



DEFENSE COMMISSARY AGENCY

Ordering Officer's Guide For Resale Items

DEPARTMENT OF DEFENSE
HEADQUARTERS DEFENSE COMMISSARY AGENCY
Fort Lee VA 23801-6300

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Contract Management Business Unit

DeCA ORDERING OFFICER'S GUIDE FOR RESALE ITEMS



BY ORDER OF THE DIRECTOR

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AUTHORITY: Defense Commissary Agency Directive Management Program is established in compliance with DOD Directive 5105.55, Defense Commissary Agency (DeCA), November 1990.

MANAGEMENT CONTROL: This handbook does not contain Management Control provisions that are subject to evaluation, testing, and other requirements of DeCAD 70-2 and as specified by the Federal Manager's Financial Integrity Act.

APPLICABILITY: This handbook is applicable to Commissaries.

HOW TO SUPPLEMENT: This handbook may not be supplemented. However, suggested changes may be submitted to DeCA Contract Management Business Unit (CBU).

HOW TO ORDER COPIES: Stores needing additional copies will submit requirements on DeCA Form 30-21 to Region/IM. Regions will consolidate requirements and order per published schedule.

SUMMARY: This handbook contains guidance for DeCA implementation of the Ordering Officer's Guide for Resale Items.

OFFICE OF PRIMARY RESPONSIBILITY (OPR): DeCA CBU
COORDINATORS: HQ DeCA/PL/FS/IR/RM/GC/IG/SAA/DPCT/CBU/MBU/RGN WP/MW/EA
DISTRIBUTION: D

**DeCA
ORDERING OFFICER'S GUIDE FOR RESALE ITEMS**

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ORDERING OFFICER'S GUIDE
FOR
RESALE ITEMS

1. INTRODUCTION:

a. The purpose of this handbook is to clarify the duties and responsibilities of the Ordering Officers (OO) at store level who place orders against Defense Commissary Agency (DeCA) resale contracts and agreements. Guidance in this handbook will be used for all subsistence received by DeCA commissary personnel. Deli/bakery and fish market contracts are not covered by these instructions. **Appendix A** of this Guide contains separate and specific guidance for requisitioning and receiving fresh fruits and vegetables (FF&V) from the Defense Supply Center Philadelphia (DSCP).

b. Ordering Officers act as agents for the government when placing orders. They must be appointed in writing by the Chief, Subsistence Division, Contract Management Business Unit (CBU), Fort Lee, VA, in accordance with Defense Commissary Agency Acquisition Regulation Supplement (DeCAARS) 1.690. Subject to ensuring that funds are available and that local purchase authority exists for the transaction, persons occupying these positions may place calls within monetary limitations set forth in DeCA resale contracts and agreements.

2. DEFINITIONS:

a. Ordering Officers (OO) -- Personnel appointed in writing to place orders against DeCA resale contracts/agreements (within the monetary limitations as stated) and perform administrative functions pertaining to such orders, including termination of orders due to late deliveries and other product non-conformance.

b. Contracting Officer -- A person authorized in writing to execute and administer the contract on behalf of DeCA. The only person authorized to modify (change) or interpret a contract.

c. Contract -- A mutually binding legal relationship obligating the seller to furnish supplies and the buyer to pay for them, i.e. Indefinite Delivery Type Contracts (IDTC).

d. Agreement -- A written agreement negotiated between DeCA and supplier/manufacturer that consists of master terms and conditions identifying specific methods for ordering, invoicing, delivery, etc. i.e. Blanket Purchase Agreements (BPA) and Resale Ordering Agreements (ROA).

e. Non-conforming Product -- Product that is defective in material or workmanship or is otherwise not in conformance with contract/agreement requirements.

f. Unsatisfactory delivery -- Delivery that does not meet the terms and conditions set forth in the contract/agreement.

g. Unwholesome -- Product unfit for human consumption or its intended use.

h. Latent Defect -- Defect that exists at the time of acceptance but cannot be discovered by a reasonable inspection.

3. RESPONSIBILITIES: The OO's responsibilities are included in the contract/agreement under DeCA clause 52.0216-4512 for non-brand name and in DeCA clause 52.0216-4502 for brand name

products. An OO must possess a written delegation of authority before they can perform the duties of an OO. The OO may not make any changes in the terms and conditions of the contract /agreement against which they place orders. Their duties shall not be delegated to any other position or person.

4. **DUTIES:**

a. Placing orders (orally, electronically, or in writing) for items against DeCA's resale contracts/agreements.

(1) Individual orders for subsistence are unlimited as to dollar amount.

(2) Individual orders for resale items that are not subsistence shall not exceed \$100,000.00.

(3) IDTCs (identified by a "D" in the third position of the PIIN/contract number) must be the primary source by which products are obtained in accordance with the terms of the contract. If, based on unusual circumstances (emergency situations), a BPA must be used, the following guidance is provided: **Individual orders exceeding \$2,500 for NON BRAND NAME RESALE items must be competed by soliciting quotations from at least three qualified BPA sources (monthly price quotes, where applicable, may be used for this purpose). BPA orders of \$2,500 or less for NON BRAND NAME items may be made without competition if prices are reasonable; however, orders should be distributed equitably among available BPA suppliers. Informal records of competition sought and obtained must be maintained. When competition is required and only one source was solicited, an explanation for the absence of competition must be documented. BPA orders for BRAND NAME RESALE ITEMS are not required to be competed unless the brand name items are available from more than one supplier. In those cases, the competition requirements for non-brand items will apply.**

b. Maintain documentation in accordance with OO letter pertaining to orders placed.

c. Establish controls necessary to ensure that items received meet contract/agreement requirements.

d. Report contractor deficiencies to the responsible contracting officer.

e. Complete contractor performance surveys as requested by the contracting officer.

f. Be the "eyes and ears" of the contracting officer at the store.

g. Terminate calls or portions of the calls when necessary due to product non-conformance.

h. Work closely with the contracting officer to obtain adequate compensation for non-conformance action on the part of the contractor.

5. **ADMINISTERING ORDERS.**

a. Monitor the Delivery Schedule: (Each contract/agreement will include delivery specifications.)

(1) Track delivery status and document instances of late delivery.

(2) In the instance of non-conforming deliveries, negotiate a price adjustment equal to the loss to the government caused by the non-conformance. In the event an agreement cannot be

reached between the OO and the contractor representative, the OO will contact the appropriate contracting officer.

NOTE: In no instance are price adjustments asked for when products are conforming, are within tolerance, or have not reached the reject level.

(3) Maintain a documented trail of late deliveries by use of the Product Inspection Report (PIR), DeCA Form 10-21, (**Appendix B**). **DO NOT RELEASE INFORMATION CONTAINED ON THIS FORM WITHOUT PRIOR APPROVAL OF THE CONTRACTING OFFICER.**

(4) Report late deliveries with a follow-up telephone call to the contracting officer for appropriate corrective action.

(5) Report any other unsatisfactory performance to the contracting officer. Contact the contracting officer or contract specialist at the telephone number listed on the contract/agreement.

b. Monitor Receipt of Products:

(1) Never accept unwholesome products.

(2) Report all cases of non-conforming products by completing PIR (DeCA Form 10-21).

(3) Notify the contractor in writing in all instances when products are non-conforming.

(4) Accept or reject non-conforming products and document rationale on the PIR (DeCA Form 10-21). Sample procedures for addressing non-conforming deliveries of meat and for computing price adjustments for meat are in **Appendix C**.

(5) For other than meat products, price adjustments will be processed in accordance with provisions contained in the applicable contracts/agreements.

6. **REPORTING OF NON-CONFORMANCE.** This documentation is the “audit trail” that establishes the contractor’s performance within the terms and conditions set forth in the contract/agreement. The completed PIR (DeCA Form 10-21), should state the quantity delivered and address the following major areas:

a. Immediately inform the contractor of the problem; i.e., late delivery, wholesome product but yet non-conforming, or total rejection/replacement, etc.

b. Negotiate an appropriate price reduction with the contractor.

c. Obtain a vendor claim number, the name of the person issuing the claim number, the date and time, and record this information on the receiving document to support any mutually agreed upon price adjustment. Attach a copy of this information to the PIR (DeCA Form 10-21) and the subsequent delivery ticket.

d. Forward a copy of the subsequent delivery ticket and the credit memo to the ACS for processing.

e. Document the non-conformance(s) on the PIR (DeCA Form 10-21).

- f. Obtain concurrence from the medical food inspector or department manager on wholesomeness of the product.
- g. Document the OO's decision, including rationale for accepting non-conforming products in the remarks block of the PIR (DeCA Form 10-21).
- h. Document the price adjustment obtained for the non-conformance on the PIR (DeCA Form 10-21).
- i. Forward completed forms via fax, e-mail, or surface mail to the Quality Assurance Specialist (QA) at the Contract Management Business Unit. The preferred method is faxed copies.

FAX to: (804) 734-9671 or 9685

E-mail to: cbupir@hqlee.deca.mil

Mail to:

Defense Commissary Agency
CBU/RAS, ATTN: QA
5258 Oaklawn Blvd
Hopewell, VA 23860-7336

NOTE: The QA Specialist is the same for the CBU and MBU. If the QA Specialist is not available, contact the Contracting Officer or Contract Specialist at the telephone number shown on the applicable contract/agreement. The PIR (DeCA Form 10-21) will become part of the contractor's quality history file for past performance to be used for future awards.

7. RECEIVING PRODUCT ON A CONDITIONAL BASIS.

- a. To prevent a common carrier from being delayed in making deliveries to other installations, the Ordering Officer may take possession of a shipment before inspection is performed. When this is necessary, annotate the trucker's paperwork with an exception statement as follows: **"Received to avoid carrier delay. Deferring acceptance pending completion of inspection showing satisfactory results."**
- b. With this statement, the Government is not considered to have accepted the product until the inspector reports that the product is conforming. Segregate any rejected product for vendor pickup. If product is non-conforming and the OO is considering acceptance, then the OO should contact the contractor to negotiate a price adjustment for that product delivered before acceptance.
- c. In locations where there are no medical food inspectors, Department Managers or receiving personnel are responsible for insuring products conform to contract/agreement requirements.

8. REPORTING LATENT DEFECTS: If latent defects are discovered after the Government has accepted the product, the Government, through the Contracting Officer, still has remedies against the contractor. The OO should telephone the applicable Contracting Officer and then prepare a letter to the Contracting Officer outlining what has occurred on that particular delivery order/call. It is important that the products be segregated from the usable product. Chilled products shall be stored in a manner that they will not further deteriorate.

APPENDIX A

GUIDELINES FOR ORDERING AND RECEIVING FF&V

1. **QUALITY STANDARDS.** All produce (FF&V) purchased for DeCA produce departments should be of the highest quality and freshness, consistent with the prevailing commercial standards and market conditions. All products will be U.S. Grade 1 equivalent or better. Commissary personnel should advise their region/area office personnel when product quality or overall appearance is not acceptable.
2. **REQUISITIONING.** Order only items and quantities needed for each delivery, as control of produce freshness and quality depends first and foremost on ordering accuracy. Since FF&V products spoil easily and vary in availability and price, you must evaluate orders carefully, combining good judgement with experience. Refer to the previous month's or prior year's order worksheets, as well as available item movement reports to determine quantities needed to meet patron demand.
3. **RECEIVING PROBLEMS.** Receiving personnel should resolve all discrepancies between quantity shipped and quantity received, as well as product condition and quality, with assistance from available medical food inspection personnel and commissary officer, if necessary.
 - a. The produce department manager is responsible for inspecting produce in the absence of medical food inspection personnel, and for identifying produce with less than excellent quality.
 - b. Reject any deteriorated or poor quality merchandise, notify the DSO by telephone, and request replacement of merchandise being rejected. Document rejection on receipt document. Prepare DeCA Form 10-21, Product Inspection Report, for documentation and historical purposes, and forward a copy to the DSO, your region, and the MBU, Attn: Quality Assurance Advisor.
 - c. For Europe: When credit is requested, send one copy of DeCAF 10-21 to DSCPE-Miessau office, one copy to the terminal market and one copy to the Accounts Control Business Unit (ACBU). Financial credit will be given by the DSCPE office in Miessau, not by the terminal market.

DEFENSE COMMISSARY AGENCY PRODUCT INSPECTION REPORT <i>(For use of this form, see DeCAH 10-11.)</i>		DATE
PART I		
TO Defense Commissary Agency CBU/RAS ATTN QA 5258 Oaklawn Blvd Hopewell VA 23860		FROM <i>(Inspection Unit Address)</i>
DODAAC		PHONE
CONTRACT NUMBER		COMMISSARY
REPORT NUMBER		CONTRACTOR NAME
		CALL NUMBER
PART II <i>Non-Conforming Items Only</i>		
ITEM	ITEM	
LOT SIZE	LOT SIZE	
NONCONFORMANCE	NONCONFORMANCE	
ITEM	ITEM	
LOT SIZE	LOT SIZE	
NONCONFORMANCE	NONCONFORMANCE	
MEDICAL FOOD INSPECTOR (MFI)/DEPARTMENT MANAGER	DATE	
PART III		
1.a. REQUIRED DELIVERY DATE	4. WAS THE SHIPMENT COMPLETE? <input type="checkbox"/> YES <input type="checkbox"/> NO	
b. ACTUAL DELIVERY DATE	IF NOT, HOW MANY ITEMS WERE SHORTED?	
c. WAS PRODUCT ACCEPTED/REJECTED?	TOTAL CASES ORDERED	
	5. WAS THE DELIVERY VEHICLE CLEAN? <input type="checkbox"/> YES <input type="checkbox"/> NO	
	IF NOT, WHAT ACTION WAS TAKEN?	
2. WAS THE DELIVERY LATE TO THE POINT OF NON RECEIPT? <input type="checkbox"/> YES <input type="checkbox"/> NO	6. WAS THERE A MONETARY ADJUSTMENT MADE? <input type="checkbox"/> YES <input type="checkbox"/> NO	
IF THE SHIPMENT WAS RECEIVED LATE, HOW LATE WAS THE DELIVERY?	IF SO, WHAT WAS THE TOTAL DOLLAR ADJUSTMENT?	
	WHAT WAS THE VENDOR CREDIT NUMBER?	
3. WHAT WAS THE INTERNAL TEMPERATURE OF THE PRODUCT AT THE TIME OF DELIVERY?	DATE OF APPLIED CREDIT	
	CONTRACTOR POC	
DEPARTMENT MANAGER/MFI REMARKS		
ORDERING OFFICER'S SIGNATURE	DATE	PHONE

**INSTRUCTIONS FOR COMPLETING
PRODUCT INSPECTION REPORT, DeCAF 10-21**

This report shall be completed by the destination activity and will use the following flow path:

-- Using the current contract and Technical Data Sheet (TDS), the Military Food Inspector (MFI) or Department Manager will inspect product to identify non-conformance and complete the Product Inspections Report.

-- The Ordering Officer (OO) will make the determination for accepting, rejection or price adjustment. **PRICE ADJUSTMENT WILL BE MADE ONLY AFTER THE OO CONTACTS VENDOR REPRESENTATIVE AND AMOUNT IS MUTUALLY AGREED UPON.** Product that is found to be unwholesome or unfit for its intended use will not be accepted. After completion of the form, the OO will forward the report to the Quality Assurance Specialist, DeCA CBU/RAS, Fort Lee VA, with a courtesy copy to the Region FS/QA Officer. The OO will also provide a copy of the report to the contractor's designated representative.

Forms can be e-mailed to CBUPIR@HQLEE.DECA.MIL, Faxed to (804) 734-9671/9685, or mailed to the address listed on the front of this form.

PART I

SELF EXPLANATORY

PART II

TO BE COMPLETED BY THE DEPARTMENT MANAGER OR MILITARY FOOD INSPECTOR (MFI)

1. Item and National Stock Number
2. Number of items received (packages, pounds, etc)
3. Nonconformance (i.e., for Box Beef and Pork, Defect Code, or actual findings; all other may be specified.)

If more space is needed for Part II, a blank sheet of paper may be used and attached to the PIR.

PART III

SELF EXPLANATORY

APPENDIX C

PRICE ADJUSTMENT FORMULA FOR NONCONFORMING PRIMAL AND SUB-PRIMAL PRODUCT

1. A fair, but simple, price adjustment may be determined for each nonconforming primal and sub-primal by using the following formula. The same steps must be followed for **each line item** not in conformance due to poor workmanship, prohibited material or not cut as specified.

Step 1. Remove the excess fat or tissue. Fabricate **each sample** of nonconforming product to create a conforming cut. Weigh what was removed from each sample and then add it together and enter in (a) below:

$$\begin{array}{l} \text{Sample \#} = \underline{\hspace{2cm}} + \underline{\hspace{2cm}} = a \\ \text{(a) = total lbs of product removed} \end{array}$$

Step 2. Calculate the average (b) loss weight of (a) above. Average is determined by dividing the total weight of loss product by the total number of samples

$$\text{Average loss} = (b)$$

Step 3. Multiply (b) by the number of pieces in the nonconforming lot to calculate the total loss in the shipment (c)

$$(b) \times (c) = \underline{\hspace{2cm}} \quad (\text{maximum allowed for price adjustment})$$

NOTE: To calculate losses for defects such as scores and/or excessive tissue, remove the defect and credit the contractor for any portion used.

Example for excessive tissue on a chuck:

25 lbs product at \$1.30 per lb.
 3 lbs removed at \$1.30 per lb. = \$3.90
 3 lbs excessive trim used in ground beef at \$1.00 per lb = \$3.00
 \$3.90 original cost of product **MINUS** \$3.00 recovered in ground beef equals \$.90 that must be recovered for original 3 lbs.
 \$.90 divided by 3 lb = \$.30 per pound needed as credit.
 \$.30 per lb times the number of **POUNDS** of chuck in the shipment is the final credit.

2. Price adjustment can only be requested for product that exceeds the reject number in the Technical Data Sheets (TDS).