NOTICE TO THE TRADE – DeCA NOTICE 17-27

SUBJECT: Extension to Submit EDI Transaction Sets for April 1 Pricing Period

The purpose of this notice is to advise Industry of additional time to submit EDI 879 and 889 transaction sets for the April 1 pricing period. Date for submission is extended to 11:59pm EST, March 15, 2017, for April 1 effective date.

Industry is reminded that DeCA transitioned to a different cost concept for regular and promoted costs when we transitioned to Enterprise Business Solution (EBS) on February 1, 2017. Under EBS, DeCA requires Industry to use the EDI 879 exclusively to submit a regular base cost. The regular cost is defined as the everyday non-promoted cost that your company invoices DeCA. Once submitted the regular cost should remain fixed and only change as a result of a commodity, production, or factor that may affect the long-term base cost of the item.

Items offered for promotions may no longer be submitted to DeCA at the net promotion cost, but instead sent to DeCA as a promotional cost adjustment from the regular cost using an EDI 889, Promotional Announcement, for Powerbuys or Powerbuy line extensions, or a DeCAF 40-16, Promotional Display Presentation Form, for non-EDI 889 companies or for submitted Manager’s Specials. Please refer to DeCA NTT 17-14 dated January 19, 2017, for more information about submitting promotional costs.

There have also been questions regarding the 1% recoup calculation. The recoup is computed based on the regular base cost and then subtracting the promotional cost adjustments; e.g., \[\text{Regular Cost} \times (1 + 1\% \text{ Recoup}) - \text{Promotional Cost Adjustment} = \text{Retail Price}\]. The computed result is rounded upward to the next cent using the zero mil rule, e.g. if the cost is $.011 it would be round to $.02.

The point of contact for this notice is Mr. Gordon Jones, gordon.jones@deca.mil, 804-734-8000, extension 48240.