



DEFENSE COMMISSARY AGENCY

HEADQUARTERS
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MPS

NOTICE TO THE TRADE – DeCA NOTICE 15-07

JAN - 9 2015

SUBJECT: Mandatory Test for Everyday Low Pricing (EDLP) for Specific Categories in Overseas Commissaries

The purpose of this Notice to the Trade (NTT) is to announce that DeCA is moving towards an all-inclusive EDLP pricing strategy for overseas commissaries in the Europe and Pacific areas. The Agency will implement a mandatory EDLP test for the following categories and will measure results to category sales, savings, and customer acceptance for 3 months before expanding to additional categories.

<u>Category</u>	<u>DIBS Commodity Code(s)</u>
• Frozen Vegetables	3664, 3665
• Canned Vegetables	0041-0069
• Paper Products	1586, 1588, 1601, 1602
• Salad Dressings (Dry)	0022, 0023, 0027, 0028
• Household & Cleaning Supplies	1501-1557
• Cheese (Chill)	2928, 2929, 2930, 2932
• Lunch Meats	5908, 5910, 5912, 5914, 5916, 5918, 5919, 5920, 5922, 5923, 5924, 5926, 5932, 5933
• Franks	5934-5937, 5943
• Pet Products	1570-1578

An EDLP pricing strategy will assist DeCA as it transforms from receipt pricing to period pricing, or start/end date pricing, with the transition to Enterprise Business System (EBS). The implementation of EDLP will help to level supply chain spikes at OCONUS central distribution centers (CDCs) by reducing the impact of price fluctuations to inventory accounts caused by Hi/Lo pricing when items go on promotion. It will also aid in an easier transition to computer assisted ordering both at the stores and the CDCs by leveling the demand pattern associated with promotional pricing and reduce manpower costs associated with price changes and the processing of Vendor Credit Memorandums (VCMs).

Guidelines for the mandatory EDLP test program will include:

- Pricing submission by March 25, 2015, for a price effective date of April 16, 2015
- Minimum 90-day pricing
- Type I VCMs will no longer be approved for items in these categories effective June 16, 2015, or until first price lot of products are received into the CDCs
- EDLP items may still be featured as part of the national display package and have end, mass, or seasonal displays, and promotional signage at the shelf
- This test does not apply to commissaries located in Puerto Rico and Cuba