



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

MP

June 7, 2021

NOTICE TO THE TRADE – DeCA NOTICE 21-85

SUBJECT: Request for Information (RFI) – Approaches to Supply Chain System Transformation

The Defense Commissary Agency (DeCA) is assessing its current supply chain for resale products to identify feasible options for transforming the current DeCA Supply Chain to deliver “Best-in-Class” on-shelf product availability, provide greater DeCA accountability, control of supply system components, and eliminate non-value added costs providing consistency with commercial best practices. DeCA is embarking on market research to support these efforts, and enhance delivery and availability of the commissary benefit.

This request is for market research and informational planning purposes only. It is not a request for proposals and should not be construed as a commitment or intention to take or decline to take any action on the information provided or received as a result of the request. Participation in this effort is strictly voluntary. Responders are encouraged to refrain from submitting proprietary information, but if inclusion of such information is essential to explain answers to queries, it should be clearly marked accordingly.

1. BACKGROUND

DeCA, with headquarters at Fort Lee Virginia, operates a worldwide chain of commissaries providing groceries to military service members and their families, military retirees, disabled veterans, and other authorized patrons. A core military family support element, and a valued part of military pay and benefits, commissaries contribute to family readiness, enhance the quality of life for America's military and their families, and help recruit and retain the best and brightest men and women to serve their country.

DeCA continually seeks opportunities to enhance the benefit and services provided to its patrons, in accordance with the agency’s vision: “To be THE grocery provider of choice for our eligible patrons – delivering a vital benefit exclusively for our military community and their families.”

To enhance availability and accessibility of the commissary benefit, DeCA is exploring reasonable options for optimizing the Contiguous United States (CONUS) supply chain, which involves supplying food, beverage, personal care, and household products, including frozen and chill items, to DeCA commissaries in CONUS. (See the attached list that identifies 178 CONUS DeCA commissaries and 2 Coast Guard locations.)

2. INFORMATION REQUESTED

Supply Chain Information

DeCA is analyzing its current supply chain and exploring options for creating a more effective and efficient supply network, and seeks information from industry and the supplier community that could leverage commercial best practices and potentially meet the following criteria:

- a. **One distribution center (per commissary):** To the extent possible, DeCA would like to explore optimizing supply chain efficiencies and reducing costs by mapping one distribution center to each store. The objective is to scale store orders by minimizing the number of food, beverage, personal care and household products, frozen and chilled product deliveries per store. The intent is to optimize the frequency of delivery, utilizing full trucks while providing continuous stock and minimizing backroom inventory.
- b. **Distribution center to commissary radius:** To maximize efficiency and availability of products and minimize premium transportation costs, as a recent analysis shows that the distribution center to commissary distance is within approximately 250 miles, barring exceptions for unique geography and transportation arteries. However, DeCA requires additional information as follows:
 - i. Is your company capable of maintaining a high level of customer service (on time, in full) and control transportation costs, while setting a distribution center to commissary objective of generally no more than 250 miles?
 - ii. How would that be accomplished?
 - iii. Do you have relevant examples??
 - iv. Which stores could you reasonably serve from your distribution centers?
- c. **Efficient Ordering:** Do you have the capability to help optimize outbound store orders and develop fully cubed or weighted trucks-in bound?
- d. **Managing Health, Personal Care, and other “slow movers”:** How do you manage slow moving items or categories? Is your system capable of using “sleeves or inners” as the distribution center to store transaction unit?
- e. **Private Brands:** DeCA carries an assortment of private brands, the assortment of which must be considered as part of any response. Please provide comments on how your company does or could address these items.
- f. **SKU Assortment:** Similar to other large format grocery stores, DeCA carries a national SKU assortment with some regional and special interest variation, in order to meet the varied needs of commissary patrons. Please provide comments on how your company could address DeCA’s assortment needs while being consistent with industry practices.
- g. **Continuous Process Improvement:** It is in the Government’s and commissary patrons’ best interests to maximize product quality, using established metrics for

warehouse and delivery operations. How are such metrics used by your company?

- h. **Access to Military Installations:** Proper identification and documentation to gain access to the military installations is the contractor's responsibility under DeCA contracts. Could your company comply with this requirement?

Comments on Potential Logistics Models

DeCA's market research includes assessment of feasible product delivery and DeCA-Distributor relationship models. Responsibilities for managing decisions SKU assortment, pricing, and promotions decisions, among other things will remain between DeCA and our supplier. Please provide information on your company's experience with each of the following, and whether or not you believe the model could be successfully deployed for DeCA based on that experience:

Model 1: A third-party logistics (3PL) relationship where the grocery chain takes ownership of the inventory at the distributor's dock and pays a fee structure for warehousing and delivery to its stores.

Model 2: A traditional wholesales relationship where grocery chain takes ownership of the inventory upon delivery to a store.

Model 3: What other models would you recommend and why?

3. METHOD/SCHEDULE FOR RESPONSES

Please provide your written responses to Randy Eller and Amber Almond via supplychain@deca.mil by 07/19/2021.

We appreciate your time and effort.

BURNS.CHRISTO
HER.T.124457499

Digitally signed by
BURNS.CHRISTOPHER.T.12445
74994
Date: 2021.06.07 10:21:23 -04'00'

Christopher T. Burns
Executive Director, Sales, Marketing & Logistics
chris.burns@deca.mil

James M
Flannery

Digitally signed by James
M Flannery
Date: 2021.06.07
09:49:54 -04'00'

James Flannery
Chief Transformation Officer
james.flannery@deca.mil