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June 1, 2007

NOTICE TO THE TRADE – DeCA Notice to the Trade 07-82

SUBJECT: Presentations for Virtual Commissary Phase II

The purpose of this Notice to the Trade is to set forth the parameters for Industry presentations for inclusion in the Defense Commissary Agency (DeCA) Virtual Commissary Phase II (VC-II) deployment.

The Agency is in the process of expanding the scope of the Virtual Commissary. Gift packs will no longer be the sole focus for our product assortment. While we will continue to offer products that build upon our current item assortment and generate high incremental volume opportunities, we do not want to limit our assortment to gift pack type items. We will now consider presentations for items that we currently offer to our patrons in our traditional “brick and mortar” stores. Additionally, we will accept presentations for those items not currently stocked in our stores that are from approved sources and in categories currently authorized for stockage. All industry trading partners, including those that currently do business with DeCA, will be required to sign a Memorandum of Understanding between their company and DeCA. Additionally, those companies currently not doing business with DeCA will be required to establish a Resale Ordering Agreement (ROA).

Suppliers will be responsible for receiving orders from VC-II, product fulfillment, and returning actual shipping information to VC-II. Suppliers will receive payment from DeCA based on the terms in their ROA. We have attached our VC II Integration Guide, Version 3, which contains all forms necessary to facilitate the presentation process and enable you to plan your Virtual Commissary II integration effort.

Presentations will be taken by Mr. Gordon Jones and Ms. Valerie Robillia. Appointments should be scheduled through Ms. Sandra Wright at (804) 734-8236. Proposals should contain the following:

- a. Display Presentation and New Item Form, DeCA 40-15, October 2004.
- b. Projected sales and savings.
- c. Category rank.
- d. Retail data for items not currently carried in DeCA.
- e. Implementation plan for doing business with VC-II.
- f. Product and price flow.
- g. Product fulfillment process.

Internet shopping is fast becoming a way of life for many of our patrons. We need to capitalize on this trend in a way that garners the increased sales and surcharge potential that exists while remaining within our budgetary constraints. The online shopping program will expand your company's exposure to an extended customer base – the authorized customer not geographically located near a commissary – which will, in turn, increase sales and help defray the inevitable costs associated with any new marketing effort.

If you have any questions, please contact Mr. Gordon Jones, Program Manager, Internet Sales, at (804) 734-8240 or Ms. Valerie Robillia, Assistant Program Manager, Internet Sales, at (804) 734-8453. Information Technology questions should be addressed to Ms. Corintha Russell at (804) 734-8602.

/s/

Richard S. Page
Chief Operating Officer

Attachment:
As stated