



DEPARTMENT OF THE NAVY
NAVY EXCHANGE SERVICE COMMAND
3280 VIRGINIA BEACH BOULEVARD
VIRGINIA BEACH, VA 23452-5724

IN REPLY REFER TO:
NEXCOMINST 4067.9A
A:GH
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NEXCOM INSTRUCTION 4067.9A

From: Chief Executive Officer, Navy Exchange Service Command

Subj: AFLOAT COFFEE BAR MANAGEMENT AND POLICY

Ref: (a) NAVSUP PUBLICATION 487 Ships Stores Afloat

Encl: (1) Afloat Coffee Bar Policy and Procedures

1. Purpose. To provide Navy Exchange Service Command (NEXCOM) Ships Store Program (Code A) policy and procedures for the establishment of coffee bars on board Navy ships in accordance with reference (a).
2. Cancellation. NEXCOMINST 4067.9
3. Background. The popularity of coffee bars in the civilian community provided an opportunity for this Quality of Life function to transition to Navy ships that have the location and manpower to provide this type of service. A review by Commander, Navy Installations Command (CNIC) determined that the fiscal oversight, management, and operation of these coffee bar outlets properly belonged to the Naval Supply Systems Command (NAVSUP), NEXCOM Code A.
4. Responsibilities and Procedures. Procedures to request and establish a shipboard coffee bar program are provided in enclosure (1), and include roles and functional responsibilities for the fleet and ashore personnel.
5. Action. This revised instruction is effective immediately and should be read in its entirety. Addressees will take immediate action to implement this instruction throughout NEXCOM Ships Store Program and ensure compliance with policy stated herein. Questions or matters relating to this instruction may be directed to NEXCOM Headquarters Ships Store (Code A).
6. Records Management. Records created as a result of this instruction, regardless of media and format, must be managed per SECNAV Manual 5210.1 of January 2012.
7. Review and Effective Date. Per OPNAVINST 5215.17A, NEXCOM will review this instruction annually on the anniversary of its effective date to ensure applicability, currency, and consistency with Federal, DoD, SECNAV, and Navy policy and statutory authority using

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OPNAV 5215/40 Review of Instruction. This instruction will automatically expire five years after effective date unless reissued or canceled prior to the five-year anniversary date, or an extension has been granted.

A handwritten signature in black ink, appearing to read 'R. J. Bianchi', with a long, sweeping horizontal stroke extending to the right.

R. J. BIANCHI
Chief Executive Officer

Releasability and distribution:

This instruction is cleared for public release and is available electronically only via NEXCOM web site <https://intranet.nexad.nexweb.us/>

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AFLOAT COFFEE BAR POLICY AND PROCEDURES

1. Policy and procedures for the establishment of a shipboard Starbucks Coffee Bar by the Retail Department (S-3) are contained herein.

a. General. The ship must notify the Navy Exchange Service Command (NEXCOM) Ships Stores Program (Code A) via the Type Commander (TYCOM) by letter when they wish to establish a coffee bar operation. The letter should include the following items:

(1) A statement that a Ship's Change Document (SCD) was/is not required. If the ship's configuration has been changed or will change due to the installation of a coffee bar service area, the approved SCD reference number must be provided. If an SCD has not been approved yet, the TYCOM may state in his/her endorsement that the SCD has been submitted and is awaiting approval.

(2) A list of equipment desired for the operation.

(3) A requirements document for any modernization project the ship desires to contract out to a civilian activity. New construction will require an SCD that takes into account space reservations, utility requirements, water requirements, weight and other considerations as the project will alter the configuration of the ship, as well as add requirements for support.

b. Roles and Responsibilities

(1) NEXCOM Code A. NEXCOM Code A will provide policy and procedures for the operation of the coffee bar, financial assistance for the modernization of equipment if required, and assistance in obtaining the proper equipment. NEXCOM Code A will also arrange sources of supply for Starbucks coffee products and consumables.

(2) TYCOM. The appropriate TYCOM will review all requests for coffee bar establishment and initiate the SCD, if required. Additionally, they will review the operation during scheduled supply management inspections/certifications.

(3) Ship. Each ship will identify the location of the coffee bar and the ventilated storeroom where coffee bar supplies will be stored, initiate the SCD as required, modernize the location if required, sign the Starbucks documentation outlined in this instruction, and provide a copy to NEXCOM Code A. The ship is responsible for the training and assignment of personnel. As part of the operation, the ship will identify equipment requirements, order the coffee bar consumables through the procedures set forth in this instruction, and operate the coffee bar in accordance with standards set by Starbucks.

c. Starbucks Documentation. As part of the process to obtain a Starbucks Coffee Bar, the company requests the ship to sign two documents: (1) a "Starbucks Coffee Company Equipment and Marketing Material Loan Agreement" and (2) a "Foodservice Equipment Purchase

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Agreement.” Much of the verbiage in these two documents is “boilerplate” that is not applicable to the operation of coffee bars located onboard Navy ships. Therefore, ships may sign these Starbucks documents, but only with the understanding that:

(1) The ship is not authorized to order or accept any equipment from Starbucks. All product and equipment shall be obtained through the Ships Store Program in accordance with the policies and procedures outlined in this instruction.

(2) The relevant purpose of the documentation is to ensure that the ship acknowledges the Starbucks marketing and brand requirements that must be adhered to in establishing and operating a coffee bar.

(3) Starbucks may elect to end its relationship with the ship if the marketing and brand requirements are not followed. Any issues should be reported to NEXCOM Code A to ensure proper liaison between the Ships Store Program and Starbucks.

2. Financial Considerations

a. Modernization/Improvement Funding

(1) The cost of materials for modernization and improvement may be financed from the ship's Operating/Operational Target (OPTAR) funds when approved by the TYCOM. If OPTAR funds are not available, the cost of materials may be charged to Ship's Store Profits, Navy (SSPN) with written approval from NEXCOM Code A. If desired, a loan to cover the cost of modernization may be requested from NEXCOM Code A for a maximum period of up to three years.

(2) When OPTAR funds are used, materials for modernization and improvement will be made under local procurement regulations. All materials must meet the habitability standards in the Naval Sea Systems Command (NAVSEA) Habitability Materials List. NEXCOM Code A will approve modernization plans regardless of funding.

b. Procurement Using SSPN

(1) Material for modernization and improvement will not be charged to SSPN without written approval of NEXCOM Code A. All materials must meet the habitability standards in the NAVSEA Habitability Materials List.

(2) NEXCOM Code A cost estimate may be used to request authority to charge SSPN. NEXCOM Code A will authorize the charge to SSPN not to exceed a specified amount, provide accounting data, and provide a loan to cover the charge if requested. The layout package, along with the funding authorization, may then be submitted to the local contracting activity for negotiating a contract for the project to be completed by a local contractor.

c. Procurement of Coffee Bar Equipment

(1) Buying Equipment – General Information. NEXCOM Code A is the control point for the procurement of coffee bar equipment. The cost of machines, maintenance and repairs will be charged to the individual ship's profits. If the ship's profits are not sufficient to absorb the charge, a loan may be requested from NEXCOM Code A. Forces afloat will accomplish installation of the machines.

(2) Authorized Machines

(a) List of Authorized Machines. When authorized for installation afloat, the following list of machines will be operated as part of the Ship's Store operation:

<u>Type of Machine</u>	<u>Authority Required From</u>
Espresso Machine	TYCOM
Cold Mix Machine (blender)	TYCOM

(b) Coffee Bar Equipment. Equipment purchased by NEXCOM Code A will be restricted to only those machines for which the manufacturer can show proof of conformance with Underwriters Laboratories, Inc.

(3) Procurement Procedures – Initial Procurement

(a) Request Submission. A letter request will be forwarded to NEXCOM Code A, via the TYCOM, for the initial procurement of all types of authorized machines. NEXCOM Code A will prepare a purchase order and send the ship a copy.

(b) Information Required. In order to expedite procurement, a letter request for procurement of machines will include the following information:

1. An inventory of all machines desired, with weight of each unit and the proposed location of the new machine.
2. A complete description of the machine desired, including make, model, capacity and size.
3. Accessory equipment desired, such as, water filter, repair parts, and other required items.
4. Other information necessary to ensure procurement of the equipment desired.
5. Purchase order number.
6. Date desired.

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7. Specific pier side delivery instructions.

8. For replacement machines only, a statement of the general condition of the machine being replaced, including date of acquisition and serial number of the equipment.

d. Accounting Instructions. The cost of coffee bar equipment and related items will be charged to the individual ship's profits. The purchase using SSPN will be accounted for as per NAVSUP P-487 (paragraph 4222).

e. Replacement of Machines. Requests for replacement of all types of authorized machines dispensing the same product and weighing the same or less than the original machine will be submitted directly to NEXCOM Code A. The letter request will include the information required by NAVSUP P-487 (paragraph 4412).

f. Repair Parts. Repair parts for permanently installed coffee machines may be obtained by contacting NEXCOM Code A, who will purchase the item(s) for the ship in accordance with NAVSUP P-487 (paragraph 4221).

g. Repair Services. The services of a commercial source may be procured to repair coffee machines and related items. The cost of the service plus any parts furnished in making the repairs will be charged to the individual ship's profits. Ships will contact NEXCOM Code A, who will obtain the repair service for the ship.