COMPUTER HARDWARE ENTERPRISE SOFTWARE AND SOLUTIONS (CHESS)

AFCEA Ft. Belvoir Luncheon
23 April, 2019
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CHESS
Agenda

• CHESS Portfolio Overview
• Supply Chain Risk Management
• Category Management
• ITES-SW vs ITES-SW2
• Current/ Upcoming Contracts
CHESS Portfolio Overview

What is CHESS?

- Army's designated Primary Source for commercial off-the-shelf (COTS) IT
- No-fee, flexible procurement strategy for COTS IT Hardware, Software and Services
- Online request for quote / proposal process

Value of CHESS: Anything purchased through CHESS follows the DOD Applied Standards and Policies
Supply Chain Risk Management (SCRM)

**What is it?**
Supply Chain Risk means the risk that an adversary may sabotage, maliciously introduce unwanted function, or otherwise subvert the design, integrity, manufacturing, production, distribution, installation, operation, or maintenance of a national security system so as to surveil, deny, disrupt, or otherwise degrade the function, use, or operation of such system. SCRM refers to the systematic process for managing supply chain risk by: (1) identifying susceptibilities, vulnerabilities, and threats throughout the DoD’s supply chain, (2) developing mitigation strategies to combat those threats.

**Who are we working with?**
CHESS is actively involved in the HQDA G-3/5/7-led Working Group. We are also engaged with NIST, MITRE, Gartner and others.

### CHESS Contract Standard Requirements

<table>
<thead>
<tr>
<th>SCRM DFARS clause 806 / 2339a authority to DoD</th>
<th>Software RMF - CON - DoD APL - NSA NIAP</th>
<th>Trade Agreements Act (TAA) Compliant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government has authority to remove a source that fails to meet qualification standards established within the clause.</td>
<td>Software must be certified through the Risk Management Framework (RMF) or be listed on another approved DoD program.</td>
<td>TAA requires that the U.S. Government may acquire only “U.S. made or designated country end products”. This excludes companies like China, Iran, or other U.S. adversaries.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Letters of Supply / Authorization/ Counterfeit Prohibited</th>
<th>SECURE ACT 2018</th>
<th>Refurbished Equipment</th>
</tr>
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<tbody>
<tr>
<td>Authorized reseller (verified with OEM) provides LOS or LOA for products. Providing counterfeit products is prohibited under any CHESS contract.</td>
<td>Grants authority for Federal Government to restrict products and manufactures of all IT. Applies to ALL IT as defined in “Covered Article” definition across the Federal Government.</td>
<td>All contracts require only new equipment be provided by default and some contracts vary on allowing the use of used or refurbished equipment.</td>
</tr>
</tbody>
</table>

*Please check the SOW of each contract for clarification.
• **Army CIO/G-6 & ARCYBER are the designated IT Category Managers for the Army**
  – Putting new emphasis on the importance of this effort

• **OMB Category Management Initiative**
  – CHESS’ ADMC-2 hardware contract is the DoD’s *only* OMB-designated Best in Class contract for IT Category Management
  
  – Comprises a series of policy memos designed to improve the acquisition, management, and savings of common IT supplies & services Federal-wide

  – First policy memo applies to realizing cost savings and efficiency, focusing on three immediate:
    1. Standardizing configurations for common requirements
    2. Reducing and consolidating contracts
    3. Optimizing price and performance
• Aligns with Office of Management and Budget (OMB) category management initiative

• CHESS is the Army’s mandatory source for COTS IT hardware and software
  • AFARS 5139 and AR 25-1

• Reduce leakage (Statements of Non-Availability (SoNAs) and Information Technology Approval System (ITAS) waivers)

• First Federal-wide ID/IQ focused entirely on Software positioned to become “Best In Class”

• Readiness
  – Capabilities to Warfighter
  – Comprehensive/ Accurate Data

• Capabilities-based Competition

• Metrics – (e.g. - Bid Rates)

• No Fee


<table>
<thead>
<tr>
<th>Topic Area</th>
<th>Current ITES-SW</th>
<th>Future ITES-SW 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordering open to</td>
<td>Army Only</td>
<td>All Federal</td>
</tr>
<tr>
<td>Categories</td>
<td>4 Software Categories</td>
<td>14 Software Categories</td>
</tr>
<tr>
<td>Requirement</td>
<td>CoN Products Only</td>
<td>*All Products</td>
</tr>
<tr>
<td>Related Service Threshold</td>
<td>Cap on Services of $10K</td>
<td>**No cap on Services</td>
</tr>
<tr>
<td>Related Hardware Requirement</td>
<td>Out of scope</td>
<td>In scope; **No cap on Hardware</td>
</tr>
<tr>
<td>Intent</td>
<td>Primarily less than $150k software buys</td>
<td>Satisfy all dollar value software buys</td>
</tr>
<tr>
<td>POP</td>
<td>5 Years</td>
<td>10 Years</td>
</tr>
<tr>
<td>Ceiling</td>
<td>$49M Initial – $179M Current</td>
<td>$13B</td>
</tr>
<tr>
<td>Terms &amp; Conditions</td>
<td>Supplemental</td>
<td>Base + Supplemental</td>
</tr>
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</table>

*The CoN process expired on 02 JUL 18 and was replaced with RMF Assess Only. These processes cannot be initiated by the vendor and the previous requirement limited competition and increased SoNAs/ITAS waivers. The Government will require Contractors to indicate which products do have legacy CoNs, have been through RMF, or are listed on other DoD approved programs. The onus will be on Customers to ensure they follow their respective agency policies when purchasing and installing products on their networks.

* Related hardware and services will be directly related to the ITES-SW 2 software requirement. There is no cap on the amount of related hardware or services that may be purchased at the delivery order level, however, the software requirement must be the primary requirement.
Current / Upcoming Contracts

Current CHESS IDIQ Contracts

- **Hardware:**
  - Army Desktop and Mobile Computing – 2 (ADMC-2)
  - Information Technology Enterprise Solutions – 3 Hardware (ITES-3H)
- **Services:**
  - Information Technology Enterprise Solutions – 3 Services (ITES-3S)
- **Software:**
  - Information Technology Enterprise Solutions – Software (ITES-SW)

Upcoming CHESS IDIQ Contracts

- **Hardware:**
  - Army Desktop and Mobile Computing – 3 (ADMC-3) – Follow-on for ADMC-2; **GAO protest received**
  - Information Technology Enterprise Solutions – 4 Hardware (ITES-4H); **ITES-3H expires in Feb 2021; planning for follow-on ITES-4H contract has began**
- **Software:**
  - Information Technology Enterprise Solutions – Software 2 (ITES-SW2) – Follow-on for ITES-SW; **anticipated Solicitation release summer FY19**
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