

Program Elements and Requirements

1. The government will select a Pre-Packaged Salad Program that is consistent with customers' preferences and market share that will be most advantageous to the patron with price, brand name recognition, variety, savings, marketing program, and other factors being considered. Included in this program are pre-packaged salads that can consist of bags, bowls, and other containers, along with pre-packaged spinach, cole slaw, shredded lettuce, greens, and other like items.
2. Evaluation Process for Pre-Packaged Salad Program: The grading criteria to be used in the evaluation process in determining the overall best value to our customers will include, but not be limited to, the mandatory requirements within this notice.
3. Notification Letters and NTT: Within 14 business days after presentations, all participating parties will be forwarded a notification letter announcing the selection of the primary and possible secondary suppliers for each marketing area. A debriefing sheet will be forwarded with this letter. A NTT will also be completed and posted to the DeCA Web site. The notification letters and the NTT will be forwarded to all participants simultaneously via overnight mail and/or facsimile with receipt acknowledgement required.
4. Reclama Process: Industry will be permitted to "reclama" the selection decision(s) in writing to obtain clarification of factors used in the selection process within 14 calendar days from the date of the "notification letters" announcing selections. Additional data that was not provided to the initial selection committee will not be authorized or accepted, unless requested by DeCA from all presenters. The "reclama" process is only allowed to review the original presentation and to once again validate the results. Reclamas, to be accepted, must be based on clarification of data submitted and not of the selection process itself. This process ends 14 calendar days from the date of the notification letters. All inquiries must be mailed via Return Receipt Requested to Defense Commissary Agency, ATTN: PSP, 1300 E Avenue, Fort Lee, Virginia 23801-1800.
5. Reclama Response: The MBU will provide a written response within 14 calendar days of receipt of reclama.
6. File Maintenance: Because no pre-packaged salad items will be stocked from other than designated supplier(s), items from current suppliers who are not selected will be "P" coded for phase out 30 days prior to commencement of the program. After 30 days, items will be deleted.
7. The base period for this agreement is November 1, 2007 (or date of actual implementation, if later), to October 31, 2008. Options will be considered for additional operating periods: November 1, 2008, to October 31, 2009; November 1, 2009, to October 31, 2010; and November 1, 2010, to October 31, 2011. The decision to exercise options will be solely at the discretion of the government and will be based upon the supplier's past performance and continued adherence to the criteria specified in this NTT.

8. For those marketing areas (or store locations) where only a primary supplier is designated, the primary supplier will be allocated 100 percent of the display space for this commodity. For those marketing areas (or store locations) where there is both a primary supplier and a secondary supplier, the primary supplier will be allocated 80 percent of the display space and the secondary supplier will be allocated 20 percent of the display space for this commodity. The produce department of each store location will devote 15 percent of the linear footage of chilled produce cases to this commodity. This will be measured as base feet on conventional cases and linear footage of shelves for multi-deck cases or a combination of both. Secondary suppliers will be limited to the highest-ranking 10 items, based on results obtained from Nielsen data. Secondary supply will generally be included in Class 3-5 stores within CONUS store locations. DeCA CONUS regions shall have the ability to add or delete participating stores, based on space availability and need for secondary supply coverage. The primary and secondary suppliers may not provide the same brand name products.

9. Poor or nonperformance of elements of this agreement as documented can result in termination of this agreement for the benefit of the government at any time. Poor or nonperformance may result from not achieving sales growth, missed deliveries, shorted deliveries, lack of savings, lack of timely satisfaction of VCM's, etc. Notice of poor or nonperformance will be given to the supplier in writing. The agreement can also be terminated for cause. In the event of termination of this agreement, the supplier that was rated as second in the overall evaluation process may be given the opportunity to be elevated to the status as the primary supplier for that marketing area, provided that they are able to perform in accordance with the terms of this agreement. In the event that the secondary supplier is unable to meet the terms of their agreement, then DeCA may select without further advance notification to Industry a source to supply product for the remainder of the primary year and option years or until a new marketing agreement can be put into place.

10. A Resale Ordering Agreement (ROA) must be used for sending price quotes using the "Electronic Data Interchange (EDI) 879" transaction set. If the offeror has a current ROA with DeCA, they should identify that ROA Number as a part of their proposal. If generic Industry Universal Product Codes (UPC) are used that start with "33383," then a non-EDI ROA must be obtained also. Suppliers needing to establish a ROA or non-EDI ROA should identify this need for assistance in establishing an agreement as a part of their proposal. The EDI monthly price quotes (1st – end of month) must be transmitted by the close of business on the 10th day of the previous month. The selling price should be rounded upward to the nearest whole cent per unit, not case. The selling price should reflect your company's best price and commitment to a long-term marketing program that will stimulate sales.

11. All processing plants where product is packaged must be on the list of Sanitarily Approved Sources for Military Procurement prior to the first scheduled delivery.

12. Fixed prices will be applicable, and may be updated no more than once per month (after the initial 3-month introductory period). Price quotes in the initial presentation will be for a minimum 3-month introductory or start-up period. All products must have a unique, scannable UPC code prior to delivery at DeCA commissaries. UPC codes using the standard generic

Industry code starting with “33383” must be on a non-EDI ROA and priced in the same timeframes as the EDI ROA.

13. All prices for the Northeast, Central, Southern, Midwest, Southwest, and Northwest marketing areas will be free-on-board (FOB) destination. Prices for the Pacific and European marketing areas will be FOB port of embarkation. DeCA will be responsible for the costs and logistics of shipping products to all locations shown in the Pacific and European marketing areas, unless alternatives are proposed by the offeror(s) which are subsequently determined to be more advantageous to the government.

14. Delivery Ticket Invoicing (DTI) and Electronic Funds Transfer (EFT) are required.

15. Quarterly report(s) will be forwarded to the Defense Commissary Agency, ATTN: PSP, 1300 E Avenue, Fort Lee, Virginia 23801-1800 and to each region director that is supported no more than 30 days after the end of the quarter. The intent of these reports is to provide an update of overall status of the program. These reports will be by total DeCA, region, zone, and store. This report must include, but will not be limited to, the following information with bottom line totals:

- Item UPC and nomenclature
- Summarized saving and sales
- Monthly sales for item in both dollar and packages
- Report showing sales growth
- Report that shows stores not in compliance with stocking and ordering requirements
- Monthly fill rate of each distributor
- Comparison to same month previous year (after the first year)
- Comparison to last year, year-to-date sales (after the first year)
- Savings by line item by name brand and private label
- Year-to-date sales for item in dollars and packages
- Turn rates for stores and distributors

NOTE: Supplier shall provide, as requested, to DeCA personnel, other related ad hoc reports within reasonable specific timeframes.

16. Point-of-Sale (POS) material support to maximize sales: Supplier must provide professional retail POS material. This material must be changed out at least quarterly, and will be approved by the MBU or region prior to issue.

17. All products in the merchandising agreement are to be guaranteed sales as defined in Paragraph VI, PROMOTIONAL AGREEMENTS (APR 1997) (DeCA 52.0213-4506) of the “BRAND NAME RESALE ORDERING AGREEMENT MASTER TERMS AND CONDITIONS.” In other words, any product not sold for any reason (i.e., damaged, out of date, etc.) will be purchased back via a Vendor Credit Memo (VCM) at 100 percent of cost by the supplier if not sold by the expiration date. Product may be marked down “25 percent or more” 3 days prior to expiration – at the supplier’s discretion and expense to minimize losses. The produce manager must contact the supplier for markdown approval and the supplier must

respond in one business day allowing for weekends, holidays, and other days of store closure. This contact can be by phone, fax, or e-mail. If supplier does not respond in one business day, product will be set-aside and purchased back by the supplier. Consideration will be given to the supplier when DeCA employees, equipment, or facilities are involved or in some way contributed to the loss. VCMs may be faxed to supplier for approval and return.

18. All products must be delivered as the freshest available with a minimum of 50 percent of their guaranteed shelf life remaining upon receipt at the commissary. Shelf life standards documentation for every product will be provided to each supported commissary, region office, and the MBU, one week prior to the first delivery. Any changes, additions, or deletions to this original product list will require additional, updated documentation to be provided to each location specified above, as appropriate. Less than full-days shelf life will be rounded to the next lowest number. For example, if the shelf life of a product is 11 days, the product must have at least 5 days of shelf life remaining. Commissary holiday closure, weather related closure, or any other scheduled closure would allow for one day additional delivery time the day following closure, unless otherwise specified. All products will require an "open code sell-by date." All packaging and packing shall be in accordance with good commercial practice. Labeling shall be in accordance with current commercial labeling requirements, complying with all applicable federal, state, and other requirements, ensuring all products are properly labeled in accordance with the USDA guidelines, if applicable. No product will be accepted without proper labeling and code dating. The produce manager or store directors designated representative will have the final decision if there is a difference of opinion as to whether the product is accepted or not, except in the case of wholesomeness, which will be decided by the Medical Food Inspector. Other Medical Food Inspector guidelines may apply. This will also be true for latent damages. When product is found defective after the initial delivery due to latent defect or undisclosed reason (e.g., cold-chain not maintained properly during shipment), the supplier will pick up the rejected product on the next regularly scheduled delivery day after receiving notice of the defect.

19. For CONUS stores, all Class 1 and Class 2 stores will receive deliveries two or more times a week. All Class 3 and larger stores and superstores will receive deliveries four or more times a week. Attachment 3 identifies each commissary by name, the Department of Defense Activity Accounting Code (DODAAC), and the Region Stockage List (RSL) store size or class size.

20. The supplier's delivery vehicles shall be equipped to maintain the appropriate temperature and product segregation as necessary to deliver the products at the proper temperature. Refrigeration trucks shall be used for all deliveries. This is to ensure that the "cold chain" is maintained before, during, and after shipment. Deliveries shall be made in clean, closed vehicles.

21. The supplier shall provide the names, addresses, phone numbers, fax numbers, and e-mail addresses of company designated points of contact for communications and coordination, as required. The list will be updated by the supplier, as needed.

22. The supplier shall provide a minimum percentage of patron cost savings throughout the term of this agreement, as specified in their proposal. This cost savings shall be as compared to the cost of same or similar items from comparable commercial operations within the local

commuting area. The supplier shall maintain a minimum distributor fill rate of 98 percent for both cases and line items.

23. The primary supplier(s) will ensure that planograms are provided for various store sizes and types of display cases in 2-foot increments to MBU for approval. Produce managers will ensure planograms are utilized in display cases.

24. The supplier shall possess and maintain a current, valid Perishable Activities and Commodities Act (PACA) license for the entire duration of this agreement.

25. The supplier will contact each store to obtain orders within proper timeframes for deliveries. Store level representatives will provide merchandising assistance to stores as necessary to achieve goals of increasing sales and patron satisfaction. Sales representatives will coordinate visits with store director(s) and produce manager(s).

26. Supplier will notify each store when they will not be able to make the delivery within the specified delivery times in the detailed distribution list provided to the MBU and the regions. Supplier will not be liable for late deliveries if the supplier is detained at/on military locations due to reasons beyond their control, and this delay causes a domino effect or the supplier is refused entry to the installation or store. Suppliers shall have no more than one missed delivery per month, per store.

27. In the event the primary supplier elects to provide any refrigerated cases to facilitate their operations under this agreement, approval must be obtained, in writing, from the Agency's program manager prior to the installation of any units at any store location(s). All vendor-provided cases shall maintain temperatures that will ensure the cold chain of the product is adequately protected. The government will have final approval for any proposed supply sources and use of vendor provided cases. Use of vendor provided display shelving and/or fan(s) for increased air circulation must be approved by the government in advance and are subject to the same terms and conditions as vendor provided refrigerated cases.

28. Suppliers will provide a period of not more than 48-hour "delivery lead time" from order day to arrival at store for all CONUS commissaries, excluding Sundays and/or non-operating days, unless specific exceptions are identified at time of presentation and accepted by the government. These 48 hours may be expressed as 2-working days to allow for weekends, holidays, closures, etc. The delivery lead time for OCONUS store locations will be as agreed to between the supplier and the government – as a result of the proposal review and acceptance process.

29. Supplier shall provide a detailed distribution list for each store that will include: the number of deliveries, the day and time of deliveries, the distributor's name, a point of contact with the distribution company, and the manner in which to handle "out of the norm" situations like weather, etc., seven days before the first delivery. The MBU and the regions must also receive this list seven days before the first delivery.