



# INFORMATION TECHNOLOGY ENTERPRISE SOLUTIONS 2-HARDWARE (ITES-2H)

ORDERING GUIDELINES

March 2013

# PREFACE

These ordering guidelines cover all the information needed to issue Delivery Orders against the Information Technology Enterprise Solutions – 2 Hardware (ITES-2H) contracts. These contracts were awarded under the Federal Acquisition Streamlining Act (FASA), Clinger-Cohen Act and the National Defense Authorization Act for fiscal year 2008 which require that the prime contractors be provided with a fair opportunity to be considered for delivery/task order (TO) awards. The contracts are structured as Indefinite Delivery/Indefinite Quantity (ID/IQ) contracts, using delivery orders for 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-2H solution in accordance with commercial items definition FAR 2.101. These contracts are available to the **Army customers, only**. This is a result of the 2H extension for Period of Performance (PoP) 09 Feb 12 – 21 Aug 13. In addition, Government support contractors may place orders against the contracts in support of their Government customers, IAW DFAR 252.251-7000.

Questions regarding these guidelines and procedures for placing orders against the contracts should be directed to the 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-2H contracts.

**Computer Hardware, Enterprise  
Software and Solutions (CHESS)**

ATTN: SFAE-PS-CH

9351 Hall Road, Bldg 1456,  
Fort Belvoir, Va. 22060-5605

Toll Free Customer Line 1-888-232-4405

[peoeis.pdchess.helpdesk@us.army.mil](mailto:peoeis.pdchess.helpdesk@us.army.mil)

**Army Contracting Command-  
Rock Island (ACC-RI)**

ATTN: CCRC-TA

Bldg 102, 2<sup>nd</sup> flr, SW

1 Rock Island Arsenal  
Rock Island, IL 61299-8000

309-782-1844

[ilana.c.bohren.civ@mail.mil](mailto:ilana.c.bohren.civ@mail.mil)

**Information regarding the ITES-2H contracts, including products catalogs and links to the prime contractor's home pages, can be found at: <https://chess.army.mil>.**

# TABLE OF CONTENTS

(ITES-2H)

## **CHAPTER 1- ITES-2H GENERAL INFORMATION**

1. Background
2. Scope
3. Prime Contractors
4. Contract Terms
5. FAR 16.505, DFARS 216.505-70, and AFARS 5116.5

## **CHAPTER 2- ITES-2H ROLES AND RESPONSIBILITIES**

1. Army Contracting Command - Rock Island
2. Computer Hardware, Enterprise Software and Solutions (CHESS)
3. Requiring Activity
4. Ordering Contracting Officer
5. Order Contracting Officer's Representative
6. Contractors
7. Ombudsman

## **CHAPTER 3- ITES-2H ORDERING GUIDANCE**

1. General
2. Pricing
3. Order Forms and Numbering
4. Delivery Requirements
5. Security Considerations
6. Ordering– FAR 16.505 and DFARS 216.505-70
7. Requirements Involving Bundling (FAR 2.107 and 7.107) & Consolidation (DFARS 7.170)

## **CHAPTER 4- ITES-2H ORDERING PROCEDURES**

1. Ordering Procedures
2. ITES-2H Delivery Order Award Process

## **ATTACHMENT**

**Delivery Order Request Checklist and Instructions**

# CHAPTER 1

## ITES-2H GENERAL INFORMATION

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### 1. BACKGROUND

The ITES-2H contracts are multiple award, Indefinite Delivery/Indefinite Quantity (ID/IQ) contract vehicles, specifically designed as the primary source of information technology (IT) equipment to support the Army enterprise infrastructure and infostructure goals with a full range of innovative, world class information technology equipment and solutions at a reasonable price.

It is essential that the ITES-2H 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

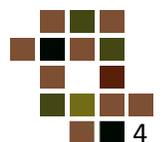
Assurance (IA) policies, and Internet Protocol version 6 (IPv6) policies. The equipment must be in compliance with existing Department of Defense (DoD) and Department of Army standardization and interoperability policies.

Working in partnership with the prime contractors, CHES manages the contracts in coordination with ACC-RI. ITES-2H 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-2H contracts provide for the purchase and lease of commercial RISC/EPIC servers, Intel/AMD servers, desktops, notebooks, workstations, thin clients, storage systems, networking equipment (including wireless), Information Assurance Approved Product List (IA APL) items, network printers, product ancillaries (including equipment cabinets, racks and mounts), peripherals (including monitors), network cabling products, video conferencing (VTC) products, standalone displays (e.g., plasma screens, HDTVs), scanners, Everything over Internet Protocol (EoIP) products, communications devices, power devices, software, basic warranty and warranty options, and other related accessories and options. 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 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 delivery orders.



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 in accordance with the contractor's commercial business practices, as Army requirements change, and, in accordance with 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, and cost reimbursable items. Separate CLINs exist for the base period and the two option periods:

<b>Base Period:</b>	9 February 2007 – 8 February 2010
<b>Option 1:</b>	9 February 2010 – 8 February 2011
<b>Option 2:</b>	9 February 2011 – 8 February 2012
<b>Extension 1:</b>	9 February 2012 – 21 August 2013

**\*NOTE: The contract extension 1 is for ARMY Purchases ONLY.**

For example, for Catalog I equipment (RISC/EPIC Servers) CLINs consist of:

<b>Base Period:</b>	0101
<b>Option 1:</b>	1101
<b>Option 2:</b>	2101

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 – RISC/EPIC based Servers**

- UNIX platforms with RISC/EPIC based processors. To include 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, warranty variations, and operating systems/licenses not covered or provided under existing Government enterprise agreements. CLINs 0101 (Basic Period), 1101 (Option 1), & 2101 (Option 2).

**Catalog II – Windows based Server**

- MS Windows Server platforms with Intel/AMD or equivalent processors. To include 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, warranty variations, and operating systems/licenses not covered or provided under existing Government enterprise agreements. CLINs 0201 (Basic Period), 1201 (Option 1), & 2201 (Option 2).

**Catalog III – Workstations, Thin Clients, Desktops and Notebooks**

■ Workstations consist of platforms with Error Check & Correcting (ECC) memory and SCSI Drives. Assorted platforms with RISC/EPIC and Intel/AMD (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 variations, and operating system/licenses not covered or provided under existing Government enterprise agreements. CLINs 0301 (Basic Period), 1301 (Option 1), & 2301 (Option 2).

**Catalog IV – Storage Systems**

■ To include items such as various storage arrays, storage area networks, various JBODs (Just Bunch of Disks) 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, warranty variations and related commercial storage software products not covered or provided under existing Government enterprise agreements. CLINs 0401 (Basic Period), 1401 (Option 1), & 2401 (Option 2).

**Catalog V – Networking Equipment**

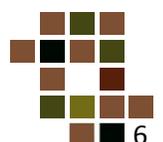
■ To include items such as managed and unmanaged switches, hubs, gateways, routers, wireless networking devices, Everything over Internet Protocol (EoIP), associated cables, adapters, firmware, memory upgrades, interface cards, power supplies, power adaptors, expansion bays, service packs, warranty variations,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

**Catalog VI – Network Printers**

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

**Catalog VII – Cables, Connectors, and Accessories**

■ Various network cables (metallic and optical) to include cable trays, various cable bends, connectors and cable tray hangers. CLINs 0701 (Basic Period), 1701 (Option 1), & 2701 (Option 2).



### Catalog VIII – Video Equipment Products

- Includes Video Teleconferencing Equipment (VTC), standalone displays (Plasma, LCD, HDTVs) larger than 21 inches, and projectors to include ancillaries and warranty variations. CLINs 0801 (Basic Period), 1801 (Option 1), & 2801 (Option 2).

### Catalog IX - Uninterruptible Power Supplies (UPS)

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

A catalog warranty CLIN corresponds to each hardware catalog CLIN. 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.

No established minimum discount exists for non-catalog items. The ordering contracting officer must establish firm-fixed-prices in accordance with FAR 15.4 for unpriced items.

The non-catalog, unpriced items are:

**Related Items, Equipment, and Software:** These CLINs may be used for Army approved Information Assurance (IA) items, New Technology items that do not fit into the predefined Catalogs I through IX, and for items required to complete an ITES-2H solution. Items include equipment and software such as digital senders, plotters, power adapters, biometric devices, equipment cabinets, transit cases, commercial software (non-DoD ESI) products required to complete an ITES-2H solution

and Information Assurance Approved Product List (IA APL) items (as defined by

NETCOM) such as firewalls and network security tools. Related items shall be within the scope of the contract, but items that do not necessarily fit into Catalogs I through

IX. These CLINs shall be provided in accordance with paragraph B.1(b)(1). CLINs 0010 (Basic Period), 1010 (Option 1), & 2010 (Option 2).

*Note:* All ITES-2H contract catalog items must be TAA compliant. However, there are instances where an item required as part of an ITES-2H solution is not TAA compliant and no TAA compliant item is available. Ordering Contracting Officers 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 six ITES-2H contractors
- No other TAA compliant items are available that will satisfy the requirement



## (ITES-2H)

### GENERAL INFORMATION

Ordering Contracting Officers will document the order file to support the determination to waive the TAA requirement. Such waivers will be specific to the individual delivery order. Non-TAA compliant items will be offered under the Related Items, Equipment and Software CLIN. The Ordering Contracting Officer must establish firm-fixed-prices in accordance with FAR 15.4 for these items

*Note:* The Environmental Protection Agency has finalized Energy Star requirements for Uninterruptible Power Supplies (UPSs) which went into effect 1 August 2012. It is critical that all UPSs currently on contract be replaced by units listed as EPA Energy Star qualified as soon as possible. A listing of approved UPSs can be found at:

[http://www.energystar.gov/index.cfm?fuseaction=find\\_a\\_product.showProductGroup&pgw\\_code=UPS.](http://www.energystar.gov/index.cfm?fuseaction=find_a_product.showProductGroup&pgw_code=UPS)

Vendors shall sell only EPA Energy Star qualified UPSs starting **1 January 2013**. Please be aware we are expecting the release additional Energy Star specifications in the areas of data center storage, enterprise servers, small network equipment, and large network equipment as well as updates in computer, display and imaging equipment.

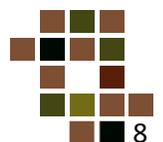
**Related Services:** Related services shall be services directly related to the ITES-2H equipment requirement. The contractor shall also provide legacy equipment maintenance/warranty as part of system configuration and integration services. The legacy equipment warranty/maintenance shall be related 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. These CLINs shall be provided in accordance with paragraph B.1(b)(2). CLINs 0020 (Basic Period), 1020 (Option 1), & 2020 (Option 2).

**OCONUS Shipping:** Shipping for deliveries to OCONUS locations in 35 calendar days in accordance with paragraph B.1(b)(3). CLINs 0030 (Basic Period), 1030 (Option 1), & 2030 (Option 2).

**Shipping Variations:** Alternate or additional delivery terms or schedules negotiated under individual orders under this contract in accordance with paragraph B.1(b)(4).

CLINs 0040 (Basic Period), 1040 (Option 1), & 2040 (Option 2).

**Contractor Manpower Reporting:** 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 Data and will be priced on an individual order basis and shall be in accordance with Part C, paragraph C.2(s), Contractor Manpower Reporting (CMR). Reporting period will be the period of performance not to exceed twelve (12) months ending 30 September of each Government Fiscal Year 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 0050 (Base Period), 1050 (Option 1), & 2050 (Option 2).



There are two cost CLINs for reimbursable items:

**DoD Enterprise Software Initiative (ESI):** The contractor shall provide software from DoD ESI sources in accordance with paragraph B.1(b)(1)(C). CLINs 0060 (Base Period), 1060 (Option 1), & 2060 (Option 2).

**Other Direct Costs:** Other direct costs for items used in providing services, including travel, in accordance with paragraph B.1(b)(2), and as negotiated in individual orders under this contract. Travel and per diem costs shall be reimbursed in accordance with the then current version of the Joint Travel Regulations (JTRs) within the ODC CLIN. CLINs 0070 (Basic Period), 1070 (Option 1), & 2070 (Option 2).

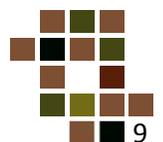
There is one firm-fixed-price CLIN for Non-Catalog Items:

**Non-catalog Items:** The Government reserves the right to add CLINS for individual items to Section B that currently are not catalog items. CLINs 0080 (Basic Period), 1080 (Option 1), & 2080 (Option 2).

### 3. PRIME CONTRACTORS

Following is a list of the ITES-2H prime contractors, their respective contract numbers, and business size applicable to the specific contract. Links to the prime contractor web sites can be found at the CHESS Web site: <https://chess.army.mil>.

Prime Contractor	Contract Number	Business Size
Dell Federal Systems, L.P.	W91QUZ-07-D-0006	Large
International Business Machines, Corp.	W91QUZ-07-D-0007	Large
UNICOM Gov't., Inc	W91QUZ-07-D-0008	Small
CDW Government, Inc.	W91QUZ-07-D-0009	Large
Iron Bow	W91QUZ-07-D-0010	Large
World Wide Technology, Inc.	W91QUZ-07-D-0011	Large



#### 4. CONTRACT TERMS

Separate, multiple awards were made for ITES-2H; however, the following contract terms and provisions apply to all awardees:

Contract Terms	ITES-2H
Contract Minimum	<ul style="list-style-type: none"> <li>- \$2,500.00 for each contractor.</li> <li>- The minimum applies only to the Base Period</li> </ul>
Contract Maximum	<ul style="list-style-type: none"> <li>- \$5,000,000,000 over a five (5) year period of performance</li> <li>- The contract maximum represents the total requirement for the life of the contract (including options, if exercised).                             <ul style="list-style-type: none"> <li>• Extension 1 increased the Maximum amount to \$5,495,000,000.</li> </ul> </li> </ul>
Period of Performance	<ul style="list-style-type: none"> <li>- Five (5) years:                             <ul style="list-style-type: none"> <li>• 36-month base period</li> <li>• Two 12 month options</li> </ul> </li> <li>• Extension 1: 09 Feb 12 – 21 Aug 13 (Army purchases Only)</li> </ul>
Pricing Structure	<ul style="list-style-type: none"> <li>- Fixed-Price with Economic Price Adjustment – Catalog CLINs</li> <li>- Firm-Fixed-Price – Related Items, Equipment, Service, &amp; Software</li> <li>- Two Cost Reimbursable Line Item</li> </ul>
Ordering Guidance and Process	<ul style="list-style-type: none"> <li>- See Chapters 3 and 4 below</li> </ul>

#### 5. ORDERS UNDER ITES-2H

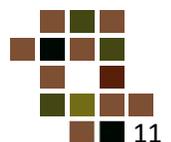
- In accordance with FAR 16.505(b) and AFARS 5116.5, for all orders in excess of \$3,000 and not exceeding the simplified acquisition threshold, the Ordering Contracting Officer must provide each contractor a fair opportunity to compete unless an exception is justified IAW FAR 16.505(b)(2). In making the award, the Ordering Contracting Officer 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 Ordering Contracting Officer should consider past performance on earlier orders under ITES-2H and use streamlined procedures. The contract file must include the basis for the exception to the fair opportunity process.
  
- In accordance with DFARS 216.505-70(c), for all orders exceeding the simplified acquisition threshold, the Ordering Contracting Officer shall conduct a “mini-competition” unless he/ she obtains a waiver pursuant to DFARS 216.505-70(b). Waivers must be based upon a justification approved IAW FAR 8.405-6 that includes a determination that one of the circumstances in Far 16.505(b)(2)(i) through (iv) applies. Supplemental guidance is provided at DFARS PGI 216.505-70 if FAR 16.505(b)(2)(ii) or (iii) applies. In a “mini-competition,” the Ordering Contracting Officer must provide a Request For Quotation (RFQ) to all contractors. The RFQ shall include the requirements and the basis for selection.

## (ITES-2H)

### GENERAL INFORMATION

In making the award, the Ordering Contracting Officer must document his/her selection and the selection must consider price. Finally, though not required, the Ordering Contracting Officer should consider past performance on earlier orders under ITES-2H and use streamlined procedures.

- In accordance with the National Defense Authorization Act for Fiscal Year 2008, delivery orders in excess of \$5,000,000 require the Ordering Contracting Officer to provide a RFQ to all ITES-2H 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 Ordering Contracting Officer 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 Ordering Contracting Officer 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 the Ordering Contracting Officer must provide an opportunity for post-award debriefings.
- Chapter 3, Paragraph 6, below contain waiver procedures.



# CHAPTER 2

## ITES-2H ROLES AND RESPONSIBILITIES

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The following is a summary of the roles and responsibilities for the primary organizations in the ITES-2H contract process.

### 1. ARMY CONTRACTING COMMAND – ROCK ISLAND

- Serves as the Procuring Contracting Office (PCO) for the ITES-2H contracts. The PCO has overall contractual responsibility for the ITES-2H contracts. All orders issued by a Requiring Activity's Ordering Contracting Officer are subject to the terms and conditions of the contract. The contract takes precedence in the event of conflict with any Delivery Order.
- Provides advice and guidance to requiring activities, ordering contracting officers, 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. U.S. ARMY COMPUTER HARDWARE, ENTERPRISE SOFTWARE AND SOLUTIONS (CHESS)

- Designated by the Secretary of the Army as the Army's primary source for commercial information technology.
- Is the requiring activity for this acquisition.
- Project Director, Program Executive Officer, Enterprise Information Systems (PEO EIS)
- Maintains the IT e-mart, a web-based, e-commerce ordering and tracking system. The **IT e-mart** Web site is located at: <https://chess.army.mil>.
- With support from the CECOM, Information Systems Engineering Command (ISEC), Technology Integration Center (TIC), 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-2H 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 Contracting Officer's Program Representative.

### 3. REQUIRING ACTIVITY

- Defined as any organizational element within the Army.
- Adheres to the requirements and procedures defined in the ITES-2H contracts and these guidelines.
- Defines requirements.
- Funds the work to be performed under ITES-2H Delivery Orders.
- Prepares Delivery Order requirements packages



### 4. ORDERING CONTRACTING OFFICER (OCO)

- Ordering Contracting Officers within the Army, Department of Defense, and other Federal agencies are authorized to place Delivery Orders within the terms of the contract and within the scope of their authority. They are not authorized to make changes to the contract terms. The Ordering Contracting Officer's authority is limited to the individual Delivery Orders.
- Serves as the interface between the contractor and the Government for individual Delivery Orders issued under the ITES-2H contracts.
- Responsible for requesting, obtaining and evaluating proposals/quotations, and for obligating funds for Delivery Orders issued.
- Responsible for addressing non-TAA compliant product issues affecting individual delivery orders and preparing any waivers or determinations necessary to acquire non-TAA compliant products.

### 5. ORDER CONTRACTING OFFICER'S REPRESENTATIVE

- Order CORs will be designated by letter of appointment from the Ordering Contracting Officer.
- Serves as the focal point for all task activities and primary point of contact with the contractors on technical issues.
- 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:

<http://aca.saalt.army.mil/docs/Community/COR%20Guide.doc>.

### 6. CONTRACTORS

The principle role of the contractors 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-2H contract.

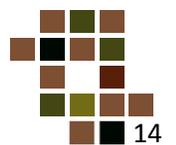
### 7. OMBUDSMAN

In accordance with FAR 16.505(b)(4), 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-2H 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-2H contractors that are not selected for award under a task order competition may seek independent review by the designated Ombudsman for the ITES-2H contracts. The ACC-RI Ombudsman will review complaints from the contractors on all Task Orders issued by ACC-RI and ensure that all contractors are afforded a fair opportunity to be considered for each task order, consistent with the procedures in this contract. The Ombudsman for Task Orders not issued by ACC-RI will be the Ombudsman that supports the Ordering Contracting Officer. The designated Ombudsman for the ITES-2H contracts is:

## (ITES-2H)

### ROLES AND RESPONSIBILITIES

Randy E. McGee  
Army Contracting Command, ACC-RI  
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# CHAPTER 3

## ITES-2H ORDERING GUIDANCE

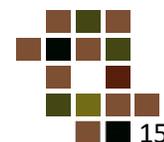
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### 1. GENERAL

- Ordering is decentralized for all ITES-2H requirements. Ordering under the contracts is authorized to meet the needs of the Army, only.. There are no approvals, or coordination, imposed by the PCO on any Ordering Contracting Officer. Ordering Contracting Officers are empowered to place orders in accordance with 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 Delivery Orders awarded under the ITES-2H contracts by an Ordering Contracting Officer. All issues must be resolved consistent with individual agency procedures and/or oversight.
- Upon request, the PCO is available to provide guidance to Ordering Contracting Officers executing orders under the ITES-2H contracts.
- The CHESSE IT e-mart is available to make product and price comparison among all awardees and solicit competitive quotes. The Ordering Contracting Officer can initiate the delivery order process by issuing a Request for Quotes to the awardees via the CHESSE IT e-mart at <https://chess.army.mil/>

### 2. PRICING

- Pricing is Fixed-Price with Economic Price Adjustment. There are also unpriced items. These include two cost reimbursable line items for DoD Enterprise Software Initiative (ESI) and Other Direct Costs; five firm-fixed-price line items for Related Items, Equipment and Software, Related Services, OCONUS Shipping, Shipping Variations, and Contractor Manpower Reporting. The Government reserves the right to add CLINs for individual items to Section B that currently are not catalog items at a firm-fixed-price under the New Technology Clause.
- Catalog items will be purchased by Delivery Orders. The catalog CLIN on the Delivery Order 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 Delivery Orders as negotiated by the Ordering Contracting Officer. 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 the scope of Part B) be sold as part of the price reduction agreement.

### **3. ORDER FORMS AND NUMBERING**

- An appropriate order form (DD Form 1155, Order for Supplies or Services, or SF 1449, Solicitation/Contract/Order for Commercial Items) should be issued for each Delivery Order. The use of Government Credit Cards is also authorized in accordance with applicable rules and procedures. Delivery Orders may be issued via telephone, fax, e-mail, postal mail, or CHES's **IT e-mart**.
- Ordering Contracting Officers shall not use any order numbers which are identified by numbers beginning with 0001 thru 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.

### **4. DELIVERY REQUIREMENTS**

- Delivery of products to Continental U.S. (CONUS) and Outside Continental U.S. (OCONUS) locations shall be in accordance with individual Delivery Orders. Maximum delivery time to the addresses specified in each Delivery Order 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 of additional cost. Partial shipments and partial payments are authorized under the contracts. Shipping shall be F.O.B. Destination.
- Delivery prices for OCONUS shipments shall be separately negotiated as a firm-fixed-price CLIN under individual Delivery Orders.
- 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 Ordering Contracting Officer and CHES 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 Delivery Order or request due consideration for the delay.

### **5. SHIPMENTS TO CALIFORNIA – CALIFORNIA ENVIRONMENTAL FEE**

The State of California requires the payment of an Electronic Waste Recycling Fee on certain electronic devices shipped to California. **The fee applies to Government purchases and must be paid by the customer.** The fees are added to the customer's

order as a pass through charge and must be included in the total amount of the delivery order or credit card at the time of purchase. The CHESSE vendor remits the fees to the State of California.

If a delivery order or credit card purchase contains LCD desktop computer monitors and/ or laptop computers that are being shipped to California, contact the CHESSE vendor so that they can determine the additional charge that will be incurred against the delivery order or credit card purchase.

## **6. SECURITY**

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 when required.

## **7. ORDERING - FAR 16.505, DFARS 216.505-70**

- In accordance with FAR 16.505(b)(2), all orders exceeding \$3,000 but not exceeding the simplified acquisition threshold, the Ordering Contracting Officer shall give every ITES-2H contractor a fair opportunity to be considered for a delivery order unless one of the exceptions to fair opportunity applies. See paragraph 6.d, below. The Ordering Contracting Officer 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 in accordance with FAR 16.505 and DFARS 216.505-70(c) 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 Ordering Contracting Officer:
  1. Provides a notice of intent to purchase to every ITES-2H contractor, including a description of work to be performed and the basis upon which the selection will be made; and
  
  2. Affords all ITES-2H 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) and DFARS 216.505-70(b), the Ordering Contracting Officer 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:

## (ITES-2H) ORDERING GUIDANCE

1. 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-2H 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.
2. 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. See DFARS Procedures, Guidance and Information (PGI) 216.505-70(1) for additional guidance.
3. 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.See DFARS PGI 216.505-70(2) for additional guidance.
4. A statute expressly authorizes or requires that the purchase be made from a specified source.

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

- The Ordering Contracting Officer 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 the Ordering Contracting Officer must provide an opportunity for post-award debriefings. See Chapter 1, Paragraph 5 above.

- The CHESSE 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 2.107 AND 7.107) & CONSOLIDATION (DFARS 7.170).**

- **Definition:** 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 ten percent of the estimated order value (five percent or \$8.6 million if the order value exceeds \$86 million).

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:

1. The expected benefits do not meet the percentage/dollar thresholds above but are critical to the agency's mission success.
2. 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 \$7.5 million, 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 \$5.5 million 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 in accordance with DFARS 207.170-3(a)(3).

# CHAPTER 4

## ITES-2H ORDERING PROCEDURES

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### 1. ORDERING PROCEDURES

- **Delivery Order Request:** The Requiring Activity prepares the delivery order request package and submits it to the ordering contracting officer. *Attachment 1* is an example of a Delivery Order Checklist and Instructions. As a minimum, the package should contain the following:
  - **List of requirements:** The Requiring Activity will provide details on their specific requirements, including a list of equipment and any related services.
  - **Funding Document:** ITES-2H orders are funded by the requiring activity. Individual Ordering Contracting Officer should provide specific instructions as to the format and content.
  - **Independent Government Cost Estimate (IGCE):** The estimate will assist the Ordering Contracting Officer 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-2H contractors. The IGCE should include the basis for the estimate.
  - **Basis for Delivery Order Award:** The Ordering Contracting Officer, in conjunction with the requiring activity, develops the evaluation criteria that form the basis for Delivery Order Award. Whether the award will be based on (i) low price, technically acceptable, or (ii) best value, the criteria should be provided to the contractor. If 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 Ordering Contracting Officer may issue a proposal request to all contractors unless a waiver has been documented using the CHESSE IT e-mart: <https://chess.army.mil>.
  - Recommend a proposal submission date of 3-5 calendar days after issuing a Delivery Order proposal/quote request. Upon mutual agreement between the contractor(s) and the Government, a shorter or longer proposal 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.
- In responding to proposal requests contractors are expected to facilitate maximum utilization of DoD Enterprise Software Initiative (ESI) source software.

■ **Evaluation**

- The Government will evaluate the contractors’ proposal in accordance with 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 Ordering Contracting Officer shall consider price as one of the factors in the selection decision. In addition, the Ordering Contracting Officer should consider past performance on earlier orders under the contract, including quality and timeliness. While the Ordering Contracting Officer should keep contractor submission requirements to a minimum, other factors that may be considered include:
  1. Special features of the supply or service required for effective program performance.
  2. Trade-in considerations.
  3. Probable life of the item selected compared with that of a comparable item.
  4. Warranty considerations.
  5. Maintenance availability.
  6. Environmental and energy efficiency considerations.
  7. Delivery terms.
  8. Socioeconomic status.

After proposals have been received and evaluated the Ordering Contracting Officer 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 as applicable:

- Date of order
- Contract and order number
- Point of contact (name), commercial telephone, facsimile number and e-mail address.
- Ordering Contracting Officer's commercial telephone number and e-mail address.
- Description of the supplies to be provided, quantity, unit price and Contract Line Item Number (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 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.

Instructions on how to create an External SF1449 Award in SPS/PD2, instructions are provided on the **IT e-mart**, <https://chess.army.mil>, under More CHESS Resources, Contracting Guidelines/Templates.

## (ITES-2H) ORDERING PROCEDURES

The Ordering Contracting Officer'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 delivery order except for a protest on the ground that the order increases the scope, period, or maximum value of the contract or a protest of an order valued in excess of \$10,000,000. The ACC-RI Ombudsman will review complaints from the contractors on all Task Orders issued by ACC-RI and ensure that all contractors are afforded a

fair opportunity to be considered for each task order, consistent with the procedures in this contract. The Ombudsman for Task Orders not issued by ACC-RI will be the Ombudsman that supports the Ordering Contracting Officer. 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 Ordering Contracting Officer. If verbal direction is given, written confirmation will be provided within five (5) 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 \$5,000,000 the Ordering Contracting Officer must provide an opportunity for post-award debriefings.

# ATTACHMENT

## ITES-2H DELIVERY ORDER REQUEST CHECKLIST AND INSTRUCTIONS

This form may be utilized as a request for contract support to order under the ITES-2H Program. 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.

<b>1. Requiring Activity Point of Contact.</b> Include name, title, organization, commercial and DSN phone numbers for voice and e-mail address:	
<b>2. Designated Order Contracting Officer's Representative (COR)</b> Include name, title, organization, commercial and DSN phone numbers for voice and fax, and e-mail address: (If same as Block 2, type "same)."	
<b>3. Wide Area Work Flow (WAWF) Inspector/Acceptor POC</b> Include name, e-mail address, and phone number.	
<b>4. Attachments Checklist.</b> Complete package must include the following items. Send files electronically via e-mail or fax to the Ordering Contracting Officer(All. files shall be completed using MS Word Office 2000 or MS Excel Office 2000, as appropriate.)	
<input type="checkbox"/> Funding Document(s) (scanned or other electronic version is preferable)	
<input type="checkbox"/> Independent Government Cost Estimate (IGCE)	
<input type="checkbox"/> Proposal Evaluation Plan	
<input type="checkbox"/> DO-unique DD Form 254 (only if order unique security requirements)	
<b>5. Delivery Order Information</b>	
<b>FASA Exception.</b> If you are citing a FASA exception to Fair Opportunity Competition, designate which one below with a justification.	
<input type="checkbox"/> Only one such contractor is capable of providing supplies 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.	
<b>FASA Exception Justification:</b>	
<b>6. Order COR Training Certification:</b> 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: <a href="http://aca.saalt.army.mil/Community/procedures.htm">http://aca.saalt.army.mil/Community/procedures.htm</a>	
<b>Order COR Training Certification Date:</b>	