



INFORMATION TECHNOLOGY ENTERPRISE SOLUTIONS-3 HARDWARE (ITES-3H)

ORDERING GUIDE

June 2016



FOREWORD

These ordering guidelines contain the information needed to issue Delivery Orders (DOs) against the Information Technology Enterprise Solutions - 3 Hardware (ITES-3H) contracts. These contracts were awarded under the Federal Acquisition Streamlining Act (FASA), the Clinger-Cohen Act, and the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2016, which requires that the prime contractors be provided a fair opportunity to be considered for delivery/task order awards. The contracts are structured as Indefinite Delivery/Indefinite Quantity (ID/IQ) contracts, using DOs for the acquisition of a full range of Information Technology (IT) equipment for server, storage, and network environments; for related integration services; and for maintenance/warranty of legacy IT equipment as part of an ITES-3H solution, in accordance with (IAW) the commercial items definition in Federal Acquisition Regulation (FAR) 2.101. A Commerciality Determination has been performed at the base IDIQ level and therefore is not required at the DO level.

These contracts are available to the Army, other DOD agencies, and all other Federal agencies, and authorized Government contractors supporting these agencies IAW the Defense Federal Acquisition Regulation Supplement (DFARS) 252.251-7000.

Questions regarding these guidelines and procedures for placing orders against the contracts should be directed to Computer Hardware, Enterprise Software and Solutions (CHESS). Questions of a contractual nature should be directed to the Procuring Contracting Office (PCO), Army Contracting Command - Rock Island (ACC-RI). These guidelines will be revised, as needed, to improve the process of awarding and managing orders under the ITES-3H contracts.

CHESS

ATTN: SFAE-PS-CH
9351 Hall Road, Building 1456
Fort Belvoir, VA 22060-5526
Toll Free Customer Line 1-888-232-4405
armychess@mail.mil

ACC-RI

ATTN: Ilana Bohren
CCRC-TA
3055 Rodman Ave
Rock Island, IL 61299-8000
309-782-1844
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Information regarding the ITES-3H contracts, including links to the prime contractors' home pages, can be found at: <https://chess.army.mil>.



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CHAPTER 1

ITES-3H GENERAL INFORMATION

1. BACKGROUND

The ITES-3H contracts are multiple award, ID/IQ contract vehicles, specifically designed as the primary source of IT equipment to support the Army enterprise infrastructure and infostructure goals with a full range of innovative, world class IT equipment and solutions at a reasonable price.

It is essential that the ITES-3H equipment integrate and enhance Army Net-operations/Net-centric capabilities, while providing a common look and feel for Army applications at all levels of both the strategic and tactical Army enterprise. Emphasis should be placed on equipment that can be updated or enhanced in order to incorporate long-term migration strategies with performance enhancements for initiatives such as the Global Information Grid (GIG), Future Combat Systems (FCS), Information Assurance (IA) policies, and Internet Protocol version 6 (IPv6) policies. The equipment must be in compliance with existing Department of Defense (DOD) and Department of Army standardization and interoperability policies.

Working in partnership with the prime contractors, CHES manages the contracts in coordination with ACC-RI. ITES-3H contractors are to enhance Army capabilities by partnering with and supporting the implementation of Network Enterprise Technology Commands (NETCOM) Networkiness Program.

2. SCOPE

The ITES-3H contracts provide for the purchase and lease of commercial UNIX Based Servers, Non-UNIX based servers, desktops, notebooks, workstations, thin clients, storage systems, networking equipment (including wireless), network printers, product ancillaries (including equipment cabinets, racks and mounts), peripherals (including monitors), network cabling products, video teleconferencing (VTC) products, standalone displays (e.g., plasma screens, HDTVs), scanners, Everything over Internet Protocol (EoIP) products, communication devices, power devices, and software provided as part of the end to end solution (includes Enterprise Software Agreements (ESA), Non-ESA, SmartBUY, and Non-SmartBUY), warranty variations, and other related incidental services, accessories, and options.

NOTE for SOFTWARE and WARRANTY PURCHASES:

Software: Army customers are required to procure software through CHES. To do so you must look at ELAs first, then ESI, and lastly ITES-SW. You will need to refer to the specific software contract pages to determine if the CHES contracts meet your requirements. For ITES-SW, you will need to submit an RFQ. If you determine the CHES contracts do not meet your requirements, you must submit a request for a Statement of Non-Availability (SoNA).

Warranties: Some Agencies/Organizations purchase warranties that cover the entire Agency/Organization. Please ensure that there are no warranties purchased to cover your requirement prior to your purchase to eliminate double payments for the same products.



Personal computers and notebooks are for the fielding of a complete system or as part of a total design solution, as opposed to a personal computer or notebook replacement vehicle. In addition, the contractor shall provide related Firm-Fixed-Price (FFP) services that enable the capability to provide end-to-end equipment solutions.

Services shall be directly related to the procurement of equipment under this contract. The legacy equipment warranty/maintenance shall be related to the integration of equipment procured under this contract. The services shall be performed as requested by the customer on individual DOs.

In order to keep pace with changes in technology and meet worldwide requirements of the Army, the contractor shall provide for new technologies and refresh their catalog product offerings IAW the contractor's commercial business practices, as Army requirements change, and IAW this agreement, over the life of this contract. These new technologies may include, but are not limited to: biometrics, embedded encryption, body wearable computers and displays, wireless products, and mobile personal data terminals. IT products procured through this acquisition are required to comply with DOD and Army standards.

The Contract Line Items (CLINs) consist of equipment and warranty catalogs, non-catalog unpriced items, services, software, and shipping. Separate CLINs exist for the base period and the two option periods:

Base Period:	22 February 2016 – 21 February 2019
Option 1:	22 February 2019 – 21 February 2020
Option 2:	22 February 2020 – 21 February 2021

For example, for Catalog I equipment (UNIX-based Servers) CLINs consist of:

Base Period:	0101
Option 1:	1101
Option 2:	2101

NOTE: Extension periods (if applicable) are to follow the above "Option 2" CLIN structure.

A minimum discount is identified by each contract's (see paragraph 3 below) catalog CLIN. The catalogs consist of the following descriptions and CLIN numbers:

Catalog I – UNIX based Servers

- UNIX platforms with multiple core Intel/AMD or equivalent processors. Includes items that directly support the provided platforms (e.g., various processor clock rates, high availability components, internal storage devices such as hard disk drives and optical drives, memory modules and upgrades, video cards, network interface cards, expansion bays, multimedia devices, interface adapter cards, internal cables, processor/ motherboard upgrades), mounting racks, cabinets, power supplies, power adaptors, clustering devices, and operating systems/licenses not covered or provided under existing Government enterprise agreements, e.g., Enterprise Software Agreements (ESA) provided under the Enterprise Software Initiative (ESI) and SmartBUY as described on the CHES website. CLINs 0101 (Base Period), 1101 (Option 1), & 2101 (Option 2).



Catalog II – Non-UNIX based Servers

- Non-UNIX based platforms with Intel/AMD or equivalent processors. Includes predominately Windows based servers operating items that directly support the proposed platforms (e.g., various processor clock rates, internal storage devices such as hard disk drives and optical drives, memory modules and upgrades, video cards, network interface cards, multimedia devices, interface adapter cards, expansion bay, internal cables, processor/motherboard upgrades), mounting racks, cabinets, power supplies, power adaptors, clustering devices, and operating systems/licenses not covered or provided under existing Government enterprise agreements, e.g., ESA and SmartBUY as described on the CHESSE website. As more operating systems are added to the Army Golden Master (AGM), more servers supporting these operating systems may be added to the catalog. CLINs 0201 (Base Period), 1201 (Option 1), & 2201 (Option 2).

Catalog III – Workstations, Thin Clients, Desktops and Notebooks

- Includes workstation platforms with Error Check & Correcting (ECC) memory and Serial Advanced Technology Attachment (SATA) drives. Desktops consist of platforms with Double Data Rate three (DDR3) memory and SATA drives. Notebooks use various DDR memory architectures. Thin clients require flash memory. All are platforms with Intel (or equivalent) processors. Included are internal items that directly support the proposed platforms (e.g., various processor clock rates, internal storage devices (hard disk drives and optical drives), memory modules and upgrades, video cards, network interface cards, multimedia devices, interface adapter cards, expansion bay, internal cables, processor and motherboard upgrades), keyboard/mouse, portable storage devices, memory cards, power strips, USB hubs, card readers, speakers, external connection cables, expansion chassis, monitors, power adaptors, warranty and warranty variations, and operating system/licenses not covered or provided under existing Government enterprise agreements, e.g. ESA and SmartBUY as described on the CHESSE website. CLINs 0301 (Base Period), 1301 (Option 1), & 2301 (Option 2).

Catalog IV – Storage Systems

- Includes items such as various storage arrays, storage area networks, various Just Bunch of Disks (JBODs) configurations, various sizes of hard disk drives, storage cables, adapters, storage expansion cabinets, storage network bridge devices, power supplies, power adaptors, firmware, tape backup devices, optical backup devices, tape and optical media, and related commercial storage software products not covered or provided under existing Government enterprise agreements. CLINs 0401 (Base Period), 1401 (Option 1), & 2401 (Option 2).

Catalog V – Networking Equipment

- Includes items such as managed and unmanaged switches, hubs, gateways, routers, wireless networking devices, EoIP, associated cables, adapters, firmware, memory upgrades, interface cards, power supplies, power adaptors, expansion bays, service packs, and related network management software products not covered or provided under existing Government enterprise agreements. CLINs 0501 (Base Period), 1501 (Option 1), & 2501 (Option 2).



Catalog VI – Network Printers

- Includes network printers, scanners, supporting devices (e.g. hard disk drives, memory and upgrades, network interface adapters, cables, input trays, duplexers, output bins), and power adaptors. CLINs 0601(Base Period), 1601 (Option 1), & 2601 (Option 2).

Catalog VII – Cables, Connectors, and Accessories

- Includes various network cables (metallic and optical) to include, but not limited to, cable trays, various cable bends, connectors and cable tray hangers. CLINs 0701 (Base Period), 1701 (Option 1), & 2701 (Option 2).

Catalog VIII – Video Equipment Products

- Includes VTC equipment, standalone displays (Plasma, LCD, HDTVs) larger than 21 inches, and projectors to include ancillaries. CLINs 0801 (Base Period), 1801 (Option 1), & 2801 (Option 2).

Catalog IX - Uninterruptible Power Supplies (UPS)

- Includes Uninterruptible Power Supplies (UPS), power strips, and line conditioners. CLINs 0901 (Base Period), 1901 (Option 1), & 2901 (Option 2).

A catalog warranty CLIN corresponds to each hardware catalog CLIN, except for CLINs 0701, 1701, and 2701. The warranty CLIN is the catalog hardware CLIN plus “1”. Therefore, as an example for Catalog I, the corresponding warranty CLINs for the base period and each of the two option years are 0102, 1102, and 2102. Warranty CLINs are also identified with a minimum catalog discount.

NOTE: Under the ITES-3H contract, hardware purchases in all Catalogs, except for Catalog III, have a one-year warranty. Catalog III items have a three-year warranty. These warranties remain in effect after the contract reaches its end of life and do not fall under Clauses 52.212-4 or 52.216-22. If the Original Equipment Manufacturer (OEM) warranty is longer than the standard one-year or three-year (for Catalog III) warranty, the OEM’s warranty shall apply.

NOTE: If a product is available for lease, the Ordering Contracting Officer (OCO) will perform a Lease vs. Buy Analysis.

No established minimum discount exists for non-catalog items. The OCO must establish FFPs IAW FAR 15.4 for unpriced items.

The non-catalog, unpriced items are:

Related Items and Equipment:

This CLIN may be used for Army-approved IA items, new technology items that do not fit into the predefined Catalogs I through IX, and for items required to complete an ITES-3H solution. Related items do not necessarily fit into Catalogs I through IX and shall be within the scope of the contract. This CLIN shall be provided IAW paragraph (b)(1) of the Pricing Terms. CLINs 0910 (Base Period), 1910 (Option 1), & 2910 (Option 2).

NOTE: All ITES-3H contract catalog items must be Trade Act Agreement (TAA) compliant. However, there are instances where an item required as part of an ITES-3H



solution is not TAA compliant, and no TAA compliant item is available. OCOs may make a determination to waive the TAA requirement and purchase the non-TAA compliant item after confirming:

- That the item to be purchased is non-TAA compliant
- No TAA compliant items are available from any of the 17 ITES-3H contractors
- No other TAA compliant items are available that will satisfy the requirement

OCO's will document the order file to support the determination to waive the TAA requirement. Such waivers will be specific to the individual DO. Non-TAA compliant items will be offered under the Related Items, Equipment and Software CLIN. The OCOs must establish FFPs IAW FAR 15.4 for these items.

Related Software:

This CLIN may be used for commercial non-ESA software products or non-SmartBuy software products required to complete an ITES-3H solution. Related software products must be within the scope of the contract. This CLIN shall be provided in accordance with paragraph (b)(1) of the Pricing Terms. CLINs 0911 (Base Period), 1911 (Option 1), & 2911 (Option 2).

NOTE: If a customer submits a Request for Quote (RFQ) for JUST software (SW), the vendor may quote only when the customer can provide documentation proving that the original license was purchased under ITES-2H or ITES-3H. All other SW purchases **MUST** be done in conjunction with a total solution.

Related Services:

Related services shall be services directly related to the ITES-3H equipment requirement. The contractor shall also provide legacy equipment maintenance/warranty as part of system configuration and integration services. The legacy equipment warranty/maintenance shall be related to the integration of equipment procured under this contract and will clearly define items to be maintained and level of service required. All services shall be performed as negotiated and agreed to by the Requiring Activity (RA). These services shall be provided IAW paragraph 3.3 of the Statement of Work (SOW). CLINs 0912 (Base Period), 1912 (Option 1), & 2912 (Option 2).

NOTE: If a customer submits a Request for Quote (RFQ) for JUST maintenance and/or warranty, the vendor may quote only when the customer can provide documentation proving that the original hardware was purchased under ITES-2H or ITES-3H. All other maintenance and/or warranty purchases **MUST** be done in conjunction with a total solution.

NOTE: All applicable clauses required in support of OCONUS services shall be added to the individual orders by the OCO.

Outside Continental United States (OCONUS) Shipping:

Shipping for deliveries to OCONUS locations in 35 calendar days IAW paragraph (b)(4) of the Pricing Terms. CLINs 0913 (Base Period), 1913 (Option 1), & 2913 (Option 2).

Shipping Variations:

Alternate or additional delivery schedules such as ship-in-place, expedited shipping, or shipping to APO addresses, shall be negotiated under individual delivery orders under this



contract IAW paragraph (b)(5) of the Pricing Terms. CLINs 0914 (Base Period), 1914 (Option 1), & 2914 (Option 2).

DOD Enterprise Software Initiative (ESI):

The contractor shall provide software from DoD ESI sources in accordance with paragraph (b)(1)(A) of the Pricing Terms. CLINs 0915 (Base Period), 1915 (Option 1), & 2915 (Option 2).

Other Direct Expenses:

Other direct expenses for items used in providing services, including travel, in accordance with paragraph (b)(3) of the Pricing Terms, and as negotiated in individual delivery orders under this contract. Travel and per diem will be quoted on a FFP basis, and shall be in accordance with the then-current version of the Federal Travel Regulations (FTR)/Joint Travel Regulations (JTR). Price is TBD at the DO level. CLINs 0916 (Base Period), 1916 (Option 1), & 2916 (Option 2).

Non-catalog Items:

The Government reserves the right to add CLINS for individual items to the contract that currently are not catalog items. See paragraph 3.2 of the SOW. CLINs 0917 (Base Period), 1917 (Option 1), & 2917 (Option 2).

Contractor Manpower Reporting (CMR):

This CLIN shall be included in every Army order containing services. This CLIN shall be used for the pricing of the collection and reporting Contractor Manpower Reporting (CMR) Data and will be priced on an individual order basis and shall be IAW the CMR clause contained in the contract. Reporting period will be the Period of Performance (PoP) not to exceed (NTE) 12 months ending 30 September of each Government FY, and must be reported by 31 October of each calendar year. For each order, the contractor shall specify the estimated number of direct labor hours required for the CMR reporting of that specific order and the applicable estimated direct labor dollars. CLINs 0918 (Base Period), 1918 (Option 1), & 2918 (Option 2).

3. PRIME CONTRACTORS

The following is a list of the ITES-3H prime contractors, their respective contract numbers, business size applicable to the specific contract and links to the prime contractor websites.

Prime Contractor	Contract Number	Business Size
Affigent, LLC	W52P1J-16-D-0005	Small
Telos Corporation	W52P1J-16-D-0006	Large
Unicom Government, Inc.	W52P1J-16-D-0007	Large
International Business Machines Corporation	W52P1J-16-D-0008	Large
Dynamic Systems, Inc.	W52P1J-16-D-0009	Small
Dell Federal Systems L.P.	W52P1J-16-D-0010	Large
Global Technology Resources, Inc.	W52P1J-16-D-0011	Small
Hewlett-Packard Company	W52P1J-16-D-0012	Large



CDW Government, LLC	W52P1J-16-D-0013	Large
Iron Bow Technologies, LLC	W52P1J-16-D-0014	Small
Wildflower International, LTD.	W52P1J-16-D-0015	Small
World Wide Technology, Inc.	W52P1J-16-D-0016	Large
GovConnection, Inc.	W52P1J-16-D-0017	Large
Force 3, Inc.	W52P1J-16-D-0018	Large
Government Acquisitions, Inc.	W52P1J-16-D-0019	Small
Intelligent Decisions, Inc.	W52P1J-16-D-0020	Small
Microtechnologies, LLC	W52P1J-16-D-0029	Small

4. CONTRACT TERMS/APPROACH

Separate, multiple awards were made for ITES-3H with the following contract terms and provisions:

Contract Terms	ITES-3H
Contract Minimum	<ul style="list-style-type: none"> NTE \$10,700.00 for each contractor The minimum applies only to the Base Period
Contract Maximum	<ul style="list-style-type: none"> \$5,000,000,000.00 over a five-year period of performance. The contract maximum represents the total requirement for the life of the contract (including options, if exercised).
Period of Performance	<ul style="list-style-type: none"> Five Years: <ul style="list-style-type: none"> 36-month base period Two 12-month option periods
Pricing Structure	<ul style="list-style-type: none"> Firm-Fixed-Price
Ordering Guidance and Process	<ul style="list-style-type: none"> See Chapters 3 and 4

5. FAR 16.505, AFARS 5116.5, and DFARS 216.505-70

The following regulations are applicable to ITES-3H contracts:

IAW FAR 16.505(b) and Army Federal Acquisition Regulation Supplement (AFARS) 5116.5, for all orders in excess of \$3,500.00 and not exceeding the simplified acquisition threshold, the OCO must provide each contractor a fair opportunity to compete unless an exception is justified IAW FAR 16.505(b)(2). In making the award, the OCO must document his/her selection, including the basis for award (e.g., low price, or best value tradeoff) and any tradeoffs, in the case of best value, between price and non-price considerations; the selection must consider price. Finally, though not required, the OCO should consider past performance on earlier orders under ITES-3H and use streamlined procedures. The contract file must include the basis for the exception to the fair opportunity process.

- IAW the NDAA for FY 2008, DOs in excess of \$5,000,000.00 require the OCO to provide a RFQ to all ITES-3H contractors that includes a clear statement of the requirements, a reasonable period of time to provide a proposal in response to the



RFQ, disclosure of the significant factors and sub factors, including cost or price, that the OCO expects to consider in evaluating such proposals, and their relative importance. In the case of an award that is to be made on a best value basis, the OCO must prepare a written statement documenting the basis for the award and the relative importance of quality and price or cost factors. For orders in excess of \$5,000,000.00, the OCO must provide an opportunity for post-award debriefings.

- IAW DFARS 216.505-70, Orders under multiple award contracts, if only one offer is received in response to an order exceeding the simplified acquisition threshold that is placed on a competitive basis, the contracting officer shall follow the procedures at 215.371.



CHAPTER 2

ITES-3H ROLES AND RESPONSIBILITIES

The following is a summary of the roles and responsibilities for the primary organizations in the ITES-3H contract process.

1. ARMY CONTRACTING COMMAND – ROCK ISLAND

- Serves as the PCO for the ITES-3H contracts. The PCO has overall contractual responsibility for the ITES-3H contracts. All orders issued by an RA's OCO are subject to the terms and conditions of the contract. The contract takes precedence in the event of conflict with any DO.
- Provides advice and guidance to RAs, OCOs, and contractors regarding contract scope, acquisition regulation requirements, and contracting policies.
- Approves and issues modifications to the basic contract as the Administering Contracting Officer.
- Represents the Contracting Officer position at various contract-related meetings.

2. COMPUTER HARDWARE, ENTERPRISE SOFTWARE AND SOLUTIONS

- Designated by the Secretary of the Army as the Army's primary source for commercial IT.
- Is the RA for this acquisition
- Project Director under the Program Executive Officer, Enterprise Information Systems.
- Maintains the IT e-mart, a no-fee flexible procurement strategy through which an Army user may procure COTS IT hardware, software, and services. The CHESSE IT e-mart features Request for Quote (RFQ) and Reverse Auction (RevA) tools. The IT e-mart website is: <https://chess.army.mil>.
- With support from the US Army, Information Systems Engineering Command, (ISEC), assists Army organizations in defining and analyzing requirements for meeting the Army's enterprise infrastructure and infostructure goals.
- Works with requiring activities to help them understand how ITES-3H can best be used to meet their requirements.
- Conducts periodic meetings with the prime contractors to ensure requirements, such as standards and reporting requirements, are understood and adhered to.
- Serves as the PCOs Program Representative.

3. REQUIRING ACTIVITY (RA)

- Defined as any organizational element within the Army, DOD, and other Federal agencies.
- Adheres to the requirements and procedures defined in the ITES-3H contracts and these guidelines.
- Defines requirements.
- Funds the work to be performed under ITES-3H DOs.
- Prepares DO requirements packages.

4. ORDERING CONTRACTING OFFICER (OCO)

- OCOs within the Army, DOD, and other Federal agencies are authorized to place DOs within the terms of the contract and within the scope of their authority.



- Serves as the interface between the contractor and the Government for individual DOs issued under the ITES-3H contracts.
- Responsible for requesting, obtaining, and evaluating proposals/quotations, and for obligating funds for DOs issued.
- Responsible for addressing non-TAA compliant product issues affecting individual DOs and preparing any waivers or determinations necessary to acquire non-TAA compliant products.

5. ORDERING CONTRACTING OFFICER'S REPRESENTATIVE (OCOR)

- Ordering CORs will be designated by letter of appointment from the OCO.
- Serves as the focal point for all task activities, and the primary point of contact with the contractors.
- Provides technical guidance in direction of the work; not authorized to change any of the terms and conditions of the contract or order.
- Obtains required COR training.

NOTE: The Army Contracting Command Acquisition Instruction provides a list of approved COR training courses.

6. CONTRACTORS

The principal role of the contractor is to deliver and install/integrate products identified in orders issued under its contract within the time frame specified under the contract. Contractors must provide technical assistance and perform warranty services IAW the terms and conditions of the ITES-3H contract.

7. OMBUDSMAN

IAW FAR 16.505(b)(8), contractors that are not selected to perform work under a delivery order/task order award may contact the designated Agency contract Ombudsman for the ITES-3H contracts. The Ombudsman is responsible for reviewing complaints from the contractors and ensures that all contractors are afforded a fair opportunity to be considered, consistent with the procedures in the contracts and regulations. ITES-3H contractors that are not selected for award under a DO competition may seek independent review by the designated Ombudsman for the ITES-3H contracts. The ACC-RI Ombudsman will review complaints from the contractors on all DOs issued by ACC-RI and ensure that all contractors are afforded a fair opportunity to be considered for each DO, consistent with the procedures in this contract. The Ombudsman for DOs not issued by ACC-RI will be the Ombudsman that supports that particular OCO. The designated Ombudsman for the ITES-3H contracts is:

Gregory Tetter
 Army Contracting Command, ACC-RI
 Attn: AMSAS-GC
 1 Rock Island Arsenal
 Rock Island Arsenal
 309-782-7287

gregory.i.tetter.civ@mail.mil



CHAPTER 3

ITES-3H ORDERING GUIDANCE

1. GENERAL

- Ordering is decentralized for all ITES-3H requirements. Ordering under the contracts is authorized to meet the needs of the Army only. There are no approvals, coordination, or oversight imposed by the PCO on any OCO. OCOs are empowered to place orders IAW the terms and conditions of the contracts, these Ordering Guidelines, the FAR, the DFARS (as applicable), and their own agency procedures.
- The PCO will not make judgments or determinations regarding DOs awarded under the ITES-3H contracts by an OCO. All issues must be resolved consistent with individual agency procedures and/or oversight.
- Upon request, the PCO is available to provide guidance to OCOs executing orders under the ITES-3H contracts.
- The CHES *IT e-mart* is available to make product and price comparison among all awardees and solicit competitive quotes. The OCO can initiate the delivery order process by issuing a RFQ or initiating a RevA to the awardees via the CHES *IT e-mart* at <https://chess.army.mil/>. The OCO may also utilize an independent reverse auction site, such as FedBid.

2. PRICING

- Pricing is Firm-Fixed-Price. There are also unpriced items. These include eight FFP line items for Related Items and Equipment, Related Software, Related Services, OCONUS Shipping, Shipping Variations, DOD ESI, Other Direct Expenses, Non-Catalog Items, and CMR. The Government reserves the right to add CLINs for individual items to the contract that currently are not catalog items under the New Technology Clause.
- Catalog items will be purchased by DOs. The catalog CLIN on the DO shall list the discounted amount for the catalog items ordered. In the description column, the following minimum information will be listed: catalog number, part number, description, item quantity, unit price and extended amount, discount applied, and the discounted grand total.
- Additional discount(s), from the established catalog discount, may be provided under individual DOs as negotiated by the OCO. Any and all agreements to reduce pricing under the provision shall be subject to all other provisions set forth in the contract. Contract terms and conditions may not be waived, nor additional products (not specified in scope of the contract) be sold as part of the price reduction agreement.

3. SMALL BUSINESS SET-ASIDES

- As the Non-Manufacturer Rule applies to ITES-3H, Small Business (SB) set-asides are possible at the delivery order (DO) level.
(<https://www.sba.gov/contracting/contracting-officials/non-manufacturer-rule>)
- There are several class waivers listed at <https://www.sba.gov/contracting/contracting-officials/non-manufacturer-rule/class-waivers>. An individual waiver can also be applied for at the delivery order level.
- If the SB is a manufacturer of the products being sought, a waiver is not required.



- The requiring activity/ordering contracting office (RA/OCO) will have to perform the research to see if there are any SB manufacturers of the product, if a waiver exists on the SBA.gov site, or to request an individual waiver at the DO level. The RA/OCO will coordinate with their cognizant Legal/SB offices as appropriate. The OCO will have to document the file accordingly.
- TAA compliance is still a requirement on ITES-3H. Per the Non-Manufacturing Rule paragraph at <https://www.sba.gov/contracting/government-contracting-programs/what-small-business-set-aside>, “A waiver of the non-manufacturing rule does not affect other legal requirements that might apply to a supply contract, such as the Buy American Act or Trade Agreements Act.”
- The predominant NAICS code for the ITES-3H contract remains 334111.
- ACC-RI and CHESS will not be making any determinations if specific products apply to a particular waiver.
- **ONLY UPON COMPLETION OF THE ABOVE WILL THE OCO BE ABLE TO SET ASIDE PROCUREMENTS FOR SBs ON THE CHESS *IT E-MART* FOR ITES-3H.**

4. ORDER FORMS AND NUMBERING

- An appropriate order form (DD Form 1155, Order for Supplies or Services, or SF1449, Solicitation/Contract/Order for Commercial Items) shall be issued for each DO. The use of Government Credit Cards is also authorized IAW applicable rules and procedures. DOs may be issued via telephone, fax, e-mail, postal mail or CHESS’s *IT e-mart*.
- OCOs shall not use any order numbers from numbers 0001 through 9999, which are reserved for ACC-RI. DOD agencies should use ordering numbers as specified in DFARS 204.7004(d)(2)(i). Non-DOD Federal agencies may use any numbering system, provided it does not conflict with either of these numbering systems.

5. DELIVERY REQUIREMENTS

- Delivery of products to the Continental U.S. (CONUS) and OCONUS locations shall be IAW individual DOs. Maximum delivery time to the addresses specified in each DO shall be within 30 calendar days for CONUS addresses, and 35 calendar days for OCONUS from the date a valid order is received by the contractor, or as otherwise agreed to by the parties. All contractors offer the ability to expedite delivery, subject to negotiation or additional cost. Partial shipments and partial payments are authorized under the contracts. Shipping shall be Free On Board destination.
- Delivery prices for OCONUS shipments shall be separately negotiated as a FFP CLIN under individual DOs.
- Coordination and scheduling of shipment and delivery is the responsibility of the ordering activity. Commercial shipping is required in lieu of developing a shipping mechanism reliant upon Government personnel intervention.
- If an item cannot be delivered within the delivery time for that item, the contractor shall notify the OCO and CHESS within two business days of order receipt, of the expected delivery date for the ordered item(s). Upon notification, the Ordering Agency may choose to cancel the DO or request due consideration for the delay.

6. SECURITY CONSIDERATIONS



Orders shall indicate any security clearances required and the level of classified access necessary. A DD Form 254, Contract Security Classification Specification, shall be prepared and incorporated into the DO when required.

7. ORDERING – FAR 16.505

- IAW FAR 16.505(b)(2), for all orders exceeding \$3,500.00 but not exceeding the simplified acquisition threshold, the OCO shall give every ITES-3H contractor a fair opportunity to be considered for a DO unless one of the exceptions to fair opportunity applies. The OCO must document his/her rationale if applying one of the exceptions to fair opportunity. However, no special format is required.
- All orders exceeding the simplified acquisition threshold for DOD shall be placed on a competitive basis IAW FAR 16.505 unless a written waiver is obtained, using the limited sources justification and approval format in FAR 8.405-6. Refer to your agency's approval authorities for placing orders on an other-than-competitive basis. This competitive basis requirement applies to all orders by or on behalf of DOD. Non-DOD agencies shall comply with its agency's procedures.
- The requirement to place orders on a competitive basis is met only if the OCO:
 - Provides a notice of intent to purchase to every ITES-3H contractor, including a description of work to be performed and the basis upon which the selection will be made; and
 - Affords all ITES-3H contractors responding to the notice a fair opportunity to submit an offer and to be fairly considered.
- Exceptions to the requirement to place an order on a competitive basis.
 - As provided in FAR 16.505(b)(2), the OCO may waive the requirement to place an order on a competitive basis if a written limited sources justification and approval is done and one of the following circumstances applies:
 - The agency's need for the supplies or services is so urgent that providing a fair opportunity would result in unacceptable delays. Use of this exception requires a justification that includes reasons why the ITES-3H processing time for a fair opportunity to be considered will result in an unacceptable delay to the agency. The justification should identify when the effort must be completed and describe the harm to the agency caused by such a delay.
 - Only one contractor is capable of providing the supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized. Use of this exception should be rare. When using this exception, explain (1) what is unique or highly specialized about the supply or service, and (2) why only the specified contractor can meet the requirement.
 - The order must be issued on a sole-source basis in the interest of economy and efficiency because it is a logical follow-on to an order already issued under these contracts, provided that all awardees were given a fair opportunity to be considered for the original order. When using this exception, the justification should discuss why the specific requirement continues and why it is to the benefit of the Government for the particular to continue this work. Examples of benefits include:
 - Award to any other source would likely result in substantial duplication of cost to the Government that is not expected to be recovered through competition;



- Award of the order to a different source would cause unacceptable delays in fulfilling the Government's requirements (lack of advance planning is not valid rationale); or
- A statute expressly authorizes or requires that the purchase be made from a specified source.
- OCOs must consider a set-aside to small businesses IAW FAR 16.505(b)(2)(F). When contemplating a set-aside, the OCO should be cognizant of clause 52.223-16, Acquisition of EPEAT-Registered Personal Computer Products, which is incorporated into the base contracts. These items may only be available from the OEMs.

NOTE: For brand name requirements, a justification and approval must be prepared.

- The OCO must follow its agency's procedures for documenting the process and rationale for selection of the awardee for each order. Also, for orders in excess of \$5,000,000.00, the OCO must provide an opportunity for post-award debriefings. See Chapter 1, Paragraph 5 above.
- The CHES *IT e-mart* is available to make product and price comparison among all awardees and solicit quotes from all awardees. Refer to <https://chess.army.mil/>.

8. REQUIREMENTS INVOLVING BUNDLING (FAR 2.101 and 7.107) AND CONSOLIDATION (DFARS 207.170)

Definitions:

Bundling is the consolidation of two or more requirements for supplies or services, previously provided or performed under separate smaller contracts, into a solicitation for a single contract that is likely to be unsuitable for award to a small business concern.

Consolidation of contract requirements means the use of a solicitation to obtain offers for a single contract or a multiple award contract to satisfy two or more requirements of a department, agency, or activity for supplies or services that previously have been provided to, or performed for, that department, agency, or activity under two or more separate contracts.

Justification:

When market research, conducted by the head of the agency, indicates the Government would derive measurable and substantial benefits, bundling may be necessary and justified. Measurably substantial benefits may include cost savings or price reduction, quality improvements that will save time or improve or enhance performance or efficiency, reduction in acquisition cycle times, better terms and conditions, and any other benefits. The agency must quantify the identified benefits and explain how their impact would be measurably substantial. The agency may determine bundling to be necessary and justified if, as compared to the benefits that it would derive from contracting to meet those requirements if not bundled, it would derive measurably substantial benefits equivalent to: (1) Ten percent of the estimated contract or order value (including option) if the value is \$94,000,000.00 or less; or (2) Five percent of the estimated contract or order value (including options) or \$9,400,000.00, whichever is greater, if the value exceeds \$94,000,000.00..

Without power of delegation, the service acquisition executive for the military departments, the Under Secretary of Defense for Acquisition, Technology and Logistics for the defense



agencies, or the Deputy Secretary or equivalent for the civilian agencies may determine that bundling is necessary and justified when:

- The expected benefits do not meet the percentage/dollar thresholds above but are critical to the agency's mission success.
- The acquisition strategy provides for maximum practicable participation by small business concerns.

See FAR 7.107 for additional guidance.

The consolidation of a contract requirement is necessary and justified when market research indicates the benefits of the acquisition strategy substantially exceed the benefits of each of the possible alternative contracting approaches. Benefits may include costs and, regardless of whether quantifiable in dollar amounts, quality, acquisition cycle, terms and conditions, and any other benefit. Savings in administrative or personnel costs alone do not constitute a sufficient justification for a consolidation of contract requirements unless the total amount of the cost savings is expected to be substantial in relation to the total cost of the procurement.

Contracting Officer Responsibility

In assessing whether cost savings would be achieved through bundling, the contracting officer must consider the cost that has been charged or, where data is available, could be charged by small business concerns for the same or similar work. The contracting officer must justify bundling in acquisition strategy documentation. For orders with an estimated order value of \$8,000,000.00, the acquisition strategy must, in addition to the above:

- Identify the specific benefits anticipated to be derived from bundling.
- Include an assessment of the specific impediments to participation by small business concerns as contractors that result from bundling.
- Specify actions designed to maximize small business participation as contractors, including provisions that encourage small business teaming.
- Specify actions designed to maximize small business participation as subcontractors (including suppliers) at any tier under the order that may be awarded to meet the requirements.
- Include a specific determination that the anticipated benefits of the proposed bundled order justify its use.
- Identify alternative strategies that would reduce or minimize the scope of the bundling, and the rationale for not choosing those alternatives.

Agencies shall not consolidate contract requirements with an estimated total value exceeding \$2,000,000.00 (See DoD Class Deviation 2013-O0021, Contract Consolidation. This class deviation lowers the dollar threshold as set forth at DFARS 207.170-3(a) from \$6,000,000.00 to \$2,000,000.00. This class deviation is effective until incorporated into the FAR and/or DFARS, or rescinded.) unless the acquisition strategy includes:

- The results of market research.
- Identification of any alternative contracting approaches that would involve a lesser degree of consolidation.
- A determination by the senior procurement executive that the consolidation is necessary and justified.

Include the determination in the contract file that the consolidation is necessary and justified IAW DFARS 207.170-3(a)(3).



CHAPTER 4 ITES-3H ORDERING PROCEDURES

1. ORDERING PROCEDURES

Delivery Order Request

- The Requiring Activity (RA) prepares the DO request package and submits it to the OCO. *Attachment 1* is an example of a DO checklist and instructions. At a minimum, the package should contain the following:
 - List of Requirements: The RA will provide details on their specific requirements, including a list of equipment and any related services.
 - Funding Document: ITES-3H orders are funded by the RA. Individual OCOs should provide specific instructions as to the format and content.
 - Independent Government Cost Estimate (IGCE): The estimate will assist the OCO in determining the reasonableness of the contractors' cost and technical proposals. The estimate is for Government use only and should not be made available to the ITES-3H contractors. The IGCE should include the basis for the estimate.
 - Basis for DO Award: The OCO, in conjunction with the RA, develops the evaluation criteria that form the basis for a DO award. Whether the award will be based on (i) low price, technical acceptability, or (ii) best value, the criteria should be provided to the contractor. If the award will be based on best value, evaluation factors and significant sub factors that will affect contract award and their relative importance should be shown.

Proposal Preparation Request

The OCO may issue a proposal request to all contractors unless a waiver has been documented using the CHESS *IT e-mart*: <https://chess.army.mil>.

- Recommend a proposal/quote submission date of 3-5 calendar days after issuing a DO proposal/quote request. Upon mutual agreement between the contractor(s) and the Government, a shorter or longer proposal/quote time may be established.
- If unable to perform a requirement, the contractor shall submit a "no bid" reply in response to the proposal request. All "no bids" shall include a brief statement as to why the contractor is unable to perform (e.g., conflict of interest, out of scope).
- In responding to proposal/quote requests, contractors are expected to facilitate maximum utilization of DOD ESI source software.

Evaluation

- The Government will evaluate the contractors' proposal/quote submission IAW the selection criteria identified in the request for proposal.
- Depending upon the basis of award set forth in the request for quotations, award will be determined as a result of the lowest price technically acceptable offer, or a best value process with tradeoffs among price and non-price factors that permits award to other than the lowest priced quotation. When determining "best value", the OCO shall consider price as one of the factors in the selection decision. In addition, the OCO should consider past performance on earlier orders under the contract, including quality and timeliness. While the OCO should keep contractor submission requirements to a minimum, other factors that may be considered include:
 - Special features of the supply or service required for effective program performance.
 - Trade-in considerations.



- Probable life of the item selected compared with that of a comparable item.
- Warranty considerations.
- Maintenance availability.
- Environmental and energy efficiency considerations.
- Delivery terms.
- Socioeconomic status.
- After proposals/quotes have been received and evaluated, the OCO shall document in the contract file the rationale for placement and price of each order, including the basis for award and the rationale for any tradeoffs among cost or price and non-cost considerations in making the award decision. This documentation need not quantify the tradeoffs that led to the decision.

Award

At a minimum, the following information shall be specified in each delivery order awarded:

- Date of order.
- Contract and order number.
- Point of contact (name), commercial telephone, facsimile number, and e-mail address.
- OCO's commercial telephone number and e-mail address.
- Description of the supplies to be provided, quantity, unit price, and CLIN and/or Sub Line Item Number (SLIN). Defense Finance and Accounting Service (DFAS) requires identification of the CLIN/SLIN on the order form (or credit card form) for initial entry of orders into their automated payment system. When the contractor submits a request for payment, DFAS will compare the request for payment of CLINs/SLINs with the order CLINs/SLINs. Use of item numbers other than CLINs/SLINs in the "Item No." block on the order form may result in payment delays and excessive administrative costs to both the contractor and the Government.
- Delivery date for supplies and performance period for services.
- Address of place of delivery or performance to include consignee.
- Packaging, packing, and shipping instructions, if any.
- Accounting and appropriation data and contract Accounting Classification Reference Number (ACRN) (DFAS requires an ACRN(s) on all orders). Specific instructions regarding how payments are to be assigned when an order contains multiple ACRNs.
- Invoice and payment instructions to the extent not covered by the contract.
- Orders for known Foreign Military Sales (FMS) requirements shall clearly be marked "FMS requirement" on the face of the order, along with the FMS customer and the case identifier code.
- Any other pertinent information.

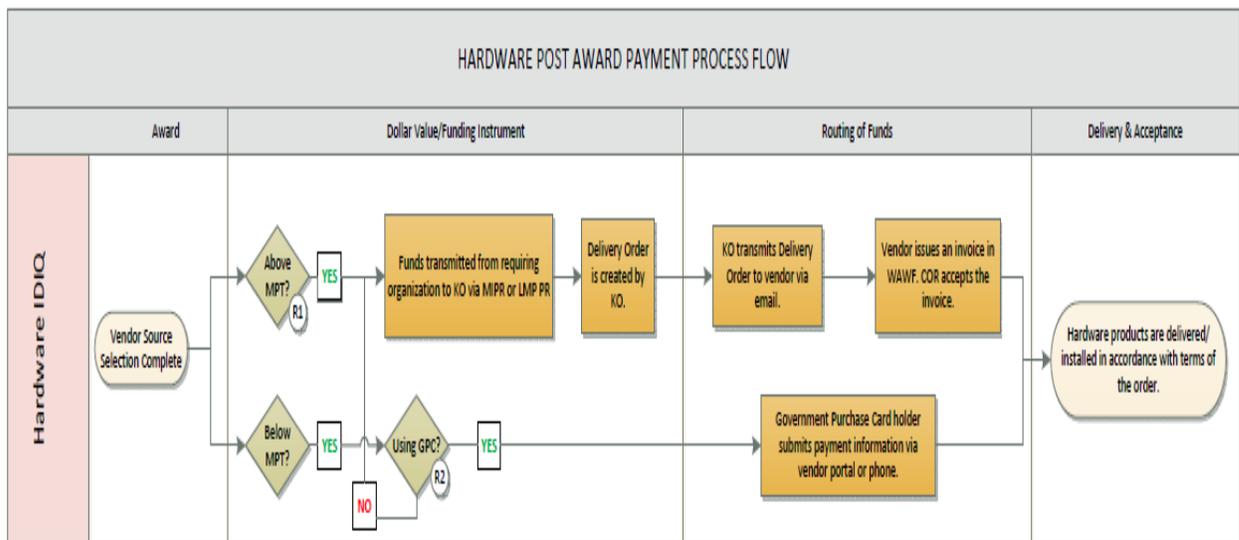
The OCO's decision on each order shall be final and shall not be subject to protest under FAR Subpart 33.1. A protest is not authorized in connection with the issuance or proposed issuance of a DO, except for a protest on the ground that the order increases the scope, PoP, or maximum value of the contract. Protests of orders in excess of \$10,000,000.00 may only be filed with the Government Accountability Office. The ACC-RI Ombudsman will review complaints from the contractors on all DOs issued by ACC-RI and ensure that all contractors are afforded a fair opportunity to be considered for each DO, consistent with the procedures in this contract. The Ombudsman for DOs not issued by ACC-RI will be the Ombudsman that supports that particular OCO. The designated Ombudsman is identified in Chapter 2, paragraph 7 of these guidelines.



The executed order will be transmitted via mail, facsimile, e-mail, or by verbal direction from the OCO. If verbal direction is given, written confirmation will be provided within five working days after award. Timely notification shall be provided to the unsuccessful offerors and will identify, at a minimum, the awardee and award amount. For orders in excess of \$5,500,000.00, the OCO must provide an opportunity for post-award debriefings.

IAW FAR 42.1502(c), agencies shall prepare an evaluation of contractor performance for each order that exceeds the simplified acquisition threshold that is placed under a delivery-order contract awarded by another agency (i.e., Government wide acquisition contract or multi-agency contract). Agencies are required to prepare an evaluation if a modification to the order causes the dollar amount to exceed the simplified acquisition threshold.

Post Award Payment Process Flow



R1 MPT – Micro-Purchase Threshold. According to FAR PART 13 “Simplified Acquisition Procedures” as of October 1st, 2015, the micro-purchase threshold applies to “Acquisitions of supplies or services that have an anticipated dollar value not exceeding \$3500.”

R2 Government Purchase Card (GPC)– According to FAR Part 13 “Simplified Acquisition Procedures” the GPC may be used to “1. Make micro-purchases; 2. Place a task or delivery order (if authorized in the basic contract, ordering agreement, or blanket purchase agreement); or 3. Make payments, when contractor agrees to accept payment by card.”

Cardholders are strongly encouraged to familiarize themselves with:

1. The constraints of their GPC (i.e. dollar threshold (GPC thresholds above MPT are permitted) & allowable types of purchases, such as supplies or services);
2. Their organization’s internal guidelines regarding proper situational use of the GPC; and
3. The terms & conditions of the specific contract vehicle to ensure GPC purchases are permitted.



ATTACHMENT 1 EXAMPLE

ITES-3H DELIVERY ORDER REQUEST CHECKLIST

This form constitutes a request for contract support under the ITES-3H contracts. The Requiring Activity completes this form, together with the associated attachments, and forwards the entire package to its supporting Ordering Contracting Officer for processing requests for proposal.

<p>1. Requiring Activity Point of Contact. Include name, title, organization, commercial and DSN phone numbers for voice and fax, and e-mail address:</p>	
<p>2. Designated Order Contracting Officer's Representative. Include name, title, organization, commercial and DSN phone numbers for voice and fax, and e-mail address: (If same as Block 1, type "same)."</p>	
<p>3. Wide Area Work Flow (WAWF) Inspector/Acceptor Point of Contact. Include name, e-mail address, and phone number</p>	
<p>4. Attachments Checklist. Complete package must include the following items. Send files electronically via e-mail or fax to the Ordering Contracting Officer.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Funding Document(s) (scanned or other electronic version is preferable) <input type="checkbox"/> Independent Government Cost Estimate <input type="checkbox"/> Proposal Evaluation Plan <input type="checkbox"/> Delivery Order-unique Defense Department (DD) Form 254 (only if order unique security requirements exist) 	
<p>5. Delivery Order Information</p>	
<p>FASA Exception. If you are citing a FASA exception to Fair Opportunity Competition, designate which one below with a justification.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Only one such contractor is capable of providing services required at the level of quality required because they are unique or highly specialized. <input type="checkbox"/> The order should be issued on a sole-source basis in the interest of economy and efficiency as a logical follow-on. <input type="checkbox"/> A statute expressly authorizes or requires that the purchase be made from specified source. <input type="checkbox"/> The agency need for supplies is of such urgency that providing such opportunity would result in unacceptable delays. 	
<p>FASA Exception Justification:</p>	
<p>6. Order COR Training Certification: Army Order CORs are required to have contracting officer's representative (COR) training prior to appointment in accordance with paragraph 1.7 of the ACC Acquisition Instruction. Appendix A of the ACC Acquisition Instruction contains a list of ACC-approved training courses. Refer to: http://aca.saalt.army.mil/Community/procedures.htm</p>	
<p>Order COR Training Certification Date:</p>	



ATTACHMENT 2

ITES-3H ACRONYMS

Below is a list of acronyms pertinent to the ITES-3H ordering guide:

- ACC-RI - Army Contracting Command - Rock Island
- ACRN - Accounting Classification Reference Number
- AFARS - Army Federal Acquisition Regulation Supplement
- AMD - Advanced Micro Devices
- APL - Approved Product List
- CHESS - Computer Hardware Enterprise Software and Solutions
- CLINs - Contract Line Item Numbers
- CMR - Contracting Manpower Reporting
- CONUS - Continental United States
- COR - Contracting Officer Representative
- DFAR - Defense Federal Acquisition Regulation
- DFARS - Defense Federal Acquisition Regulation Supplement
- DO - Delivery Order
- DOD - Department of Defense
- EoIP - Everything over Internet Protocol
- EPA - Environmental Protection Agency
- ESI - Enterprise Software Initiative
- FAR - Federal Acquisition Regulation
- FASA - Federal Acquisition Streamlining Act
- FCS - Future Combat Systems
- FFP - Firm Fixed Price
- FMS - Foreign Military Sales
- FY - Fiscal Year
- GAO - Government Accountability Office
- GIG - Global Information Grid
- HDTVs - High Definition Televisions
- IA - Information Assurance
- IAW - In Accordance With
- ID/IQ - Indefinite Delivery/Indefinite Quantity
- IGCE - Independent Government Cost Estimate
- IPv6 - Internet Protocol version 6
- IT - Information Technology
- ITES-3H - Information Technology Enterprise Solutions - 3 Hardware
- JBoD - Just Bunch of Disks
- NDAA - National Defense Authorization Act
- NETCOM - Network Enterprise Technology Commands
- OCO - Ordering Contracting Officer
- OCOR – Ordering Contracting Officer Representative
- OCONUS - Outside the Continental United States
- OEM - Original Equipment Manufacturer
- PCO- Procuring Contracting Office
- PGI - Procedures, Guidance and Information
- PoP - Period of Performance



- RA - Requiring Activity
- RevA – Reverse Auction
- RFQ - Request for Quote
- RISC/EPIC - Reduced Instruction Set Computing/Explicitly Parallel Instruction Computing
- SLIN - Sub Line Item Number
- TAA - Trade Act Agreement
- TIC - Technology Integration Center
- UPS - Uninterrupted Power Supply
- VTC - Video Conferencing

