

THE DEFENSE COMMISSARY AGENCY

(DeCA)

Business Guide

May 2014



*DeCA - Serving the greatest and most deserving customers in the world –
our Nation's military and their families!*



Welcome Message

The Defense Commissary Agency's mission is to provide a premier Commissary benefit to all members of the United States Armed Services, retirees, and their families. The commissary benefit is one of the core elements of military family readiness and support because it enables the family unit to locate and live with sponsoring military members around the world. The benefit also enhances the military quality of life by extending the families' purchasing power which accounts for the services' retention rate.

U.S. grocery products and prices are consistently delivered worldwide to provide a 'taste of home' wherever military personnel and family members are assigned. We also serve military families geographically separated from deployed service members.

If you are a small business you are encouraged to read this booklet and explore our website at www.commissaries.com. This is where DeCA and your company can begin the pursuit of a meaningful partnership to provide quality grocery products, supplies, services, and equipment at the best price to the most deserving men and women of the United States Marine Corp, Navy, Air Force, and Army military services.

If you have questions, please contact our Office of Small Business Programs (OSBP) via email at small.business@deca.mil.

Welcome to the exciting world of DeCA!

Director,
Office of Small Business Programs

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DeCA's first responsibility is to the patrons and our mission is to provide a safe and secure shopping environment for our military and their families.

About DeCA

Headquartered at 1300 E. Avenue at [Fort Lee, VA](#), the Defense Commissary Agency (DeCA) is responsible for all commissary operations worldwide regardless of the military service branch.

The DeCA store operations structure consists of five area offices in three locations: The [West](#) and [Pacific](#) areas headquartered at McClellan, California, the [East](#) and [Central](#) areas at Fort Lee, Virginia, and [DeCA Europe](#) headquartered at Kapaun Air Station, Kaiserslautern, Germany.

DeCA sells quality grocery products at cost plus five percent (5%) surcharge to active duty military personnel, retirees, Reservists, National Guard members, and their families in a safe and secure shopping environment.

A core military family support element and a valued part of military pay and benefits, DeCA commissaries contribute to family readiness, enhances the quality of life for America's military and their families, and helps to recruit and retain the best and brightest men and women to serve our country.

Annual total grocery savings for a family of four who regularly shop with the DeCA commissary system can save more than \$4,509. A single service member can recognize an annual savings of more than \$1,553.

The ultimate goal of DeCA's marketing efforts is to encourage all active-duty members, retirees, Guard and Reserve personnel and their family members to take advantage of the savings commissaries offer by shopping regularly and making DeCA their "everyday" store.

What DeCA Buys

Brand-Name Resale - Grocery Items Special Rule: All resale items must meet the requirements of United States Code (USC) Title 10, Section 2486 (e) regarding the procurement of a brand-name commercial item for resale in, at, or by DeCA commissary stores. The commercial item shall be sold regularly outside of commissary stores under the same brand name as the name by which it will be sold in or at DeCA commissary stores.

Only sales of the item on a regional or national basis by commercial grocery or other retail operations consisting of multiple stores shall be used to determine whether a brand name commercial item is regularly sold outside of DeCA commissary stores.

Items considered for resale include various grocery products and household cleaning agents such as dry, refrigerated and frozen products, non-alcoholic beverages, health and

beauty care, detergents, pet foods, Clorox, etc. These products must have identifiable customer recognition, and are stocked for resale based on commissary patron preference. Items selected are based on criteria such as product quality, competitive pricing, availability of products, demonstrated and anticipated customer demands.

Brand-name resale items are procured non-competitively from the product manufacturers or their authorized representative, whereas the specific brands procured determine the source.

Non Brand Name (Market Ready) Resale Products - Non Brand or Market Ready products are those that have no demonstrated or anticipated customer preference for specific brands. Rather, the customer preference is defined by a commercial product description, such as fresh fruits and vegetables, beef, pork, firewood, seafood, and in-store operations like deli/bakery services.

Note - DeCA's buying process for all commodities and services other than Brand Name Resale are awarded through a formal competitive solicitation process on a best value basis. The majority of these solicitations over \$25K are advertised on Federal Business Opportunities (FBO).

Information Technology (IT) - Procures all non-major/non-ACAT requirements, to include supplies, hardware, software, maintenance, licenses, and telecommunications.

Equipment - DeCA buys equipment necessary to operate a commissary. Types of equipment include: copiers, balers, pallet jacks, scissor lifts, bulkers, horizontal slicers with conveyors, mixer/grinders, single hopper, tandem, patty molders, saws, tenderizers, cigarette merchandisers, safes, etc.

Services - Typically procured through competitive methods using a type of best value award decision. Commercial activities services include shelf stocking, custodial services and receiving/storage/holding area.

Support Services - Includes armored car, banking, auditing, headquarters custodial, coupon redemption, rendering, grease trap, inventory, knives/blades, linen/ laundry, equipment maintenance, parking lot cleaning, pest control, subscriptions, trash removal, utilities, etc.

Construction - New stores, additions and alterations to existing stores, refrigeration replacement, upgrades and architectural upgrades.

Architectural - Engineering Services – Site surveys, testing and design services for new stores and upgrades for existing stores, energy and environmental support.

Facility Maintenance – The General Services Administration (GSA), Rocky Mountain Region has established six (6) regional maintenance contracts for DeCA commissaries.

Ethics

As a Department of Defense (DoD) federal agency, DeCA is obligated to conduct its business affairs with absolute integrity and impartiality. Each employee is required to follow far stricter personal and business standards than commonly accepted in private industry.

Employees are also prohibited from accepting, soliciting, or agreeing to accept directly or indirectly, any gift or gratuity from any person, persons, company or organization conducting business or desiring to conduct business with DeCA.

All agency employees shall avoid even the appearance of improper conduct.

Small Business and DeCA

Public Law (P.L. 95-507) stipulates that it is Government policy for ALL federal agencies to provide maximum practicable opportunities in its acquisitions to small businesses, small disadvantaged businesses and women-owned businesses.

DeCA buys a substantial amount of goods and services from small businesses because we recognize that small business is critical to our economic recovery and strength, to building America's future, and to helping the U.S. compete in today's global marketplace.

Supporting small businesses is a good business practice, and the Agency's OSBP is committed to promoting an environment where small business enterprises are able to compete fairly in our purchasing activities.

DeCA is always looking for competitive and competent small businesses who can supply the products and services we procure. Every effort is made to afford all small business concerns an equitable opportunity to compete for all contracts they can perform, consistent with Government interest and efficient performance.

We encourage small businesses to seek out participation as subcontractors in contracts awarded to other than small businesses.

Specific questions related to doing business with DeCA should be submitted to the Office of Small Business Programs via email small.business@deca.mil.

Small Business Information

The United States **Small Business Administration (SBA)** was established in 1953 as an independent agency of the federal government to aid, counsel, assist and protect the interests of small business concerns, to preserve free competitive enterprise and to maintain and strengthen the overall economy of our nation.

The SBA helps Americans start, build and grow businesses through an extensive network of field offices and partnerships with public and private organizations in the United States, Puerto Rico, the U. S. Virgin Islands and Guam.

The SBA is responsible for establishing size standards for the different industries in the economy and should be the first point of contact for a small business or a company unsure of their size classification.

The definition of “small” varies by industry, thus the SBA created the Table of Small Business Size Standards to help small business owners evaluate their business status. Size standards are matched to the [North American Industry Classification System \(NAICS\)](#) code.

Contact the SBA to learn how annual receipts and the employment average of a firm are used to determine the business’ size and also to provide answers to specific questions about financial assistance, loans, and business development. The web site is <http://www.sbaonline.sba.gov>.

Small Business Size Standards

The following categories and size standards are typical of DeCA procurements:

<u>Industry Description</u>	<u>NAICS</u>	<u>Size Standard</u>
Bread	311812	500 Employees
Soft Drink beverages	312111	500 Employees
Deli Bakery Services	722310	\$35.5M
Eggs	112310	\$12.5M
Milk	311511	500 Employees
IT Maintenance Support	541519	\$25.0M
Armored Guard Services	561613	\$19.0M
Signs & Ad Displays	339950	500 Employees
Shelf Stocking/Custodial	561990	\$10.0M
Construction	236220	\$33.5M

Electronic Commerce (EC)/Electronic Data Interchange (EDI)

Like the rest of the Federal Government, we expect many of our suppliers to have the capability to receive orders, submit price changes, or receive payments electronically.

Visit our website at www.commissaries.com/business/edi/edi_main_page.cfm for detailed information on EDI or contact the DeCA EDI coordinator via email at EDIADM@deca.mil.

System for Award Management (SAM)

SAM is the official U.S. government – owned, operated and maintained system that consolidated the capabilities of Federal procurement systems and the catalog of Federal Domestic Assistance into one new system.

There is no charge to register and/or maintain your contractor information in SAM. Please remember a contractor's registration must remain active through the life of the contract. The website is <https://www.sam.gov>.

Getting Started

The first step in **selling brand name resale** products to DeCA is to make an item presentation to the Agency's [Sales Directorate, Category Management Group](#) for the commodity you wish to market.

The presentation is your opportunity to market your product and provide any unique information.

Before selection, a brand name resale product must have a Global Trade Identification Number (GTIN) and Universal Product Code (UPC) and be sold in commercial supermarkets.

Information regarding GTINs and UPCs, should be addressed to GS1 (formerly the Uniform Code Council Inc.) at (937) 435-3870, web site www.gs1us.org or via email at info@gs1us.org.

Details of your offer must be summarized on a DeCA New Item & File Maintenance Form (DeCAF) 40-15 dated November 13, 2012. Please note: this is the only form version DeCA will accept. Questions about the DeCAF 40-15 should be addressed to Betty Farmer at betty.farmer@deca.mil or (804) 734-8000 extension 48311.

Specific time frames for measuring product performance will be explained during your presentation. For brand name resale, your product's performance determines whether it

will remain in our stock assortment. We continuously analyze product sales information and if sales trends indicate your product is moving, then replenishment quantities are ordered; if not, your product will be phased out and deleted from our stock assortment.

Contact the Sales Directorate to obtain information on how it is determined if your brand name resale product will remain in DeCA's stock assortment.

Marketing Your Product to DeCA

Below are some key points you should consider in developing your brand name item presentation.

- Have a developed business plan
- Is your product similar to an existing brand?
- Identify the performance characteristics of your product.
- Provide documentation about your products' ranking within a category.
- Identify the similarities and differences between your product and other products in the category.
- Discuss providing samples for evaluation with the category manager.
- Explain how you will monitor your product's performance if accepted.
- Identify your defined distribution and stock methods.
- Explain your pricing structure plan. What will the price of your product be and for how long?
- Define your method to promote your products (coupons, demonstrations, etc.)

Basic principles to establish and maintain a good working relationship with DeCA are the same as doing business with commercial industry: provide the product or service required at a fair price; educate yourself about the customer's needs, buying policies and practices; follow-up and ensure the person you are dealing with has the authority to obligate the government.

There is no mystery or magic about selling your products or services to the federal government.

Interested businesses must begin by learning **how** the Department of Defense (DoD) conducts its business and by seeking out federal contracting offices and requiring activities with a need for the supplies and services they can provide.

Agency Contact Information

Points of contact information may change from time to time but there will always be someone available to answer your questions.

Small Business Office – small.business@deca.mil

Sales Directorate – DeCASalesDirectorate@deca.mil

Agency Webpage - <https://www.commissaries.com>

Definitions

Acquisition Categories (ACAT) - Categories established to facilitate decentralized decision making, execution and compliance with statutorily imposed requirements. The level of review, decision authority, and applicable procedures are determined by the category.

Broker - An official representative authorized by the manufacturer to act on the manufacturer's behalf to fulfill contractual requirements.

Contractor - An individual or other legal entity (directly or indirectly thru an affiliate) to act as an agent with the Government to submit offers for or is awarded, or reasonably may be expected to submit offers for or be awarded a Government contract.

Distributor - An official representative authorized by the manufacturer to deliver resale products covered under the manufacturer's contracts to designated geographical areas. Also, acts on the manufacturer's behalf to fulfill contractual requirements.

Competition In Contracting Act (CICA) - A policy established in 1984 to encourage competition for government contracts. The idea is that increased competition will result in improved savings to the government through more competitive pricing. The Act applies to all solicitations for bids issued after April 1, 1985.

Commercial and Government Entity (CAGE) Code – A five character code that identifies a company's 'Remit To' address location. The alpha O and I are not used in CAGE code assignments.

Data Universal Numbering System (DUNS) - A nine digit number assigned by Dun and Bradstreet to identify a company's physical location. Contact D&B by calling (866) 705-5711 or <http://fedgov.dnb.com/webform> .

DeCA Forecast – Represents DeCA's best estimate of contracting opportunities for a designated fiscal year (FY).

DeCA Form 40-15 New Item & File Maintenance Form – Document used to present a Brand-Name item for resale to the DeCA Sales Directorate. The latest version accepted by DeCA is dated November 13, 2012. The DeCAF 40-15 is available via email from a DeCA buyer or from www.commissaries.com. Questions about this form should be addressed to Betty Farmer at betty.farmer@deca.mil or by telephone at (804) 734-8000 extension 48311.

Delivery Methods –

Frequent Delivery System (FDS) – Product delivered on a predetermined frequency (ordered electronically) and delivered by the manufacturer’s distributor.

Direct Store Delivery (DSD) – Product ordered, delivered, and stocked by the manufacturer (i.e., bread, milk, chips, etc.).

Direct Store Delivery – Single (DSD-S) – Product ordered by store personnel or manufacturer; delivered days later by over-the-road carrier (i.e., trucking service).

Department of Defense (DoD) - The federal department responsible for safeguarding the national security of the United States.

Electronic Data Interchange (EDI) – is a document standard which when implemented acts as common interface between two or more computer applications in terms of understanding the document transmitted. It is commonly used by big companies for e-commerce purposes, such as sending orders to warehouses or tracking their order.

Electronic Funds Transfer (EFT) – The electronic exchange or transfer of money from one account to another, either within a single financial institution or across multiple institutions, through computer-based systems.

Federal Business Opportunities (FBO) – A safe and secure official website to view DeCA’s other than Brand Name Resale and other DoD business opportunities valued at \$25,000 or more. Subcontracting opportunities and contract awards information can be viewed at www.fbo.gov.

Global Trade Identification Number (GTIN) – GTIN describes a family of GS1 (EAN.UCC) global data structures that employ 14 digits and can be encoded into various types of data carriers. Currently, GTIN is used exclusively within bar codes, but it could also be used in other data carriers such as radio frequency identification (RFID). The GTIN is only a term and does not impact any existing standards, nor does it place any additional requirements on scanning hardware. For North American companies, the UPC is an existing form of the GTIN.

The GTIN is an identifier for trade items developed by GS1. Such identifiers are used to look up product information in a database which may belong to a retailer, manufacturer, collector, researcher, or other entity.

Invoicing - Is the act of producing or making a detailed list of goods shipped or services provided together with a description of all costs. It is a commercial document issued by a seller to a buyer, indicating the products, quantities, and agreed prices for products or services from the seller.

Manufacturer - A person, company or enterprise that produces a large number of goods through production of goods for use or sale using labor and machines, tools, chemical and biological processing, or formulation. A Manufacturer can be both the one who makes the goods and also be a supplier.

North American Industrial Classification System (NAICS) – is a standard system used by business and government to classify business establishments into 20 industries, by economic sector, industry, and the country of the business, according to the economic activity. The US Census Bureau assigns NAICS according to the businesses' primary revenue-generating activity.

Notice to the Trade (NTT) – DeCA uses the NTT as a written communication to inform resale industry partners of significant interest that are likely to affect their business relationship with DeCA.

Online Representation and Certifications Application (ORCA) – Please refer to the System for Award Management (SAM) for the Representations and Certifications process.

Paying Office – The Defense Finance and Accounting Service (DFAS) located in Columbus, Ohio pays DeCA manufacturers and vendors for resale operations.

Resale Ordering Agreement (ROA) – A written basic ordering agreement between DeCA and the manufacturer or the vendor. Contains all terms and conditions between DeCA and the manufacturer or the vendor, identifies specific methods of ordering, delivery, invoicing, pricing, etc. and is signed by the awarding contracting officer and the awardee.

Sales Directorate – Group of Commissary Management Specialists who are the life-line of the agency's Resale brand name and non-brand name item selection and purchasing system. Category managers interact with industry members to negotiate commissary pricing and patron savings based on measurable data that affects product movement. The Sales Directorate's main focus is to operate in a grocery industry that reacts to 'growing shopper empowerment'.

The U.S. **Small Business Administration (SBA)** was created in 1953 as an independent agency of the federal government to aid, counsel, assist and protect the interests of small business concerns, to preserve free competitive enterprise and to maintain and strengthen the overall economy of our nation.

Small Business Size Standard – The Small Business Size Act was created, in part, to help small businesses compete in the economic market. This act makes it necessary to establish standards of identifying small businesses.

System for Award Management (SAM) – SAM is the official U.S. government – owned, operated and maintained system that consolidated the capabilities of Federal procurement systems

and the catalog of Federal Domestic Assistance into one new system. There is no charge to register and/or maintain your contractor information in SAM. Please remember a contractor's registration must remain active through the life of the contract. The SAM website is <https://www.sam.gov>.

Supplier - A business or individual that supplies products or services to a retailer for sell to other people in exchange for something of value. Avails or extends a service or a good from point of manufacturing to the point of sales terminal. A supplier is also one who recognizes there are needs for goods or services, and provides the means for the customer.

Tax Identification Number (TIN) - Taxpayer Identification Number (TIN) and Employer Identification Number (EIN) are defined as a nine-digit number that the IRS assigns to organizations. The IRS uses the number to identify taxpayers who are required to file various business tax returns. TIN/EIN are used by employers, sole proprietors, corporations, partnerships, nonprofit associations, trusts, estates of decedents, government agencies, certain individuals, and other business entities.

Wide-Area Flow (WAWF) - WAWF is a paperless web-enabled contracting application that allows Government contractors to create and send electronic receiving reports and/or invoices to Government inspectors/acceptors for approval. It was designed to eliminate paper from the DOD contracting life cycle and to enable vendors and government officials to electronically access and process the documentation needed to generate payment for goods and services.



This guide was prepared to provide general information about doing business with the Defense Commissary Agency (DeCA) and is not ALL inclusive.