

DEFENSE COMMISSARY AGENCY HEADQUARTERS 1300 E AVENUE FORT LEE, VIRGINIA 23801-1800

MPS July 27, 2018

NOTICE TO THE TRADE – DeCA NOTICE 18-56

SUBJECT: Notification and Phase-Out Process for Deleted and Discontinued Items

The purpose of this notice is to advise Industry of the notification process for deleted items pursuant to the Brand Name Resale Ordering Agreement Master Terms and Conditions (ROA), dated October 2012, and available for review on www.commissaries.com/sites/default/files/2017-03/bn-roa.pdf, and identify a process change regarding Phase Out (P Code) status timing.

DeCA will inform the manufacturer/broker 60 days prior to an item being deleted. Upon notification, the item will be immediately placed in a P Code status for 60 days. The P Code status will alert Industry (Manufacturers, Brokers, and Distributors) and DeCA (Store Operations, Commissaries, and Logistics) of the pending deletion, and allow shelf and file maintenance to occur as product empties from each distribution center (DC).

Commissaries will continue ordering items in P Code status for 60 days or until the product is unavailable from the DC. DeCA Logistics will monitor the balance on hand weekly for all phased out items at each DC via Distributor provided reports. Once the product is unavailable from a DC, DeCA Logistics will block the item from ordering for stores serviced by that DC and work this process until all DCs are clear, or 60 days has passed.

After the 60-day notification period (P Code Status) has passed, the item will be deleted and the manufacturer is responsible for all residual stock at the Distributor's location, unless it was a DeCA-committed quantity that was not pulled.

Also, in accordance with the terms of the ROA, all changes on line item information (other than price) shall be submitted 45 days in advance of the effective date of the change. This includes manufacturer discontinued item information. Notifying DeCA of manufacturer discontinued items 45 days in advance will allow the same P Code process to be implemented, alerting all parties of the pending delete and allowing shelf and file maintenance to occur. The item will be placed in P code status upon notification; commissaries will continue to order for 60 days, or until product is unavailable; DeCA Logistics will monitor availability and block stores from ordering by each DC; and following the 60-day period, the manufacturer is responsible for all residual stock.

Manufacturer's distributors are required, in accordance with the ROA, to provide ongoing feedback regarding fill rates and identify challenges causing fill rates to fall below expectations. When distributors advise DeCA that an item is not shipping because it has been discontinued by the manufacturer, DeCA will immediately P Code the item and allow the P Code process to work through the system with the same activities and timing as indicated above.

Notifications of deleted and discontinued items and the timing of the P Code status is vital to managing the supply chain process, catalog file maintenance, and shelf maintenance. Implementing the P Code status at point of notification should reduce time spent researching fill rate issues for these items and allow us to focus on ensuring active items are available for customers' purchase and supporting a premier customer experience in every commissary.

Point of contact for this notice is the appropriate category manager. Thank you for your support in delivering a relevant and vital benefit to the most deserving customers in the world.

Tracie L. Russ

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Director, Sales