

United States Senate

WASHINGTON, D.C. 20510

September 30, 1980

Lt. General Gerald J. Post
Headquarters, Cameron Station
Alexandria, Virginia 22314

Dear General Post:

After thorough study and evaluation of your recent directive to eliminate Brand Name boxed beef from the Supply Bulletin effective December 1, 1980, we have concluded that this decision will ill serve the interests of the Army commissary shopper. The advantages of the Name Brand Supply Bulletin, the inherent disadvantages of the Bid Process and careful examination of the rationale for change substantiate our position for seeking to have this action revoked.

The Congressional mandate to modernize the commissary operations was effectively met with the progressive adoption of the Name Brand Supply Bulletin. This method of beef procurement has provided the commissary shopper with a consistently high quality and competitively priced product whose name brand association has reflected greater customer, meat market specialist, commissary officer, regional and headquarters satisfaction than has ever been experienced or recorded by the military. Your own directive found the Brand Name System to be "most favorable" and "a positive endorsement of the concept." Less labor costs, more efficient production, greater availability of a wide variety of beef cuts at all times during the shopping day are the result of a system that is constantly open to change if the product or services do not meet the management specifications or the customer demands.

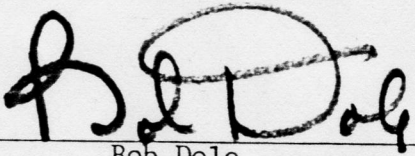
On the other hand, the former bid process, which this directive will re-enact in December, contains many inherent disadvantages. Primarily, it judges meat quality simply on price with no reference to Brand Name quality or association. The individual commissary officer has no choice in the product which his everyday experience has found will most effectively meet his needs and his consumer's requests. Furthermore, the selection made is a six month commitment during which time little can be done to change or cancel the product. Numerous reported case studies have described products whose initial bid may have been lower but whose poor quality and greater waste have converted into a higher price in the retail cabinet. Additional labor and management costs are involved in other than chilled box beef preparation which some commissaries simply are no longer equipped to handle and other because of employment freezes cannot accomplish.

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The problems encountered could actually be repeated if the bids for the following six months dictate resumption of the same supplier. Blind purchasing simply does not reflect a state of the arts technology which the commissary shopper deserves and the Name Brand selection can supply.

Finally, we underscore that there is no reported statistical evidence for this proposed change. The rationale for the directive, the "commitment to the Small Business and Disadvantaged Business Program" cannot be made at the expense of the military family. Furthermore, there is no guarantee that the proposed change will solve the alleged problems. Current small business set-asides adequately provide for this important segment of the industry. Reverting to a system that was abandoned by the commercial industry in the 1960's, accomplishes neither progressive growth for the commissaries nor a quality product for its shoppers.

Sincerely,

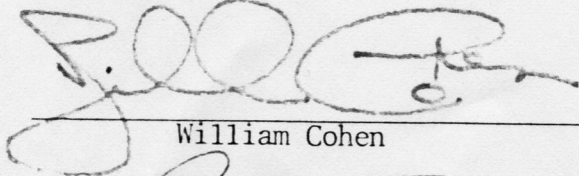


Bob Dole

Dan Daniels

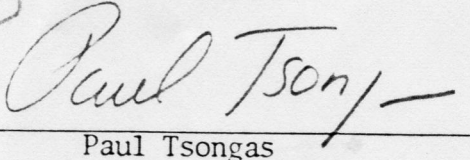
Nancy Kassebaum

Keith Sebelius



William Cohen

Marjorie Holt



Paul Tsongas

Joseph Early