



DEPARTMENT OF THE NAVY
NAVY EXCHANGE SERVICE COMMAND
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VIRGINIA BEACH, VA 23452-5724

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MAY 13 2011

To Our Valued Partners:

Your dedicated support to us in serving the men and women of the U.S. Navy and their families has been always excellent. Thank you for all you do for us every day!

I am writing today to request your assistance so that we can further improve the service provided Navy members and their families. As you may be aware, we are refining the supply chain for food and candy product replenishment for our Exchanges located in the Pacific Rim. In doing so, we have decided to partner with Coastal Pacific Food Distributors (CPFD), as they have always demonstrated great acumen and integrity in supporting our exchanges. Together we will be able to provide a "single invoice" delivery program via EDI transmission for Navy Exchanges in Hawaii, Guam and Japan. Essentially, we will replace individual orders from each manufacturer on a weekly basis for every "ship to" location to a single "roll up" purchase order from CPFD.

It is our intent to maintain the same level of partnership for item selection, pricing and promotions with each manufacturer and broker as we have today. However, we will no longer be generating the mammoth numbers of transactions to record individual orders, purchase order management or invoicing. It is estimated our program will reduce significantly the reconciliation and payment process by eliminating approximately 12,000 invoices annually. Additionally we will eliminate vendor minimum order quantity concerns and reduce shipment timelines to NEX Pacific Rim locations by 50%. This is definitely a win for all involved, most importantly our customers.

After careful consideration of the benefits provided by this program, we believe our respective organizations will benefit greatly in revenue profitability and increased sales. In addition, we will provide a better shopping experience for our most cherished patrons.

Please give me a shout with any thoughts or questions. It is important to us that your organization is enhanced by this effort. Again, thank you for all you do every day in support of our Navy members.

Sincerely,

A handwritten signature in black ink, appearing to read "Pat Igoe", is written over a large, stylized flourish that extends to the left and underlines the signature.

Pat Igoe
By direction