedule an appointment. All appointments must be made no later than February 2, 2007.

Note: Industry is hereby informed that the government is not liable for any expenses incurred in the preparation of presentations. Items may be shown for presentation purposes but product tasting or meal preparation is not necessary or authorized. In addition, this is not a contractual solicitation; it is a merchandising agreement that is not governed by the Federal Acquisition Regulations. Industry will be permitted to "reclama" in accordance with established guidelines within this NTT trade.

Mandatory criteria are provided at attachment 2. Individual packets containing forms and schedules for each marketing sales area are also included (attachments 3-5). If you cannot meet the mandatory criteria as noted in attachment 2, you **should not** schedule an appointment for a presentation.

Order of presentation for the frozen whole turkey/fresh turkey parts program shall be as follows:

- a. Marketing Area(s)
- b. Mandatory Criteria – (Items a through u; attachment 2)
- c. Grading Criteria
 1. Every Day Low Price (EDLP)
 2. On-Pack Coupons

Selection Process: An Evaluation Committee will select a single supplier for a price line brand name frozen whole turkey and fresh turkey parts from the companies making presentations for each respective marketing sales area. The three marketing areas are (1) Central, Northeast, Europe; (2) Southern, Midwest, Puerto Rico, Gitmo; and (3) Southwest, Northwest Alaska, Hawaii and Far East.

a. **Evaluation Process for the Turkey Program:** The grading criteria used in the evaluation process, determining the overall best value to the patrons, will include EDLP and on-pack coupons. DeCA's intent for this program is to offer our patrons a competitive frozen whole turkey process, during the period November 1–21. For evaluation purposes, pricing for this designated period will be weighted heavier than other pricing periods.

b. **Notification Letters and Notice to the Trade:** Within 14 business days after all presentations, all participating parties will be sent a letter announcing the selection of the supplier for each geographical area. A debriefing sheet will be forwarded with this letter. A NTT will also be completed and placed on the American Logistics Association bulletin board. The final notification letters and the NTT will be forwarded to all participants simultaneously.

Reclama Process: All reclamationas must be in writing and must be received within 14 calendar days of the date of the notification letters to suppliers. All reclamationas must be sent to Defense Commissary Agency, ATTN: MBU (Mr. David M. Shaw), 1300 E Avenue, Fort Lee, Virginia 23801-1800.

Reclama Response: The MBU will provide a written response within 14 calendar days of receipt of reclamationa.

File Maintenance:

a. All companies that are not selected under this program as a turkey supplier and have core or discretionary items that are currently within DeCA's system will be "P" coded for phase out 30 days prior to commencement of the program. After 30 days, items will be deleted.

b. The merchandising program anticipated start date is August 1, 2007, and continues through July 31, 2008. The program will have a duration of approximately 1 year with two 1-year renewal options. The decision to renew options will be a unilateral right of the government and will be based upon supplier performance, continued competitive pricing, and adherence to the criteria specified in this NTT.

The core items are as follows:

Frozen Whole Turkey Core Listing:

Turkey, Frozen Whole Birds (Hens and Toms) - Class 1, 2, 3, 4, 5

Turkey, Frozen Whole Breast - Class 1, 2, 3, 4, 5

Fresh Turkey Parts Core Listing:

Turkey, Ground (93 percent lean) - Class 1, 2, 3, 4, 5

Turkey, Italian Dinner Mild Sausage (80 percent lean) - Class 1, 2, 3, 4, 5

Turkey, Ground Breast (99 percent lean) - Class 3, 4, 5

Turkey, Wings - Class 2, 3, 4, 5

Turkey, Drumstick - Class 1, 2, 3, 4, 5

Turkey, Boneless Cutlet (93 percent lean) - Class 1, 2, 3, 4, 5

Class 1 stores will stock six of the core items and may stock up to two additional discretionary items for a total of eight items. Class 2 stores will stock seven core items and may stock up to three additional discretionary items for a total of 10 items. Class 3, 4, and superstores will stock the eight core items and may stock up to five additional discretionary items for a total of 13 items.

The discretionary items are as follows:

Frozen Turkey Discretionary Listing:

Turkey, Fully Cooked, Whole

Fresh Whole Turkeys/Fresh Turkey Parts Discretionary Listing:

Turkey, Whole Bird (Hens and Toms)

Turkey, Whole Breast (No Backs)

Turkey, Breakfast Links (80 percent lean)

Turkey, Burgers

Turkey, Strips

Turkey, Marinated Products

Turkey, Thighs (Hen)

Turkey, Necks

Turkey, Drumettes
Turkey, Breast Tenders
Turkey, Wing Portion
Turkey, Half Breast
Turkey, Italian Dinner Hot Sausage (80 percent lean)

Of the total fresh meat case, 30 percent is designated for poultry and 7 percent of the poultry is fresh turkey with the exception of the Northeast and Central marketing areas which will receive 35 percent for poultry and 7 percent of the poultry is fresh turkey.

The point of contact for this program is Mr. Mark Arland, Category Manager, (804) 734-8226.

/s/
Scott E. Simpson
Chief Operating Officer

Attachments:
As stated