

Exchange Supplier's Handbook

November 2022

OPR: MD



EXCHANGE
ARMY & AIR FORCE EXCHANGE SERVICE

Exchange Supplier's Handbook

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MISSION

Since 1895, the Army & Air Force Exchange Service has gone where Warfighters and their families go to provide quality, tax-free merchandise and goods and services military communities need —regardless of location, risk or challenge.

Exchange Financials (FY 2021):

Revenue: **\$8.2B**

Earnings: **\$318M**

EARNINGS:

Army: **\$111M**

Air Force: **\$75M**

Marine Corps/Navy **\$19M**

Total: **\$205M**

Earnings per active-duty
Airman & Soldier: **\$233**

STRUCTURE

The Department of Defense's largest retailer, the Exchange is governed by a Board of Directors responsible to the Secretaries of the Army and Air Force.

The Exchange is fully aligned with the Army, Air Force and Space Force. A force multiplier for Soldiers, Airmen, Guardians and military communities, the Exchange improves military readiness, recruiting and retention.

VALUE PROPOSITION

The Exchange is a lifetime benefit that provides goods and services to the military community worldwide, offering tax-free shopping and military-exclusive pricing. 100% of Exchange earnings support the military community.

WHO WE SERVE

The Exchange serves an eligible customer base of 33.5 million active-duty military; retirees; National Guard members; Reservists; Purple Heart recipients; former prisoners of war; Veterans with service-connected disabilities; caregivers of eligible disabled Veterans designated by the Department of Veterans Affairs as primary family caregivers; non-disabled, honorably discharged Veterans (online only); authorized Public Health Service associates; authorized National Oceanic and Atmospheric Administration associates; Coast Guard members; DoD and Coast Guard civilian employees; and military family members.

EARNINGS

The Exchange is the 54th-largest retailer in the U.S., achieving competitive earnings of 5% of sales in 2021. 100% of Exchange earnings support our military community. In the last 10 years, the Exchange benefit has provided \$3.5 billion in earnings for critical military Quality-of-Life programs such as outfitting more than 712,000 Warfighters at cost annually, providing school meal support for Department of Defense Education Activity facilities overseas and delivering needed services to locations impacted by natural disasters.

The Exchange self-funds its operations budget through customer revenues, except for 3% of its funding, which is paid from appropriated funds for expenses such as the transportation of merchandise by sea, incremental costs incurred in support of contingency operations and military personnel assigned to the Exchange.

FOOTPRINT

The Exchange operates more than 4,330 facilities with operations in more than 30 countries, 50 states and four U.S. territories. No matter where troops go, the Exchange goes with them. The Exchange serves troops in Southwest Asia, Africa, Europe and the Pacific.

FAMILY SERVING FAMILY

The Exchange supports Warfighters at the tip of the spear, bringing products, services and a taste of home to remote locations and war zones where traditional retailers can't operate. Since 9/11, more than 4,900 Exchange associates have deployed to serve in conflict situations.

The Exchange is a major employer of military families. 85% of the Exchange's 29,000 associates are connected to the military, and 45.6% of the Exchange's U.S. workforce is made up of Veterans, military spouses and dependents.

The Exchange has hired more than 54,000 Veterans and military spouses since 2013, with a goal of hiring 75,000 heroes by 2026. Hiring our heroes is a Quality-of-Life force multiplier.

The Exchange gives spouses first consideration for open positions, and the continuity program lets military spouses transfer to an Exchange when their family has a permanent change of station. For military families, an Exchange career means benefit retention, retirement opportunity and stability.

For more on careers with the Exchange, visit [ApplyMyExchange.com](https://www.exchange.com/apply).

BUSINESS LINES AND SERVICES

Facilities, lines of business and services include:



121

PXs/BXs



580

Convenience and
Specialty Stores



1600+

Quick-serve
Restaurants with
BE FIT options



52

Movie Theaters



3M+

Items offered at
ShopMyExchange.com



165

Military Clothing
stores outfitting
712,000 troops with
combat uniforms
in 2021



10

Distribution centers
worldwide and the
10th-largest private
retail fleet in the
world



4.2M

School meal
program lunches
served to
Warfighters'
children in 2021



1.8M

MILITARY STAR®
cardholders which
is operated by
The Exchange
Credit Program



3,470+

Mall stores and
kiosks, including
barbershops and
wellness services
such as dentistry
and optometry



249

Gas stations
dispensing more
than 390 million
gallons of fuel
in 2021



7

Plants providing
baked goods and
bottled water to
troops overseas

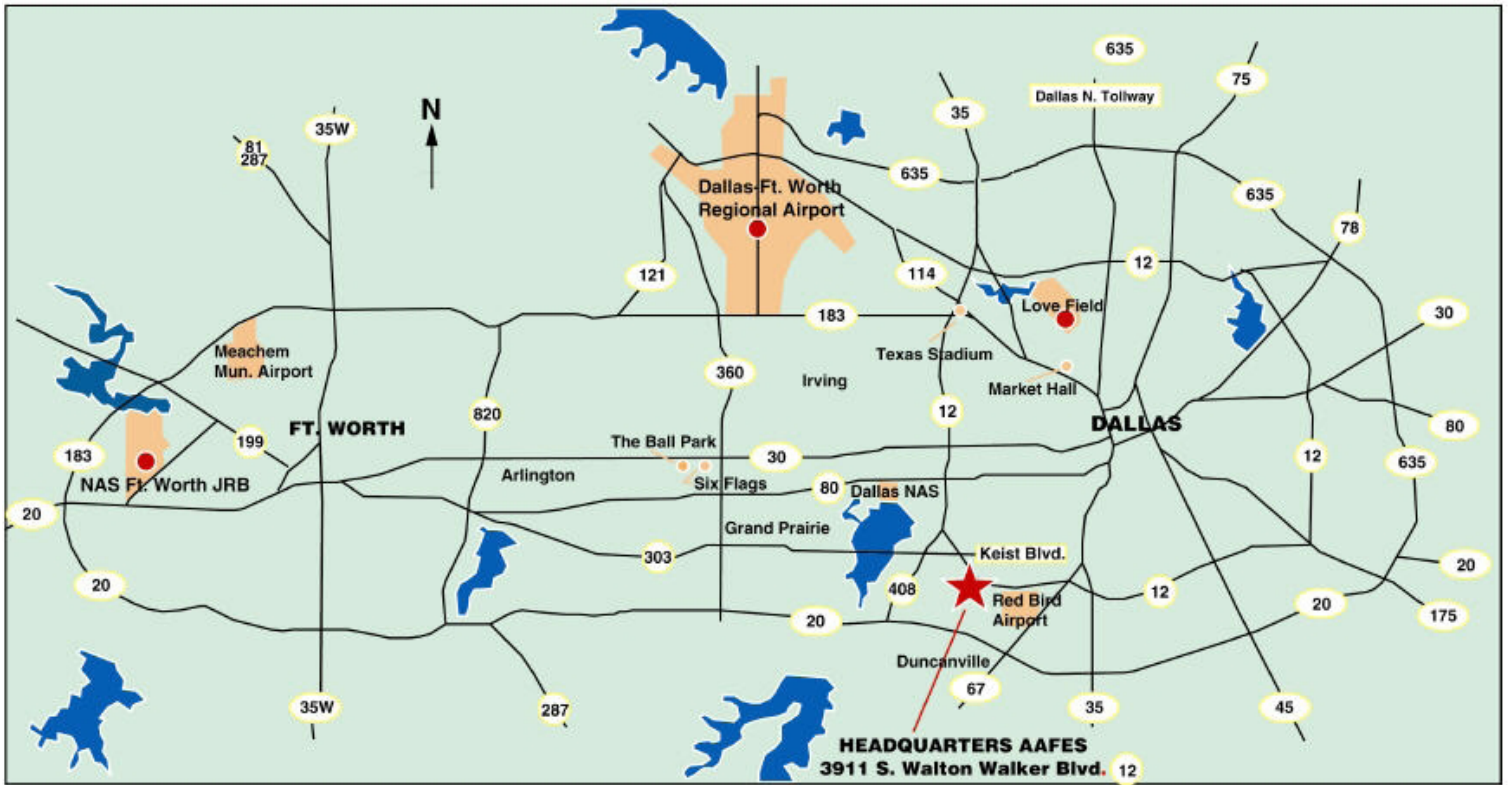
PLUS

- Mobile field exchanges (stores on wheels) supporting military exercises and disaster support efforts (hurricanes, typhoons, forest fires, etc.)
- TV, internet and cellphone services on military installations around the world
- Robust logistics network—third-largest shipper in the Defense Transportation System
- Contingency operations including 370 facilities in Southwest Asia and Eastern Europe
- Business opportunities for Veterans, military spouses and dependents

EXCHANGE CREDIT PROGRAM

The Exchange Credit Program offers affordable credit to the military community. Established by Congress in 1979 to protect service members from predatory lending, the credit program operates the MILITARY STAR® card for 1.8 million cardholders and manages a \$2.1 billion credit card receivables portfolio. Benefits include one of the lowest flat interest rates in the country among store cards, free shipping on online purchases and acceptance at all military exchanges and commissaries and online at ShopMyExchange.com, MyNavyExchange.com and ShopCGX.com.

Map to Exchange Headquarters



Section 1

Visiting the Army & Air Force Exchange Service



Headquarters Visitation

1-1. Supplier visits at Exchange Headquarters (HQ) are by appointment only. Once your Exchange host has scheduled a meeting with you, you will be notified by e-mail of the appointment date and time. Please [CLICK HERE](#) for a detailed guide for requirements for visiting the vendor's reception center (VRC).

Store Visitation Policy

1-2. The Exchange encourages supplier participation in our facilities. Supplier participation support includes, but is not limited to, building promotional displays, product inventory scans, recommended order preparation, associate training and product demonstrations. Suppliers are either permanently assigned to a facility or they provide facility support on an as-needed basis.

1-3. Permanently assigned suppliers are normally issued a yearly gate pass that allows them unlimited access to military installations for purposes of working in our facilities. The gate pass will be issued only after a supplier has completed the necessary installation access paperwork, as determined by the local command.

1-4. Suppliers supporting our stores on an as-needed basis will be required to initially contact the local General Manager (GM), or his/her designated representative, in writing to request installation entry. If the request is approved, a letter of temporary authorization will be issued/signed by the GM listing the facility(ies) they may visit and an expiration date. The pass length is determined by the installation. Established sign-in, control and sign-out procedures will be followed at all times, as determined by the local command. If a suppliers' request is denied, they will be furnished reasons in writing.

1-5. These procedures apply to all Continental United States (CONUS) visitations and U.S. suppliers desiring to visit our overseas facilities.

Gifts and Gratuities

1-6. Government personnel are prohibited from accepting a gift, gratuity or anything of monetary value from any person or firm doing, or seeking to do, business with the Government. Exceptions may apply. Contact ethics@aafes.com for questions.

1-7. Acceptance of a prohibited gift or gratuity subjects Exchange employees to disciplinary action that includes separation, civil suit for recovery of the value of the gift or gratuity, and criminal prosecution.

1-8. The offering or giving of a gift or gratuity by an individual or firm (or its employees or agents) could lead to serious consequences, including termination of contracts, determination of non-responsibility for award of contracts, suspension/debarment, civil suit for recovery of the value of the gift or gratuity, and/or other damages and criminal prosecution.

1-9. We ask your support of this important policy. Should you become aware of any indication or evidence of violation of this policy, please report it in writing to:

Exchange HQ
ATTN: Exchange Inspector General (IG) (Hotline)
P.O. Box 660202
Dallas, TX 75266-0202

Or, telephone the Exchange HOTLINE at **1-800-527-6789**.

Doing Business with the Exchange

1-10. In addition to this handbook, [Supplier Requirements, Exchange Retail Purchase Order Terms and Conditions](#), and the Business Terms Agreement (BTA) contain the basic terms and conditions which apply to merchandise purchased by the Exchange. These are available on the Exchange website at www.shopmyexchange.com; reference "Doing Business with the Exchange," Important Documents.

1-11. These documents describe specific criteria and provisions suppliers should be aware of when entering into negotiations and/or contractual agreement with the Exchange. Suppliers should be familiar with the contents to ensure compliance.

Exchange Activities

1-12. Exchange Headquarters

a. Exchange HQ is located at 3911 S. Walton Walker Boulevard (State Highway Loop 12), nine miles from downtown Dallas, 22 miles from Dallas/Fort Worth (DFW) International Airport and 18 miles from Love Field Airport. Business hours are 7:30 AM - 4:00 PM Central Standard Time (CST).

b. Any questions or inquiries concerning invoice payments or correspondence should be directed to the Exchange paying office designated on the contract or purchase/delivery order. The paying offices are listed below:

HQ Army & Air Force Exchange Service	Exchange HQ-Pacific
ATTN: FA-A	ATTN: PACRIM FA-G
P.O. Box 660261	Unit 5203
Dallas, TX 75266-0261	APO AP 96328-5203

c. To call the Exchange Switchboard, dial 214-312-2011 and follow the prompts to reach the directorate or division you are looking for.

Section 2

Selling to the Exchange

2-1. The Exchange purchases retail merchandise, supplies, equipment and services from a variety of markets. These purchases involve many forms of purchasing and item selection. Although purchases may be made from other governmental sources, most of our purchases are made directly from private businesses. We make competitive purchases through the negotiated method (as opposed to the formal advertising method used in some appropriated fund acquisitions) on the basis of full and free competition to the extent practicable. Any reputable firm or individual may apply to sell its product or services to the Exchange and will be given fair and impartial consideration.

a. **Avoid sending** any unsolicited samples of merchandise or products to the Exchange. If any samples are required for product evaluation purposes, you will be specifically requested to provide them.

b. **If you are interested** in becoming a potential supplier for our retail stores and/or shopmyexchange.com, you must create a free company and product profile on RangeME: <https://www.rangme.com/aafes>.

c. **For concession**, non-retail food & construction procurement you must submit an online application provided in the site: <https://www.partners.aafes.com/sourcelist/>.

2-2. The Exchange receives numerous requests throughout the year for contract information. The Freedom of Information Act (FOIA) allows public access to government records. If you submit a proposal to the Exchange that has proprietary information, that information should be flagged as proprietary. In addition, you should supply proper documentation as to why the data should not be released under FOIA exemptions.

2-3. All suppliers must comply with Exchange purchase order retail terms and conditions and supplier requirements. Suppliers will be charged for noncompliance.

2-4. The sale of some categories of retail merchandise is limited within CONUS by [Department of Defense Instruction \(DoDI\) 1330.21](#), [Armed Services Exchange Regulations \(ASER\)](#), approved by the U.S. Congress. The list of items, authorized for CONUS sale as of the date of publication, is on page 13. There are no limitations on retail merchandise sold in overseas exchanges.

2-5. Since the Exchange is a retailing organization serving the needs of the military community and retail agreements, we select items for resale on the basis of a product's demonstrated customer acceptance in the commercial marketplace. Due to space and investment limitations, we avoid being a test market for new and unproven products.

General Procurement Information

2-6. Exchange HQ and its overseas purchasing elements conduct negotiations and establish sources for merchandise, food and services provided worldwide in exchanges. Firms or individuals wanting to sell their products to the Exchange should visit [The Exchange | Doing Business \(aafes.com\)](#) page.

Hawaii

2-7. **HQ-MD has a buyer located in Hawaii. The address is:**

Exchange
Hawaii Buying Office
265 McClelland Street, Bldg 2171
Hickam AFB, HI 96853-5297

Other Overseas Exchanges

2-8. Commodities are bought for other overseas exchanges as explained below.

2-9. Merchandise and food of foreign origin to be stocked and sold in overseas exchanges are bought by Europe-MD or Pacific-MD, as appropriate. The addresses are:

Army/Air Force Post Office (APO)	Commercial
Exchange Europe MD Unit 24580 APO AE 09245	Exchange Europe MD Sembach Kaserne Geb. 20 67681 Sembach, Germany
Exchange MD-H/Pacific Buying Office Unit 5203 APO AP 96328-5203	Exchange MD-H/Pacific Buying Office Building 4018, Room 204 Yokota Air Base, Fussa-shi Tokyo, Japan 197-0001

Non-Resale Items

2-10. Anyone interested in providing supplies and equipment used by the Exchange activities should submit an online application located in the site <https://partners.aafes.com/sourcelist/>.

Books, Newspapers and Magazines

2-11. The majority of books and publications are supplied to exchanges as contracted by the Exchange book buyer. Contracts with distributors are on a guaranteed sales basis and require the contractor to provide in-store service to remove unsold and outdated publications. Sales of hardbound books are extremely limited in exchanges located in the U.S. The Exchange book buyer contracts for support of all operations.

Services and Vending

2-12. A variety of customer service, commodity and vending concessions are operated under short, long-term or roving contracts with individuals and businesses.

a. **Examples of customer services:** barber and beauty shops, nail salons, spas, massage, taxi and shuttle services, rental car, laundry and dry cleaning, alterations, optical shops, jewelry and watch repair.

b. **Examples of commodities:** nutrition centers, tactical stores, flower shops, clothing and accessories, jewelry and gift shops.

c. **Examples of vending concessions:** beverage, amusement, DVD rental, candy and snack machines.

2-13. Short Term contracts are limited cash and carry commodities only and are managed by the local exchange at each military installation. The contract term is typically 7 to 14 days, and a Retail Merchandising Unit (RMU) located in the retail mall area is provided to display and sell merchandise.

2-14. Long term contracts are established through open competition among eligible sources interested in providing the service, commodity or vending concession required by the Exchange. Participation by small businesses and minority business enterprises is encouraged.

2-15. State and local licensing requirements and tax liability apply to all businesses operating under a concession contract with the Exchange. Firms or individuals operating a concession in overseas locations must comply with the laws and regulations of the host country.

2-16. Anyone interested in providing customer service, commodity or vending through a concession contract should submit an online application in the site: <https://partners.aafes.com/sourcelist/>.

2-17. For Japan, Korea and Guam, contracting is managed by the Exchange Pacific Contracting Office. Anyone interested in providing a customer service, commodity or vending through a concession contract should contact:

Exchange Pacific Region
Services & Vending Contracting
Unit 35163
APO, AP 96379-5163

Construction Contracting

2-18. The Exchange contracts for new construction, facility modifications and the installation of equipment and fixtures.

2-19. The Exchange HQ Real Estate Directorate Support Division (RE-C) generally contracts for new construction and renovation exceeding \$25,000. If you are interested in a particular construction project, contact:

Exchange HQ
ATTN: PZ-RE-ZC
3911 S. Walton Walker Blvd.
Dallas, TX 75236

Or, go to <https://www.aafes.com/pz-s/construction/>

Architect-Engineer Services

2-20. Architect-Engineer (A-E) service contracts are made with selected firms based on professional qualifications and other considerations necessary for satisfactory performance of the work required.

2-21. For CONUS and Alaska, Exchange RE-ZC negotiates contracts. Exchange HQ-RE makes source selection. If you wish to be considered for selection, send a completed [Standard Form \(SF\) 330, Architect Engineer Qualifications](#), along with other pertinent data about your firm, to Exchange RE-ZC.

Support Service Contracts

2-22. The Exchange contracts for a variety of support services for our HQ, distribution centers (DCs), exchanges, catalog and eCommerce. Support services include training, contract staffing, freight consolidation, security guards, uniform/linen rental, drug testing and more. Contracts are also established to provide customer services. These include ring sizing, armored car services, subscriptions and more.

2-23. We also contract for consultant services to study various elements and programs within the Exchange and to provide guidance to management.

2-24. **If you are interested in contracting for support services, contact:**

Exchange HQ
ATTN: PZ-MD
P.O. Box 660202
Dallas, TX 75266-0202

Telecommunication Personal Information Services Contracts

2-25. The Exchange contracts for a variety of unofficial telecommunication personal information services (PIS) through Exchange storefronts, PowerZone locations and online offerings. PIS telecommunication services include installation, maintenance and operation of fixed networks and wireless phone aggregators with top network carriers and providers.

2-26. **If you are interested in contracting for telecommunication PIS, contact:**

Exchange HQ
ATTN: PZ-MD
P.O. Box 660202
Dallas, TX 75266-0202

Hi-Tech Contracts

2-27. Procurement of systems and services used by the Exchange to operate its business is done at Exchange HQ. Included are computers of all sizes, peripherals for computers (disk drives, printers, modems, etc.), software, communications devices, telephone systems, long distance and 800 telephone service, Very Small Aperture Terminal (VSAT) system, business television (BTV), cash registers, point-of-sale (POS) systems, internet service providers, related consultant support services and disposal sales.

2-28. Most large purchases require the supplier to provide service for up to 10 years beyond acceptance. In cases where the product may be used worldwide (such as cash registers, POS systems, personal and mid-size computers, etc.), the supplier must be able to support the products worldwide.

2-29. **Direct questions and interest to:**

Exchange HQ
ATTN: PZ-IT
P.O. Box 660202
Dallas, TX 75266-0202

Contracting Officers

2-30. Only contracting officers may bind the Exchange contractually. Exchange contracts must be in writing.

2-31. Contracting officers are Exchange employees or military officers assigned for duty with the Exchange who are designated by certificates of appointment. Contracting officers are empowered to negotiate, execute and administer contracts, purchase orders, delivery orders and so forth under their specific certificate of appointment. They have considerable authority to act for the Exchange in business matters. No one else may obligate the Exchange to purchase any product or service. Solicitations may be posted at <https://partners.com/aafessolicitations>, or contact appropriate purchasing elements for current or future solicitations.

eCommerce

2-32. The Exchange Online Store at shopmyexchange.com offers selected store-stocked items and a broad assortment available only online. Merchandise selections also include specialty channel goods.

2-33. Merchandise for the Exchange Online store can be shipped from store, shipped directly from one of our warehouses, or shipped Direct to the Consumer (DTC) through one of 3 methods. DTC methods are our online Specialty Store., online Mall Store, or vendor drop shipped. The Exchange along with the vendor evaluates these methods to determine the best fit of both the Exchange and our partner.

2-34. Participation in the Exchange Online Drop Ship program requires suppliers to connect through either Commerce hub (aka DSCO) or Radial (aka VendorNet®). Both are 3rd party ecommerce enablement platforms connecting suppliers to the Exchange to not only expand our online assortments but also provides automated inventory, order management, fulfillment and payment processing. Both platforms are a subscription service. Radial requires drop ship vendors to have electronic data interchange (EDI) capability to pass product data. DSCO allows several connection options to pass product data.

2-35. When submitting merchandise send your submissions to the applicable Exchange MD buyer. Please include complete product specifications, pricing, dimensions, images and a list of features and benefits. For assistance with internet item submissions, see the important documents on our Doing Business with the Exchange Ecommerce web page and work with your buyer.

Section 3

Exchange Guidelines to Quality Assurance

3-1. **The Exchange Quality Assurance Program** ascertains the quality of items we buy and sell. We test and evaluate many items before and after purchase. We also visually inspect merchandise at suppliers' plants and our warehouses using random sampling techniques. Our aim is to keep poor quality merchandise out of our stores.

3-2. Most food items bought by the Exchange must be processed in plants approved by the Department of Defense (DoD) using either their own inspection or, in certain cases, other federal inspection services. Some items are exempt because of their low potential for disease transmission. The Office of the Staff Veterinarian or the food buyer can tell you if source approvals are unnecessary. Delivery of food items directly to exchanges requires an inspection by the resident military food inspection unit for terms of the contract, wholesomeness, condition, identity and sanitation of the vehicle.

3-3. The Exchange is determined to be a proactive partner to the community we serve and to the suppliers whose merchandise and services we offer. Suppliers should be environmentally responsible, offering products and packaging which create a minimum of hazardous waste, are made from recycled products or can be reused or recycled themselves, are energy efficient, enhance the environment and whose claims can be verified.

3-4. Laboratory testing and technical evaluations are performed on a wide range of merchandise. Items are tested, analyzed and evaluated under various conditions to see how well they will perform under actual use. Such characteristics as colorfastness, shrinkage, elongation, permanent press, strength, electrical performance and safety factors are checked.

3-5. We use sampling plans derived from the American National Standards Institute (ANSI)/ASQCZ1.4, "Sampling Procedures and Tables for Inspection by Attributes," for visual inspection of merchandise. This standard is approved by the DoD and is widely used and accepted throughout industry. Ordinarily, we inspect items using normal sampling plans. We use tightened inspection for re-inspection of a previously failed lot and when a supplier's quality indicates that a higher than normal risk of substandard quality may be offered. The Acceptable Quality Levels (AQLs) we use, in conjunction with ANSI/ASCZ1.4 sampling plans, define the maximum percentage of defective product the Exchange will accept before rejecting a shipment. AQLs vary by product and price line.

3-6. It's each supplier's responsibility to ensure the quality of their merchandise by establishing an effective statistical in-process quality control system including end item testing/inspection. We accept quality merchandise only. We can and do verify product quality at suppliers' plants, Exchange warehouses and in our stores. We inspect as a discriminating customer would. Each sample is examined for defects adversely affecting appearance, serviceability or customer acceptance. Examples of defects are:

- a. **Softline Merchandise** – Open seams, exposed raw edges, spots or stains and material defects such as slubs, floats, shade bars, knots, holes or badly shaded parts.
- b. **Hardline Merchandise** – Mechanical or electrical malfunction or misalignment; dents, scratches, rust, poor finish; loose, missing or damaged hardware; distorted audio or video; loose electrical connections; and safety-related defects such as sharp edges, ingestible components or other hazardous conditions.

3-7. In addition to quality defects, noncompliance with [Exchange Retail Purchase Order Terms and Conditions](#), or applicable Federal laws or acts can cause an item to be unacceptable, such as:

a. Missing or incorrect Underwriter's Laboratories (UL) or equivalent labels, size labels, textile care labels, fiber content labels, manufacturer's or brand labels, military uniform certification labels, flame-resistant identification and so forth.

b. Missing or improper pre-ticketing or universal product code (UPC). The Exchange requires authentic GS1 bar codes that meet GS1 specifications for labeling and readability. For more information on GS1 bar codes, please visit www.gs1us.org.

c. Unauthorized substitutions or variations in ordered quantity.

d. Not packed or packaged as required by law, contract or good packaging practices; for example, non child-resistant caps, non tamper-resistant/safety-sealed vitamins, non leak-proof packages or insufficient inner packaging to prevent rattling and damage to contents.

3-8. Supplier liability for supplying defective or nonconforming items is explained in detail in the [Exchange Retail Purchase Order Terms and Conditions](#) applicable to contracts and purchase orders.

3-9. As part of the [Supplier Requirements](#), suppliers are required to maintain and have an acceptable Quality Control (QC) or Quality Assurance (QA) program in place. At minimum, suppliers must have products tested for safety and performance in addition to performing self end-item inspections prior to shipping products to the Exchange.

3-10. As stated in the [Exchange Retail Purchase Order Terms and Conditions](#), suppliers providing the Exchange's private label or direct import merchandise must ensure that their factories and sub-contractors comply with Exchange Social Responsibility and Labor Standards. These suppliers are required to provide factory's social responsibility audit or certification documents via email to QAManagement@aafes.com for the Exchange quality Assurance to review and approve. Suppliers can provide the documents from other retailers or brands or independent social responsibility certifying organizations, or can hire independent auditing firms to audit the factories.

Email QAQuestions@aafes.com

Mailing Address:
HQ Army & Air Force Exchange Service
ATTN: Quality Assurance MD-E/QA
3911 South Walton Walker Blvd.
Dallas, TX 75236

Section 4

Items Authorized for Sale in CONUS

4-1. The following items are sold in CONUS exchanges (U.S. manufacturers or authorized distributors only). Congress (the House Armed Services Committee) stipulates restrictions on certain merchandise as indicated below:

4-2. **Categories Include:**

- a. **Automotive** – Tires, batteries, gasoline, oil; auto accessories, parts and chemicals.
- b. **Casual Home Furnishings** – Area rugs, folding chairs and tables, and ready-to-assemble furniture. Exchanges in CONUS may not sell decorative housewares and furnishings with a per-unit (piece) cost to the Exchange in excess of \$500.
- c. **Clothing/Accessories** – Military and civilian clothing items.
- d. **Food and Beverages** – Our stores may stock a selection of items that provide a basic level of service customarily found in commercial stores, including candy and snacks. Beverages include soft drinks, water, juices and all categories of alcoholic beverages.
- e. **Housewares and Electronics** – Baby furniture, safety items, mattresses and box springs, kitchen items, small electrical appliances, linens, domestics, sewing machines and accessories, cleaning supplies, dinnerware, clocks, flatware, lamps, audio components, radios, CD players, DVD players, console and portable televisions, blank tapes, prerecorded music, plants and shrubs, washing machines, dryers, air conditioners, dishwashers and refrigerators.
 - (1) Exchanges in CONUS may not sell:
 - (a) Finished furniture with a per-unit (piece) cost to the Exchange in excess of \$1,100.
 - (b) Small appliances with a per unit (piece) cost to the Exchange in excess of \$150.
 - (2) There is no cost limitation on floor polishers, food processors, fans, coffee makers, humidifiers, dehumidifiers, air purifiers, microwave ovens, refrigerators, rotisseries, roasters, broilers and vacuum cleaners.
- f. **Jewelry** – Costume and fine jewelry, watches. Exchanges in CONUS may not sell:
 - (1) Jewelry other than diamond jewelry with a per-unit (piece) cost to the Exchange in excess of the cost price of two ounces of gold.
 - (2) Diamond settings with individual stones that exceed 1½ carats.
- g. **Sporting Goods, Recreational** – Power tools, bicycles, tents, guns, fishing, golf, ski and physical fitness.
 - (1) Exchanges in CONUS may not sell:
 - (a) Sports equipment and supplies, recreational equipment, manual arts equipment and supplies, or photographic supplies and film with a per-unit (piece) cost to the Exchange in excess of \$500.
 - (b) Recreational boats with a per unit (piece) cost to the Exchange in excess of \$750.

(2) There is no cost limitation on aquatic equipment, bicycles, fishing equipment, golf club sets, guns and gun accessories, physical fitness exercise equipment, ski equipment, surfboards and tents.

h. **Equipment and Supplies** – Outdoor power equipment and photographic equipment.

(1) Exchanges in CONUS may not sell garden equipment with a per-unit (piece) cost to the Exchange in excess of \$500.

(2) There is no cost limitation on cameras and projectors, camera and projector accessories, power tools; outdoor power equipment, including lawn mowers, edgers and snow blowers; ski equipment, surfboards and tents.

i. **Stationery and Supplies** – Greeting cards, calculators, Christmas decorations, artist supplies, school and office supplies.

j. **Tobacco and Accessories** – A full line of tobacco products and accessories is authorized (not including accessories made of precious metals).

k. **Toiletries and Health Care** – All basic items of health, beauty aids, hair care products, perfumes, fragrances, shaving accessories, personal appliances, first aid items, sunglasses, vitamins, disposable diapers, toilet tissue and so forth.

Section 5

Exchange Logistics

Office:

Exchange Logistics (LG)
Exchange HQ
3911 S. Walton Walker Blvd
Dallas, TX 75236

Mailing Address:

Exchange Logistics
P.O. Box 660202
Dallas, TX 75266

Telephone Numbers
(214) 312-XXXX

Executive Vice President & Chief Logistics Officer, LGX3005
Operations Division (LG-O).....X3043
Transportation Division (LG-T).....X3018
Safety and Security Field Office (LG-SFO).....X3073

Logistics

5-1. **Dan Daniel DC (DDDC)**, located in Newport News, Virginia, is a 1.4 million square foot mechanized facility distributing general merchandise to facilities located throughout the Northeast and Europe.

5-2. **West Coast DC (WCDC)** is a fully mechanized state-of-the-art distribution center located at French Camp, just outside Lathrop, California at the Sharpe Army Depot. The 850,000 square foot facility serves retail facilities throughout the Western United States, Pacific, Alaska and Hawaii.

5-3. **Waco DC (WADC)**, located in Waco, Texas, is a 688,000 square foot mechanized facility distributing general merchandise to exchanges east of the Rocky Mountains and west of the Mississippi.

How Merchandise is Distributed

5-4. The Exchange performs an economic analysis on every item purchased to determine the best way the merchandise should be shipped to our facilities. Factors considered in the analysis are the supplier's free on board (FOB) terms, type of service needed, nature of the merchandise category, and an evaluation of the economic/operational benefits to the Exchange and our customers.

Transportation

5-5. The Exchange transportation network utilizes a mix of commercial carriers (less-than-truckload, truckload and inter-modal), consolidation centers and our private Exchange fleet.

5-6. Commercial carriers submit all rates in tender format and must utilize EDI for billing and shipment status information. LG limits the number of carriers used to a select group based on quality measures, financial strength and transportation costs. These are often referred to as "Preferred Carriers."

5-7. Suppliers may be required to ship direct to a facility, CCC, DC or port, depending on the service requirements and transportation costs. Routing instructions will be transmitted with the purchase order. If no routing instructions are received, call HQ-LG. The Exchange does not issue a routing guide.

5-8. Once shipments enter the Exchange transportation network, they are tracked through the Exchange system using carrier EDI updates and are completely visible to anyone with access to the Exchange mainframe.

Exchange Distribution Center Addresses		
Distribution Center	Shipping Address	Mailing Address
CONUS		
Specialized DC (SPDC) xxx-xx-xxxx	SPDC – Dock 13 3911 S Walton Walker Blvd Dallas, TX 75236	
Dan Daniel DC (787) 888-2827	231 Enterprise Drive Newport News, VA 23603-1335	
Waco DC (254) 666-8505	1801 Exchange Parkway Waco, TX 76712	
West Coast DC (209) 234-3756	Bldg 550, 700 E Roth Road French Camp, CA 95231-9998	
EUROPE		
Germersheim DC	Lingenfeldstr, Bldg 7977 Whse 7977 76726 Germersheim, Germany 76726	AAFES Germersheim DC Unit 30306 APO AE 09095-0301
PACIFIC		
Japan DC	Exchange LG-JADC Building 4084, Unit 5203 Yokota AB, Fussa-Shi Tokyo 197-0001 Japan	Exchange LG-JADC Yokota AB Building 4084, Unit 5203 APO AP 96328-0003
Korea DC	Korea DC Building 5541 USAG Humphreys Pyeongtaek, KR 17979	Korea DC Unit 15471 Building 5541 APO AP 96271-5471
Okinawa DC	Okinawa DC Building 801 Camp Kinser Urasoe-City Okinawa, Japan 901-2133	Okinawa DC Unit 35163 APO AP 96378-5163
OFFSHORE		
Hawaii DC	Building 1728 Hickam AFB, HI 96853-5297	
Puerto Rico DC	AAFES SE Exchange Region Building 613 Buchanan, RP 00934-5080	

Figure 5-1

Section 6

Exchange Addresses

Exchange address can be found on: <https://www.aafes.com/about-exchange/doing-business/edi-info>

Section 7

Glossary of Terms

AIFA (Exchange Imprest Fund Activities) – Found at locations where it is impractical to provide service through regular exchange outlets. The Exchange provides the unit to be served with inventory, change funds, equipment and fixtures. The commander of the unit appoints a commissioned officer, warrant officer or senior noncommissioned officer (NCO) to supervise the AIFA. Conditions permitting, the Exchange also provides support to military personnel in a contingency operation or field exercises.

Automotive/Car Care (AutoPride) – A retail facility in which authorized customers can purchase gasoline, automotive parts/accessories, car care items and automotive services/repairs such as tires, batteries and lubrication services.

Book Store (BookMark) – A retail outlet primarily selling books, periodicals and reading-related merchandise. These facilities may be free-standing or mall located.

Branch Store – A smaller version of a main store operation with a limited stock assortment representing the majority of retail departments normally associated with main stores. Located where the customer population will not support a standard main store.

Class Six – A retail outlet exclusively selling beer, wine and spirits with related snack and non-food items. These may be free-standing or mall locations.

Commissary Exchange (CX)/Base Exchange Mart – A retail facility which combines grocery food items with standard department store hardline and softline merchandise. A combined grocery store and department store. These facilities will usually be free-standing.

Disney Store – A retail branch store with active wear and Disney-related merchandise. This facility, located within the Disney World complex at the Shades of Green Hotel, is operated for the convenience of authorized customers visiting the Disney World area.

eCommerce – Operates the Exchange On-Line Store.

Express – A retail outlet located primarily, but not exclusively, in a high-traffic area near major installation roadways or housing areas. Previously known as "shoppette," the Express is open for business longer hours than other retail outlets and carries a stock assortment focused on convenience food and household items. Some Express stores also have gas sales and video rental areas.

Furniture Store (Home and Garden) – A retail outlet selling furniture, major appliances, rugs, televisions and other household furnishing items. These facilities may be free-standing or mall located.

Main Retail Store (Exchange) – The major retail activity of a military installation providing retail merchandise and services for authorized customers. Maximum merchandise stock assortments are authorized.

MCS (Military Clothing Sales) – This facility sells uniforms, insignias and other military accessories. It may be free-standing or mall located.

MFE/DOX-T (Mobile Field Exchange/Direct Operation Exchange-Tactical) – Gathers merchandise at a central support location, ships it via the military services to remote operational sites, and sells the merchandise to authorized customers. It is set up to provide basic health, hygiene and personal care necessities for military personnel involved in exercises, contingency operations or natural disaster emergencies, deployed to areas not serviced by an exchange.

Mini-Mall – A free-standing retail facility located near a troop or housing area that is a combination of Express, video rental, Class Six, car care or other retail service demographically suited for the immediate environment. This facility may also include food service and personal service outlets such as barber shops, beauty shops or travel agencies.

Motion Picture Theater – The motion picture theater provides service by showing films on a paid-admission basis; includes movie refreshment stands.

Services – Is comprised of many different concession operations that provide services, food and merchandise to our customers through long term contracts and short term agreements with the Exchange. Barber and beauty shops, laundry and dry cleaners, alterations, florists, optical and gift shops are among the traditional services.

Sports Store – A retail facility exclusively devoted to selling sporting goods, athletic wear and athletic shoes. Assortments will be broader and deeper than that found in main stores and extra services such as racket stringing will be available, if possible. These facilities may be free-standing or mall located.

SUPQAP (Supplier Quality Assistance Program) – A partnership program to assist and motivate suppliers to provide first quality products.

Troop Store – A retail facility with a limited stock assortment designed for a troop area environment with operating hours aligned to meet troop/barracks schedules. Located primarily in barracks areas with an almost exclusive trainee/enlisted customer base.

Section 8 Glossary of Acronyms

ACRONYM	DEFINITION
A	
AAP	Army Ammunition Plant
A-E	Architect-Engineer
AFB	Air Force Base
AFS	Air Force Station
AIFA	Exchange Imprest Fund Activities
ANG	Air National Guard
ANSI	American National Standards Institute
APO	Army/Air Force Post Office
AQL	Acceptable Quality Level
ASER	Armed Services Exchange Regulations
B	
BTA	Business Terms Agreement
BTV	Business Television
C	
CCC	Commercial Consolidation Center
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CONUS	Continental United States
COO	Chief Operating Officer
CST	Central Standard Time
CX	Commissary Exchange
D	
DANG	Delaware Air National Guard
DC	Distribution Center
DD	Deputy Director
DDDC	Dan Daniels Distribution Center
DFW	Dallas-Fort Worth
DoD	Department of Defense
DoDI	Department of Defense Instruction
DOX-T	Direct Operation Exchange – Tactical
DSCS	Defense Supply Center

ACRONYM	DEFINITION
E	
ECOMM	eCommerce Directorate
EDI	Electronic Data Interchange
EG	Executive Group
EUCOM	European Command
EVP	Executive Vice President
F	
FA	Financial Management and Accounting Directorate
FDF	Fashion Distribution Facility
FOB	Free On Board
FOIA	Freedom of Information Act
G	
GM	General Manager
H	
HQ	Headquarters
I	
IG	Inspector General
J	
JADC	Japan Distribution Center
JRB	Joint Reserve Base
L	
LG	Logistics Directorate
LG-O	Logistics Directorate, Operations Division
LG-T	Logistics Directorate, Transportation Division
LG-SFO	Logistics Directorate, Safety and Security Field Office
M	
MCS	Military Clothing Sales
MD	Merchandising Directorate
MFE	Mobile Field Exchange
MWR	Morale, Welfare and Recreation
N	
NAS	Naval Air Station
NCO	Noncommissioned Officer
NG	National Guard

ACRONYM	DEFINITION
P	
PACRIM	Pacific Rim
PIS	Personal Information Services
POS	Point-of-Sale
Pres	President
Q	
QA	Quality Assurance
QC	Quality Control
R	
RAF	Royal Air Force
RE	Real Estate Directorate
RE-C	Real Estate Directorate, Support Division
RMU	Retail Merchandising Unit
S	
SF	Standard Form
SFG	Special Forces Group
SPDC	Specialize Distribution Center
SUPQAP	Supplier Quality Assistance Program
SVP	Senior Vice President
U	
UK	United Kingdom
UL	Underwriter's Laboratories
UPC	Universal Product Code
U.S.	United States
USAF	U.S. Air Force
USCG	U.S. Coast Guard
V	
VRC	Vendor Reception Center
VSAT	Very Small Aperture Terminal
W	
WADC	Waco Distribution Center
WCDC	West Coast Distribution Center