

Operations Group: 14-109

Pass To: GENERAL MANAGERS, BRANCH EXCHANGE MANAGERS, DIVISIONAL MANAGERS, STORE MANAGERS, OPERATIONS MANAGERS, RETAIL OPERATIONS MANAGERS, DEPARTMENT MANAGERS/SUPERVISORS, FRONT-END SUPERVISORS, CUSTOMER SERVICE DEPARTMENT MANAGERS/SUPERVISORS

SALE OF NAVY EXCHANGE MERCHANDISE TO AUTHORIZED GOVERNMENT AGENCIES

Ref: (a) NAVSUP PUB 487, para. 3005

1. The purpose of this information bulletin is to add the Navy Gateway Inns & Suites as a government agency authorized to purchase from the Navy Exchange.
2. **Policy.** It is the policy of NEXCOM to sell all merchandise at the stated retail price. However, NEXCOM has authorized specific governmental agencies to obtain merchandise from the Navy Exchange at a discount. The standard discount is ten percent below the retail price. However, due to specific low gross categories of merchandise, as identified in subparagraph (b), this merchandise is exempt from discount to protect NEXCOM from potential loss. Additionally, specific guidelines apply to the sale of spirits, wine, beer and soda to MWR Clubs as contained in subparagraph (d) below.
 - a. **Agencies authorized to purchase merchandise at a ten percent discount from retail are as follows:**
 - Ship Stores
 - Morale, Welfare & Recreation (MWR)
 - Army & Air Force, Marine Corps, and Coast Guard Exchange Systems
 - Veterans Canteen
 - Military Sealift Command
 - Navy Gateway Inns & Suites (NGIS)
 - b. **Merchandise exempt from discount.** MWR, Military Service Exchange Systems, Veterans Canteen, Military Sealift Command and Navy Gateway Inns & Suites may purchase the following categories of merchandise at retail only, no discount authorized:
 - Military Uniforms and Accessories
 - Prerecorded Audio and Video
 - Consumer Electronics to include video games, software and accessories
 - Cameras and Accessories
 - Computers and Computer Hardware, including tablets and iPads
 - Cleaning Supplies and Paper Goods (except Private Label)
 - Gasoline, Diesel, and other motor fuels
 - c. **Merchandise exempt from discount for Ship Stores.** The sale of merchandise to Ship Store is on an emergency basis only, restricted to merchandise sold in the Ship Store and to support Ship Stores Service programs. A list of merchandise authorized to be procured by Ship Stores is contained in reference (a). The following categories

of merchandise may be purchased by Ship Stores at retail only, no discount authorized:

Military Uniforms and Accessories
Computers and Computer Hardware, including tablets and iPads
Consumer Electronics to include video games, software and accessories

d. **Spirits, wine, beer and soda sales to MWR Clubs.** The sale of these beverages to MWR Clubs is authorized at the following discounts:

Europe (including Bahrain) - cost plus 12%
Guam - cost plus 8%
Japan - cost plus 8%
CONUS, Pearl Harbor, and Guantanamo Bay - retail less 10%

e. **General Terms:**

- i. The merchandise must be available from stock in sufficient quantity to satisfy the requisition without jeopardizing the welfare of exchange patrons and can be sold without impairing the inventory position.
- ii. The purchasing activity agrees not to sell any merchandise procured from the NEX at a price lower than the established NEX retail price.
- iii. NEX purchase orders are not to be prepared for the sole purpose of supporting these activities.
- iv. Controlled items (those covered by public law) may not be purchased through the NEX.

f. **Specific Terms:**

- i. Separate Memoranda of Agreements (MOA's) may be negotiated, as appropriate, to provide major support under separate terms and conditions, such as Merchandise Fleet Support Programs and overseas support of Commissaries and Embassies. MOA's require approval of the District Vice Presidents.

g. **Payment Terms:**

- i. Purchases are to be conducted through point of sale (POS) utilizing the percentage discount key. POS transactions must be paid by cash, check, or government credit card.
- ii. All other purchases, through Distribution Centers, and beverage sales to the MWR Clubs are billed as "charge sales". Payments for charge sales are due no later than 30 days from date of receipt of merchandise.

3. If there are any questions regarding the sale of merchandise to authorized government agencies, the point of contact at NEXCOM is Mr. Mike Powers, Director, Retail Operations, at (757) 631-3434.

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