



U.S.ARMY



AFCEA Belvoir Industry Days 2022

ITES-4S Acquisition Strategy

CHES

November 7, 2022



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U.S. ARMY

AGENDA

- Current Status of ITES-3S
 - What's New
 - Metrics
- ITES-4S
 - Intent
 - Lessons learned
 - What we need from industry
 - On-ramping
 - RFP and gatekeeper
 - Questions





ITES-3S Contract Overview



MANDATORY COMMERCIAL IT SERVICES CONTRACT FOR THE ARMY

- **Multiple Award Indefinite Delivery Indefinite Quantity Contract**
 - 119 Vendor Pool (76 Small Businesses, 43 Large Businesses)
- **De-centralized Ordering**
 - Orders Placed via Task Order Competition
 - Bid rates are based on RFP submissions
 - Small Business Set-Aside Requirements
 - Vendor's Proposed Rates are Vendor's Ceiling Rates for Task Order Proposals
- **Period of Performance (PoP); Five-year base, plus four, one-year option ordering periods, if exercised**
- **All performance at the task order level must end 12 months after the IDIQ expires, which is Sep 24, 2027, therefore all task order performance must end on Sep 24, 2028.**
- **\$12.1B Contract Ceiling**
- **No Fee**
 - Open to Army, DoD, and all Federal Agencies



What's New

— ITES-3S Labor Categories

- Updated and added additional task areas and labor categories to the contract vehicle.
- The task areas that were updated with the new labor categories include:
 - Artificial Intelligence
 - Cloud Services
 - Cybersecurity Services
 - Application Systems
 - Data Services and Information Technology Services such as Telecommunications.

- **Artificial Intelligence (AI):**
 - Artificial Intelligence (AI) Engineer
 - Machine Learning Engineer
 - Machine Learning (Data) Scientist
- **Application Systems:**
 - Continuous Integration,
 - Continuous Delivery or Deployment (CI/CD) Engineer
 - DevOps Engineer – I
 - Full Stack Developer
 - DevSecOps Engineer
- **Cloud Services:**
 - Cloud Architect
 - Cloud Developer
 - Cloud DevOps Engineer
 - Cloud Network Engineer
 - Cloud Security Engineer
 - Platform Engineer
- Test Engineer
- User Interface, User Experience (UI/UX) Designer
- **Cybersecurity Services:**
 - Cyber Security Architect
- **Data Services:**
 - Data Architect
 - Data Engineer
 - Data Labeler
 - Data Scientist
 - Operations Research and Systems Analyst (ORSA)
- **Information Technology Services:**
 - Telecommunications Specialist



What's Coming

Recertify small business
during exercise of option year

Conduct market research to
determine if there is a need for
price adjustments due to the
economic challenges

51.102 Authorization to Use Government Supply Sources

- Letter of Authorization (LOA) for total solutions, IE incidental software and hardware, have been added to contract ordering guide
- Ensure it is part of award documents and that they are authorized to conduct RFQ in site.



Current Contract Performance (FY22 Q4)



Month	Number of RFPs Submitted
July	52
August	69
September	116
Total	237

Month	Number of RFIs Submitted
July	131
August	127
September	97
Total	355

Small Business Classification	Number of SB RFPs Submitted
Small Business	193
Service-Disabled Veteran-Owned Small Business (SDVOSB)	12
Woman Owned Small Business (WOSB)	23
Total	228



ITES-3S Metrics (Contract to Date)



Top Over All Performers:

Science Applications International Corporations

*Agile Defense, Inc.

IBM Corporation

*Small Business

Top Spend by Location:

Rock Island \$308,517,185.81

Redstone Arsenal \$128,819,301.54

APO \$101,967,892

Current Trends:

IT Services \$975,328,084.34

Warranty & Maintenance \$152,526,397.81

Network/System Ops & Maintenance \$145,869,917.35

Contract Spend to 30 SEPT 2022:

\$741,769,113.27

Small Business Spend:

\$281,627,596.58

Non-Army Usage

\$110,467,209.01

*Contract to date based on total spend.



ITES-4S



ITES-4S

- **Pricing:** Estimated \$12.1B ceiling
- **Open to Army, DoD, & Federal Agencies**
- **Contract Type:** Firm fixed price, time and materials, cost plus
- **NAICS Code: 541519:** Other Computer Related Services (possible additional NAICS codes)
- **Scope:** Similar to ITES-3S
- Will be starting market research phase and questionnaire
- Planning Industry Day



ITES-3S Post Award Lessons Learned



- Educating the use of the “Out of Scope” response for RFPs
- A need for a checkpoint/gatekeeper for scope determination at task orders level
- With 119 vendors, the automation of Contract Management Deliverables
- Post award meeting with contractors – CHESSE has an “Open Door Policy”
- Additional education needed such as Lunch and Learn sessions for Cloud Services
- Updating Ordering Guide to include Cloud Services



What we are looking into adding to ITES-4S



- Multiple NAICS codes
- Two sets of suites (High-end vs Low-end)
- How to do 8a set-asides
 - Increase small business goals (2023 Executive Order compliance)
 - Customer use our contract to meet their SB goals
- Highlight Fed ramping for cloud services
- Vendor to have forward facing website for easy contact



What we need from industry



- White papers
- Evaluation processes
 - Pricing
 - Geographical locations
 - Inflation increase
- What has industry seen from other services type contracts?
- How does industry feel about the addition of the new labor categories and task areas on ITES-3S?



Teaming or Subcontracting



- Viability test on primes interested on being on – ITES-3S, may do this for ITES-4S
 - Advisory multistep process
- Encourage teaming/subcontracting arrangements
 - Gain performance
 - Insights about type of work being requested



On Ramping



CHES contracts are competitively awarded in accordance with the FAR

- The Government reserves the right to reopen competition on either an unrestricted basis or restricted to small businesses, at any time during the term of the contract.
- The Government will review the need for additional Contractors to ensure a sufficient amount of viable/competitive unrestricted and/or small business vendors, and/or to ensure that the agency maintains access to the latest technological solutions in contracts for IT hardware, software and services.
- At this time, there are no on-ramping opportunities for CHES contracts. Vendors that are not CHES contract holders should consider subcontracting with a current prime. Details regarding selling to the Army and more can be found on the IT E-Mart.
- The Government reserves the right to review all contracts under a multiple award IDIQ vehicle on an annual basis to determine if it is appropriate to remove existing contractors. However, the Government may conduct an off-ramp at any time during the life of the contract.

For questions and information about on/off ramping, please contact the contract vehicles contracting officer.



RFI and Gatekeeper



Importance of RFI Responses:

ITES- 3S is mandatory and exceptions to no-bids on RFI

- Acquisition strategies are being determined based on the RFI that are submitted.

Importance of Gatekeeper:

CHESS anticipates this to continue ITES-4S

- Looking at RFI and not just RFPs since the mandate.



Questions



Contact Us

ARMY
CHESS
COMPUTER HARDWARE,
ENTERPRISE SOFTWARE AND SOLUTIONS

Computer Hardware, Enterprise Solutions and Software (CHESS)

9351 Hall Road, Building 1456

Fort Belvoir, VA 22060-5526

CHESS Customer Support Team: 888-232-4405

armychess@mail.mil

