



DEPARTMENT OF THE ARMY  
WASHINGTON DC 20310-0200

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SAIS-GKP

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Use of Computer Hardware, Enterprise Software and Solutions (CHES) as the Primary Source for Procuring Commercial Information technology (IT) Hardware and Software

The purpose of this memorandum is to remind U.S. Army leaders of the existing requirement to use CHES for purchases of commercial off-the-shelf (COTS) software, desktops, notebook computers and video teleconferencing equipment, regardless of dollar value. This also serves to expand the requirement to use CHES contract vehicles for the procurement of other commercial IT equipment (e.g., routers, servers, printers, etc.) regardless of dollar value. Nothing in this memorandum is intended to conflict with acquisition law or regulation as set forth in paragraph four below.

In the past several years the U.S. Army has achieved in total over four billion dollars in cost-avoidance by purchasing IT equipment and COTS software through CHES enterprise level agreements and contracts. In 2007 alone, CHES realized \$672 million in cost-avoidance. U.S. Army organizations realize substantial savings regardless of the quantities procured; a single user ordering only one IT system on the twice-annual Consolidated Buy of Desktops and Notebooks or COTS software product frequently benefits by receiving the same reduced price as larger volume purchasers.

More importantly, the standardized software and equipment on CHES contracts improve the Army's security posture and enable interoperability for information sharing within the Army the Department of Defense (DoD), other Government agencies, and our multinational partners. In spite of existing policy and the tremendous financial and intangible benefits of using CHES, some organizations continue to purchase IT from other than CHES contract vehicles. U.S. Army organizations must abide by this requirement or request a waiver through the CHES Web site at <https://chess.army.mil>. CHES contracts consistently offer superior value for IT equipment and software. Justifications for waivers to use non-CHES vehicles for purchase of equipment and software must provide a rationale to explain the extenuating circumstances or unique configurations required by mission and not available through CHES contracts.

When procuring IT services, consideration must be given to setting aside requirements for small businesses and other small business categories, in accordance with the Federal Acquisition Regulation, Part 19. In order to assist the U.S. Army in the achievement of the three percent statutory goal for the participation of Service Disabled

Veteran-Owned Small Businesses (SDVOSB) in all prime and subcontract awards, use of non-DoD contract vehicles such as the General Services Administration's SDVOSB Government-Wide Acquisition Contract is encouraged, but must be conducted in accordance with U.S. Army policy. If no small business capability exists, CHES contract vehicles are the preferred source for acquisition of IT services.

When IT software and/or equipment is an ancillary part of an IT services requirement, a statement that the IT software and equipment shall be procured through CHES contract vehicles shall be included. Refer to the CHES web site for more information on CHES contracts and the process for requesting waivers for hardware and/or software products. Waivers are not required when procuring IT services; however, when IT hardware or software is included in a non-CHES IT services vehicle, a waiver for the hardware and software is required. Non-CHES prime contractors may be authorized to order through CHES contract vehicles.

Organizational leaders must ensure that all personnel in positions that order or procure commercial IT understand and fully implement this policy. The Chief Information Officer/G-6 is significantly enhancing governance processes to audit compliance with this policy and others.

This policy will be integrated into applicable U.S. Army publications (Army Federal Acquisition Regulation Supplement Part 39, Army Regulation (AR) 25-1, AR 70-1, and Department of the Army Pamphlet 25-1-1) and will be distributed to all Army Principal Assistants Responsible for Contracting.

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