



The Main Course

Newsletter of DSCP's Food Service Office

May 2003, Edition #18

Notes From the Editor:

DSCP civilian personnel Karen Olstad shown in Uzbekistan, inspecting brand name sodas and juices. As always, we bring you the taste of home



wherever it's needed.



The Importance of Timely Receipts

Just a friendly reminder to all customers that the Subsistence Prime Vendor, Market Ready, Soda and other programs rely heavily on the ability of our customers to post receipts within 24-48 hours of delivery. A recent survey indicates that approximately 25% of all receipts are either received late or not at all.

This is a situation where the customers can really help themselves for many reasons. In the first place, the customer receipt is the basis on which we pay the vendors (often with payment terms of 7-10 days). In a worst case scenario, a vendor may threaten to discontinue deliveries if it is not getting paid which is certainly not in the customer's best interest. Second, should the customer reject product and then correctly receipt for what was actually accepted, the vendor does not get paid for what was rejected nor does the customer get billed for product never accepted. This eliminates the necessity for later receipt adjustments, billing adjustments and claims. In a more general sense, timely and accurate receipts are important since they allow us to turn around and provide timely and accurate bills so that our customers are able to keep their financial books in order.

Obviously, timely and accurate receipts lessen everyone's workload allowing all of us to concentrate on our primary mission of providing quality support to customers who deserve no less. Should you have any questions in this area, please contact your DSCP Account Manager. Thanks!



AWARDS

PRIME VENDOR NAVY SHIPS ISSUE FOLLOW ON CONTRACTS

A follow-on Prime Vendor contract for Subsistence support of Navy Ships in San Diego was awarded to U.S. Foods, LaMirada, CA. This contract was awarded for one year with four one- year options invoked at the discretion of the Government. The new contract number is SP0300-03-D-3051.

Two follow-on Prime Vendor contracts for Subsistence support of the Navy Ships in the Seattle area were awarded to Sysco Seattle, Kent, WA. These contracts are awarded for one year with four one- year options invoked at the discretion of the Government. The new contract numbers are SP0300-03-D-3053 and SP0300-03-D-3054 for the Navy fleet and Cargo Re-supply ships respectively. For more information, please contact Karen Aquino, Contracting Officer, at (215) 737- 2928, DSN 444-2928, or e-mail Karen.aquino@dla.mil.



Upcoming Events

DSCP Worldwide Customer Conference and Food Show 2003

The 2003 DSCP Worldwide Customer Conference and Food Show will be held at the Atlantic City Convention Center in Atlantic City, NJ. The dates are **October 7th and 8th**.

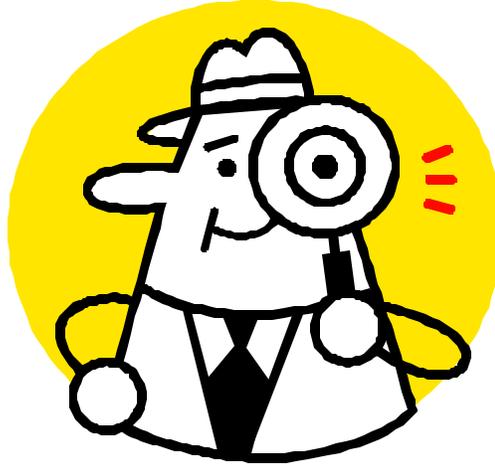
For further info call the conference hotline at 215-737-5300



Upcoming Food Audits

13-15 May 2003

Southeast / Northeast Region
Lankford SYSCO
Pocomoke, MD.
SPO300-03-D-2978
SPO300-03-D-2993



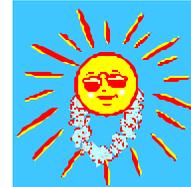
17-18 June 2003

Ship Support / Northeast Region
SYSCO of Hampton Roads
Suffolk, VA.
SPO300-03-D-2990 - NE
SPO300-03-D-3001 - SS

For more information on Quality Audits, please contact Tony Koprivec (The Quality Guy) on (215) 737-3878, DSN 444-3878, or e-mail akoprivec@dla.mil.



Focus on Initiatives



Hawaii Food Show

Y. Hata held a food show on April 22nd 2003 at the Sheraton Waikiki in Hawaii. Y.Hata also used this vehicle to showcase their 100th anniversary. Contracting Officer Alby Farrant conducted a post-award briefing concurrent with the festivities. The vendor arranged a cooking contest pairing military and restaurant chefs as teams for the competition. Great food and great fun was provided for all. DSCP successfully negotiated food show discounts and savings well in excess of those initially proposed by the manufacturers and helped to make this a great success for our customers. Hawaii's United States Senator Daniel K. Akaka attended a luncheon in conjunction with these events during which he commended the U.S, Military for their support. For more information, please contact Account Manager, Deb Mello at (215) 737-7162, DSN 444-7162, or e-mail Deborah.mello@dla.mil.

PRIME VENDOR PLATFORM - ECUADOR

The Subsistence Overseas Region was in the primary stages of research to determine the feasibility of establishing a Prime Vendor Platform in Ecuador, when 9/11 occurred. The plans were interrupted as emphasis shifted to Operation Enduring Freedom and Operation Iraqi Freedom

We are now resurrecting this initiative. Primarily the customers to be serviced will be the Air Force at Manta, the U.S. Embassy at Quito, Navy ships porting in Ecuador and perhaps U. S. Coast Guard customers in the area.

A Request for Information (RFI) will be issued to the food industry during May 2003. Based on the results of the Market Research and the responses from potential customers, we project a solicitation issue in the early fall.

Our Ecuador Prime Vendor team is composed of the following members from the OCONUS Region:

Gina Vasquez	Contracting Officer
Dennis Strolle	Contract Specialist
Joan Hewes	Account Manager
Lennie Giorgianni	Program Manager



For more information please contact Lennie Giorgianni, Chief, Prime Vendor Navy Ships Region at (215) 737-3331, DSN 444-3331, or e-mail Lenore.giorgianni@dla.mil.

WOW



On April 22-27, 2003, people from around the United States met to participate in the National Association of Food Distribution Programs on Indian Reservations (NAFDPI R) 16th Annual Conference held in Albuquerque, NM. The conference showcased a variety of workshops and training sessions: DSCP Prime Vendor session, DPSC Produce Get Fresh workshop, Diabetes Education, Teambuilding, Customer Service, Indian Tribal Organization Regional Caucus, and Civil Rights.

The NAFDPI R conference was held in conjunction with the celebration of the 20th annual Gathering of the Nations Pow-Wow. More than 3,000 dancers and singers representing about 700 tribes from throughout the United States, Canada and the Americas took part in traditional and contemporary performances at the University of New Mexico.

Both conferences provided everyone with an opportunity to experience the rich heritage of the Native American culture. For more information, please contact Gina Vasquez, Contracting Officer, 215-737-7530, DSN 444-7530 or e-mail gina.Vasquez@dla.mil.

The North East Region Expands to Service Non-Traditional Customers

One of our newest PV customers in the North East Region, the SE PA Veterans Home, has been ordering since March 28 and is extremely pleased with the support they have received from DSCP and our vendor Pocono Produce. Personnel from the State of PA and the SE PA Veterans Home have made mention of taking this program to the Governor's office and the State Auditor General's office to show how valuable our program is and how much money they are saving. They want to take this program not only to the other seven veterans homes but statewide to any and all state agencies who might benefit from our program and services. The decision to execute this initiative should come within the next 30 days. The estimated dollar value of the veterans homes is approx \$2M per year. For more information, please contact NE Chief, Nick McGinty, (215) 737-8766, DSN 444-8766, or e-mail Nicholas.mcginty@dla.mil.

The Department of Defense Subsistence Prime Vendor Program The Advantages



The advantages of the Department of Defense Subsistence Prime Vendor Program (DoD-SPV) are already being experienced by all military customers and many non-DoD customers in all fifty states -- all the contiguous United States, Alaska and Hawaii. Prime Vendor is a method of broad-line food distribution that employs commercial food distributors to do the same job for our customers that they do for their restaurant and institution feeding accounts. It incorporates electronic ordering and receiving, high fill rates, deliveries within 24 to 48 hours, and a high emphasis on customer service. Orders are placed off specially developed electronic catalogs that are updated weekly via commercially acceptable Electronic Data Interchange formats (ANSI - X12), and brand name products are readily available.

Following recommendations by the General Accounting Office to upgrade the military food distribution system in 1993, the Defense Supply Center Philadelphia (DSCP) has been reinventing Government operations by developing and implementing Prime Vendor contracts in place of the old depot stock distribution system since 1994, criss-crossing the entire continent and generating tremendous satisfaction among our customers while winning numerous national awards such as the Hammer and Rockefeller awards in the process. At Congress's direction, DoD-SPV has quickly been rolled out across America and now has taken on a global flavor. Prime Vendor programs have been implemented in Guam, Europe, the Caribbean, and throughout the Pacific Rim, virtually covering the entire globe. Bosnia has been supported by DoD-SPV for the past three years. Sales under DoD-SPV are already exceeding one-half billion dollars per year, and annual cost savings by reducing Government owned or operated depots approximate the same amount.

The basic concept behind DoD-SPV is to exploit the core competency of an existing industry, in this case the food distribution industry, to electronically order and receipt fresh, high quality name-brand product within 48 hours. Through Electronic Data Interchange, orders are transmitted with 100% accuracy and are received at the vendors' plants within minutes allowing inventory at local levels to be greatly reduced and inventory at centralized depots totally eliminated. Any stock that is



maintained is maintained by the Prime Vendor, and the vendor provides adequate surveillance techniques to rotate the stock with its commercial product, ensuring product freshness. Product quality and product acceptance is increased, order-to-receipt time is dramatically decreased, and inventory and all the overhead costs associated with it are decreased at national and local levels as users enter the world of just-in-time deliveries. Usage patterns, so important to readiness planners and menu planners alike, are quantified with heretofore unheard of accuracy.

The Defense Supply Center Philadelphia (formerly known as the Defense Personnel Support center) has become one of the largest buyers of Prime Vendor supplies and services in the world. DSCP operates as a Defense Working Capital Fund (DWCF) activity, which by law means that all operating costs must be charged back to our customers on a break-even basis. This includes everything from the costs of salaries



systems to overhead. Despite the fact that our costs incurred have been highest during the developmental rollout period we have just experienced, we have managed to lower the surcharge each year since 1996, and further reductions are expected in future years. The Defense Working Capital Fund is a federal law required of all DoD activities; however, it is still an alien concept to many non-DoD activities, especially those who still operate under funds appropriated specifically to cover labor or other costs. The tendency to compare competing prime vendor programs solely by cost-recovery-factors lends itself to an overly simplistic comparison that does not necessarily buy you the best overall support for your food dollar when you consider some of the significant benefits the DoD-SPV gives you:

Our experienced staff of professionals combines acquisition expertise with food technologists, individualized account managers, price auditors, and quality assurance specialists to provide a comprehensive support program that ensures the receipt of high-quality products at reasonable prices and goes well beyond the evaluation and award of the contract. In a sense, our total systems program just starts with the award of the contract. A Post-Award Conference provides both customers and vendors with an orientation of this new way of doing business and brings our new business partners face to face for the first time. DSCP account managers then sit down with vendor, customer, and Service representatives to create electronic catalogs tailored to suit each parties needs. Concurrently, systems specialists work with the vendors' EDI specialists to complete practical testing of the vendors' EDI communications systems. Then, we're on site to assist users with their initial ordering and receipting and continue to refine the catalog, as we will





do throughout the year, adding new items to suit customers' needs and to obtain greater value. Each customer is assigned its own account manager, who manages performance of the contract from cataloging through ordering, deliveries and payment. All contracts are paid by DSCP through DFAS in seven days, and customers are billed back approximately once per month for summary amounts, thereby greatly reducing the complexity of your bill paying. We regularly coordinate the participation between our customers and vendors, taking advantage of industry practices to obtain trade show discounts that come right off the invoice, thereby reducing the real price customers pay. Similarly, our National Allowance Pricing Agreements Program (NAPA) negotiates discounts for DSCP vendors with manufacturers, who view the DoD and military buying power as sufficient to be treated as one shopper; again, discounts come right off the invoice and don't show up as savings if you consider only distribution fee -- though NAPAs do reduce the end price, and the surcharge. And all the while performance continues - we monitor quality considerations with quality evaluations and surveys, utilizing the US Army Vet Service where necessary. Price auditors, specially assigned to monitor this program provide similar surveillance on prices, analyzing the database of information developed with each order to compare price variances from region to region and from season to season with indicators systemically built into our information management system.

Although we have worldwide visibility of food distribution, contracts are competed to segmented geographical zones that give local vendors a chance to compete, while providing us with oversight of industry capabilities across the board. We know what level of service premium suppliers can provide, and we get top-shelf service for our customers. The Defense Logistics Agency and DSCP have supported the American war-fighter since World War II, and the basic tenet of our operation has been leveraged buying -- obtaining discounts by buying in quantity (We've been delegated authority for the integrated management of all DoD food items; see DFARs 208.70). By adding other federal customers within a geographical zone, we obtain even greater leverage and can negotiate better prices and higher levels of service. The network of suppliers currently employed by DoD-SPV, added to other transportation agencies at our disposal, provides us with the capability of directing supplies to any location in the world in short notice, to provide for readiness or react to contingencies.



Looking at our DoD-SPV suppliers is like looking at a "Who's Who" of food distributors. In our supplier network, you'll find some of the largest and most prestigious firms in the industry, and you'll find small and small disadvantaged

businesses that offer customized services only local business can provide. The structure of our geographic zones allows everyone to compete. The structure of the acquisition process we employ, Best Value Source Selection, allows us to select only those vendors whose chance of successful performance is extremely high. Under



Best Value, technical teams comprised of specialists from DSCP, the Services (Army, Navy, Air Force, Marines) or other representative activities review all aspects of a firm's capabilities by reviewing its proposals and through comprehensive site visits. EDI capability, distribution and storage capacity, customer service programs, and buying capabilities, among other factors, are all closely reviewed. A separate panel, the Business Panel, reviews the business proposal and prices. And while Best Value allows us to select the best value supplier regardless of price, price is always considered. Our price evaluations consider distribution fees, of course, but also consider actual pricing on a market basket of representative items with the understanding that companies with efficient buying staffs can easily erase a distribution fee disadvantage by paying lower invoice prices for their items. Our business panels take total costs into consideration on every buy.

The extensive use of option years (most contracts now contain four one-year options) makes it inviting for industry to participate, and lends itself easily to the culture we have adopted with this program -- developing a partnership between DSCP, industry, and the customers we work for. DSCP account managers and contracting officers direct and monitor communications, ensuring contractual performance is satisfactory to all parties and that the full rights of the Government are maintained.

Options also serve to enhance and encourage the vendor's performance since options are only invoked at the Government's discretion; and DSCP conducts price, performance, and customer service reviews each year prior to any option exercise. A special customer service survey has been developed in conjunction with customer focus groups and scientifically tested for validity, and the universal usage of this survey across all regions provides for uniform evaluation of our customers' satisfaction with our vendors' performance.

Wherever you are located, there's a good chance we already have a DoD-SPV contract in place that can be helpful to you in managing your food products into the 21st century. If not, we'd be glad to tailor one to suit your needs. For more information, please contact James Skedzielewski, Pacific Chief, (215) 737-4632, DSN 444-4632, or e-mail jim.skedzielewski@dla.mil.



NAVY SHIPS REGION SUPPORTS OPERATION "PACER GOOSE"

The Navy Ships Region annually provides support for the Air Force "Pacer Goose" Operation. Pacer Goose, a sealift operation for Air Force troop support in Thule Greenland is once again underway. When the ice at the pole thaws and breaks up, the shipping channels are reopened and supplies can be barged in.

DSCP has currently made arrangements working with the Military Ocean Terminal and Sysco of Hampton Roads to ship 4 freeze containers and 6 dry containers of Subsistence in July 2003.

The number of containers for this mission has decreased significantly in the past few years due to the initiation of Prime Vendor support in this area. In lieu of having to order a year of inventory during the few months of open shipping, the Air Force is now able to airlift product weekly from the Prime Vendor. The product airlifted provides menu diversity and offers fresh additions to the basic menus.



The support of Thule, considering its unique requirements, exemplifies the "hands on" attention to detail and customer service available in the Prime Vendor program. The adaptability of DSCP Prime Vendor support, to meet the diverse needs of the many military customers, represents the strength of the overall program. For more information, please contact Lennie Giorgianni, Chief, Navy Ships, 215-737-3331, DSN 444-3331, or e-mail Lenore.giorgianni@dla.mil.



NAPA Update



The Napa (National Allowance Pricing Agreement) savings for DSCP customers for the month of April is \$1,369,114.00. That's a total of **\$4,803,305.00** for calendar year 2003 to date. Keep on saving!

For more information, please contact Ed Lees (215) 737-9238, or e-mail edward.lees@dla.mil.

This Month's NAPA Recipe is courtesy of S&K Industries, Abuelita Mexican Food Products - NAPA #214

ABSOLUTELY FANTASTIC FIESTA ROLLS!! (Some really great things to do with flour tortillas!)

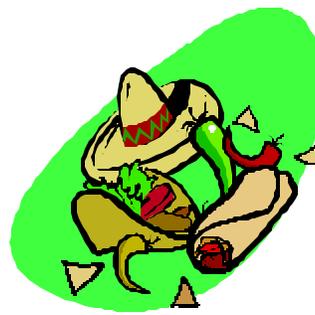
A soft flour tortilla is the foundation for all of these flashy sandwiches. When cut, they resemble little colorful and delicious pinwheels. They make a wonderful meal by themselves, and they're a great catering item – but they're also an eye-catching garnish with soup or salad.



THE BASIC PREPARATION FOR ALL FIESTA ROLLS IS AS FOLLOWS:

1. Lay a soft, thawed flour tortilla flat on your work surface.
2. Spread soft cheese (generally a soft cream cheese) over the tortilla: spread it more generously on the top half.
3. Place meat, fish, etc. on the half of the tortilla closest to you.
4. Place a line of bright green lettuce (or other bright greens) above the meat (in the middle of the tortilla).
5. Now roll it up tightly starting with the half nearest to you – be sure it is sealed with the cream cheese.
6. If possible, chill for a few hours... or overnight.
7. At serving time, slice or cut in half... and ENJOY!

HERE ARE A FEW FILLINGS FOR YOU TO TRY.
ONCE YOU GET THE HANG OF IT,
LET YOUR IMAGINATION RUN WILD!



- Soft cream cheese with chives, lebanon bologna, green leaf lettuce
- Soft herbed cheese, roast beef, turkey, lettuce and pimento
- Cream cheese, mozzarella cheese, sun dried tomatoes, salami, romaine lettuce
- Cream cheese with olives, smoked turkey, swiss cheese, spinach
- Soft cheddar cheese, chicken, scallions, green leaf lettuce
- Cream cheese, smoked salmon, green leaf lettuce or watercress
- Tuna salad mixed with chopped red & green peppers, black olives and lettuce
- Soft brie cheese, strawberry preserves, chopped almonds (Seal with cream cheese)
- Strawberry cream cheese, fresh sliced berries, chocolate mini-morsels

AND, WHEN THERE IS NO TIME TO MAKE AN APPLE PIE...

Mix finely chopped apples (or drained apple pie filling) with some sugar, cinnamon, cloves, nutmeg and chopped walnuts or pecans. Roll up and bake at approx. 350° until just browned. Serve with a slice of cheddar cheese or ice cream on the side!

DSCP HAPPENINGS

Subsistence can boast the following winners from the Federal Executive Board Excellence:

Non- Supervisory Rookie of the Year: Individual, Bronze Medals were awarded to both Joseph Rotondo and Keith Pritts.

Economy in Government Operations: A Silver Medal was awarded to the Contracting and Account Managing Team - Directorate of Subsistence, members Cathie Sexton, Tina Frederico, Joanne Rota, Linda Ford, Don Murphy, Woody Cooper, Tom Haley, Barbara Gesner, Ginny Barnwell, Eleanor Gillard.

Technical Accomplishment: Individual, A Bronze Medal was awarded to Jacob O. Hunt.

Technical Accomplishment: Group, A Bronze Medal was awarded to the Prime Vendor Technical and Cataloging Team, Members - Cathie Capriotti, Harriett Friedel, John Robinson, Noreen Berardinucci, Phoebe Eaddy, Mary Koons

Outstanding Professional Performer: Individual, A Bronze Medal was awarded to Marie Hurchik.

Improved Federal Image: Individual, A Silver Medal was awarded to Gary L. Walker.

Improved Federal Image: Group, A Bronze Medal was awarded to the Subsistence Sensing Team, Members:

Carol Madonna, John Bray, Dorothy Martin, Denise Esposito, Gina Cimino, Donna Tartaglia, Teresa Jimenez, Chanel Graham, Tomika Dicks, Denise Morales, Zoraya Wilson, Leah Eason, Deborah Jackson, Diane Allen-Lightsey, Teresa Reynolds, Carol DePrisco, Juliet Keating-Elmore, Michael Cianfrani, Marta Blanco-Gunn, Sharon Szeliga, Joanne Bonese, Catherine Davis, Nancy Knox, Lisa Lawrence, Amelia McGarvey, Patricia Romeo, Robert Muller, Maryann Sharpe, Gwendolyn Williams, Zoraya Wilson, Viola Brescia, Rosita Carosella, Alfred Harris, Andrea Ingargiola, Marsha Museka, Diann Owens, Sally Pooler, Helen Scarangelli, Diane Nelson, Dorothy Jankiewicz, Pernell Ricks, Gariel Moore, Karen Ely, Louis Briggs, Ronald Fultz, Deborah Scafidi, Maureen Steffani, Juanita Sharperson, Diane Yarborough, Gina Vasquez, Donald Anthony, Nancy Selvaggio, Clarence Carter, Rose Marie Colaberdino, Marie Hurchik, Donna Perrello, Catherine Searles, Tonya Collins

Community Service: Individual, A Bronze Medal was awarded to Gary L. Walker.

To provide feedback or input for our next newsletter, please e-mail the Editor, at maryann.dimeo@dla.mil.

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For more information, check out the Foodservice Web site <http://www.dscp.dla.mil/subs/pvendor.htm>.