



# Produce Long-Term Contracting Pre-Proposal Conference SPM300-06-R-0008

August 2006

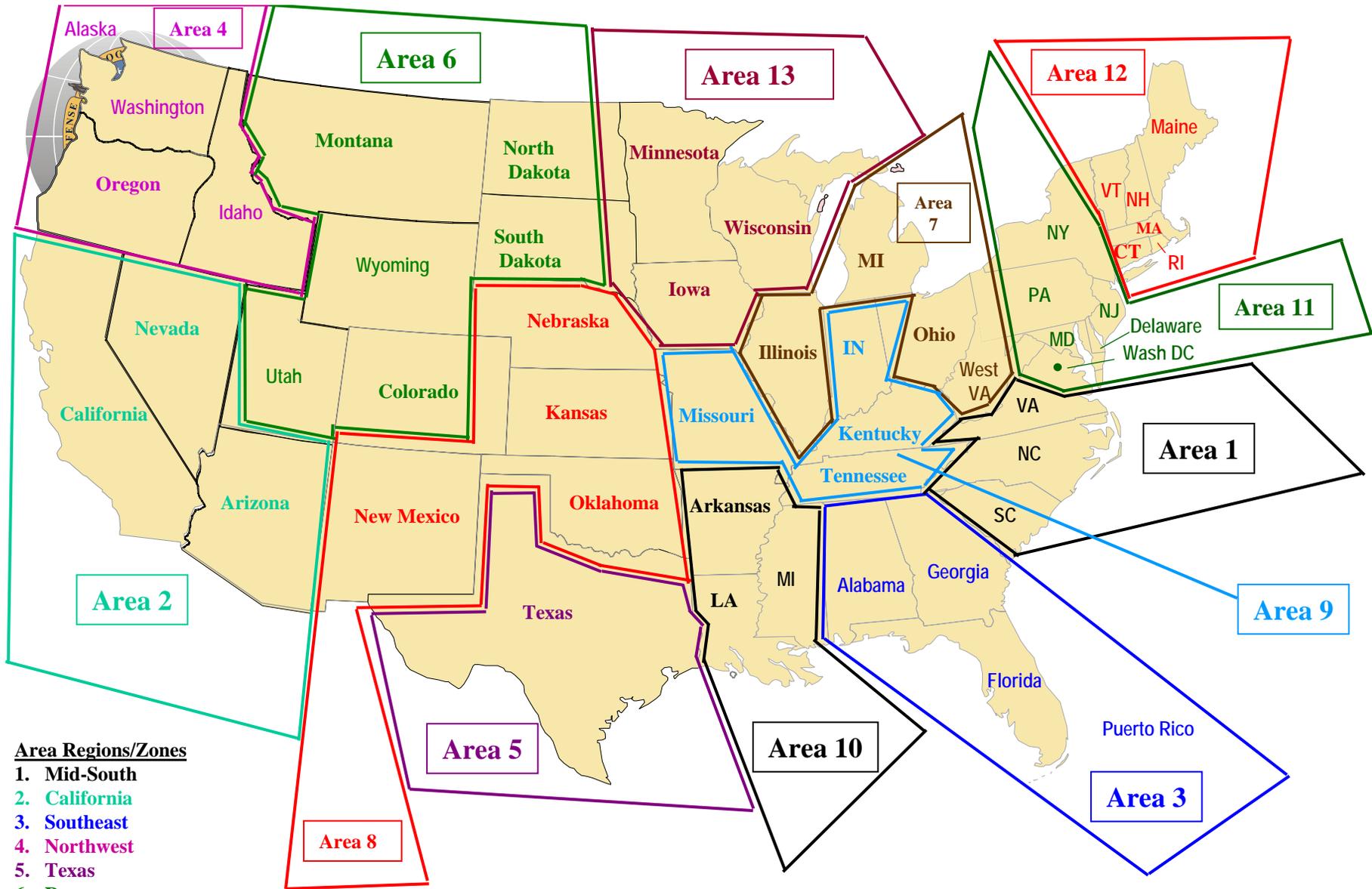




# New Model – Produce Long-Term Contracting

- Contracts for Full-Line Produce Support Covering a Larger Grouping of Customers
  - 13 Regions (Areas) Covering a Total of 45 Zones
- Field Office Responsibilities Assumed by DSCP, Customers and Vendors
  - Electronic Data Interface (EDI) is Essential
- Continued Commitment to Small Business through Set-Asides
- Continued Commitment to a High Quality Product at a Fair & Reasonable Price





**Area Regions/Zones**

- 1. Mid-South
- 2. California
- 3. Southeast
- 4. Northwest
- 5. Texas
- 6. Denver
- 7. Great Lakes
- 8. South Central
- 9. Central
- 10. Southern
- 11. Mid Atlantic
- 12. New England
- 13. Midwest

**Produce Regions/Zones**





# The Acquisition Process

- Solicitation
- Pre-Proposal Conference
- Closing
- Evaluations
- Negotiations/Revised Proposals/Final Proposal Revisions (if necessary)
- Award
- Post Award Conferences





# Solicitation Overview

- Full-Line US #1 Fresh Fruit and Vegetable Support
- Zones & Estimated Annual Dollar Value:
  - Per solicitation
- Main Customers – Troop Issue and USDA School Lunch Participants
  - Found on DSCP Website
- Set-Aside for Small Business
  - Opportunity to partner and/or subcontract
- Minimum 20% / Maximum 150%
- One Award Per Zone
  - Right to Consider Alternate Offers





# Submission Requirements

- Technical Proposal
- Business Proposal
- Mandatory Submission Requirements
- Separate Proposals per Zone





# Technical Proposal

- Quality Assurance/Product Quality
  - Warehouse Quality
  - Inventory Turnover
  - Temperature and Humidity Controls
- Past Performance/Corporate Experience
  - Past Performance
  - Corporate Experience
- Distribution Plan
- DLA Mentoring Business Agreements





# Business Proposal

- Pricing
  - Delivered Price + Distribution Price = Unit Price
  - Two Distribution Fees Based on Customer
    - Weighted Distribution Fee for Evaluation Purposes Only
    - Example Found in Solicitation

Customer	%Sales	Dist Fee	Weight
Troop	45%	\$ 1.00	\$0.45
USDA	55%	\$ 2.00	\$1.10
Weighted Average			\$1.55





# Business Proposal (continued)

- Market Basket Pricing
  - Aggregate Market Basket Pricing
  - Distribution Pricing
  - Delivered Pricing





# Mandatory Submission Requirements

- Force Protection
- Electronic Data Interface (EDI)
- Surge/Mobilization Support
- Seasonal Acquisition Plan





# Evaluation

- Best Value – Trade Off Analysis
  - Technical Capability More Important than Price
  - Site Visits
  - Risk Assessment





# Contract

- Indefinite Quantity Contract
- 18-Month Base Period
- Three 18-Month Options





# Performance Metrics

- Fill-Rate
  - Cases Accepted / Cases Ordered
  - Goal 98% without Substitutions
- On-Time Delivery
- Quality Product
- Fair & Reasonable Pricing
- Customer Satisfaction
- Good Performance Enhances Likelihood of Option





# Ordering

- Electronic Catalogs
  - Effective Sunday through Saturday
  - Weekly Catalog Updates via EDI 832 and Website Input
    - Due by 12:30 PM Thursday
    - Price Reasonableness Determinations
  - Government Item Descriptions
  - Responsibility of the Vendor
- Skip Day Delivery
- \$50 Minimum
- Pricing at Time of Order





# Invoicing & Payment

- Invoicing Methods
  - EDI 810
  - Produce Web Invoicing Tool
- Requirement to Submit Clean Invoices
- Payment by DFAS
  - 10 Days from Invoice Submission
  - Electronic Fund Transfer - EDI 820 Transactions
- Pricing Audits
  - Vendor Submits Copies of Invoices
  - Required Reimbursement





# Domestic Produce

- Berry Amendment Requires DoD to Procure Domestic Items
- Current Exemptions – Bananas
- Waiver Request to Expand Exemptions
- Even If Waiver Granted, DoD Policy is to Buy Domestic Whenever Possible





# Conclusion

- Thank You for Your Interest
- Contact Information
  - Frank Holder – 215-737-3311
  - [Frank.Holder@dla.mil](mailto:Frank.Holder@dla.mil)
  - Steven Merch – 215-737-4508
  - [Steven.Merch@dla.mil](mailto:Steven.Merch@dla.mil)
  - Peggy Grady – 215-737-2708
  - [Peggy.Grady@dla.mil](mailto:Peggy.Grady@dla.mil)
  - Website:  
<http://www.dscp.dla.mil/subs/produce/pv/index.htm>

