Package or Piecemeal?

To some buyers, ITES-3H looks like a pick-and-choose buffet.

The U.S. Army and other military services have elevated modernization of IT infrastructure in recent years, making it a central component of plans to simultaneously fight wars on multiple fronts. The military's IT leadership envisioned that the third iteration of the Information Technology Enterprise Solutions – 3 Hardware (ITES-3H) would go a long way toward supporting those ambitious IT-enabled capabilities.

"There are agencies that understand what the contract offers, and use it effectively" to procure solutions, says Sheryl McCurnin, senior manager for federal programs at CDW·G. "Other agencies are gradually becoming aware and are realizing the scope of what the contract has to offer."

There are still agencies that have not embraced the solutions aspect of the contract. A lot of that is due to "years and years of doing it just one way," says Kim Giannini, the company's sales manager for Army. Out of habit, procurement professionals operate with preconceived notions. When buyers are unclear about which solutions are eligible for purchase, CDW·G will provide a contract primer to inform potential buyers of what's in the vehicle.

The big picture

The $5 billion, five-year ID/IQ ITES-3H is a mandatory-use vehicle for the Army. It provides a wide range of commercial high-speed reduced instruction set computer (RISC) and explicitly parallel instruction computing (EPIC) servers, Windows-based servers, desktop computers, notebooks, workstations, printers and peripherals. Buyers can also acquire storage systems and networking products from the contract.

ITES-3H AT A GLANCE

- Five-year performance period ending Feb. 21, 2021
- $5 billion program ceiling
- Open to Army, Defense Department and federal agencies
- 17 contracts awarded (eight small business, nine large)
- No fee

The confusion among buyers who used the ITES-2H contract is understandable. ITES-2H was primarily a products contract that included services used to integrate products into the Army's existing IT infrastructure.

ITES-3H shifted the focus. Instead of products, it seeks to provide a total solutions package, including integration and other services.

The ITES-3H contract includes "items that are for the fielding of a complete system, or as part of a complete system, or as part of the total design solution for all equipment items provided on the contract," according to the ITES-3H statement of work.

Services used in these ITES-3H solutions are distinct from those offered under ITES-3S, which was awarded in September 2018. That contract offers commercial services charged on a time-and-material basis, while those under ITES-3H are charged as fixed-price. ITES-3H items include "as a Service" offerings, such as managed print services and storage.

ITES-3H also includes travel that's needed to acquire and field solutions, yet another feature that "customers are realizing as a benefit to procuring the full solution using the contract," McCurnin says.

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>
> – SHERYL MCCURNIN, SENIOR MANAGER FOR FEDERAL PROGRAMS AT CDW·G

Great expectations

Transitional challenges notwithstanding, overall expectations for ITES-3H are nonetheless high. Its predecessor, ITES-2H, ended its performance in June 2016, reporting total business on the contract of just under $7.5 billion. That figure includes purchases made during a four-year extension to the original five-year contract period.

To date, the combined value of business on ITES-3H totals $1.6 billion, from just under 700,000 task orders, according to GovTribe, a company that collects and collates government procurement data.

The good news is that there is room to grow. For that to happen, companies such as CDW·G will have to take on a major educational role and help Army buyers fully understand what ITES-3H involves when it comes to buying complete IT solutions, Giannini says.

"In many ways we find ourselves being a trainer for the contract, and the advocate for the customer in how to use the contract," McCurnin says. "Simply put, most government customers are accustomed to transactional business. We want to help the customers to procure the whole integrated solution, and understand that ITES-3H is the vehicle for the Army to do that."

Securing the Supply Chain

ITES-3H all but requires contractors to secure their supply chains.

At a time when government is pushing contractors to comply with a Defense Federal Acquisition Regulation Supplement (DFARS) that requires use of trusted suppliers, integrity of the supply chain is becoming vital, says Sheryl McCurnin, senior manager for federal programs at CDW·G.

CDW·G has put in place a rigorous process for procuring equipment from an authorized supplier or original equipment manufacturer (OEM), securely transporting it to a CDW·G warehouse, and integrating it using technicians certified to work on the equipment.

"We want to make sure we don't 'piece part' it out and risk having counterfeit equipment in any solution we are offering," she says. "We can also get it to the customer via secure transport and delivery. The last thing we want is to compromise an OEM's reputation because something goes wrong."

CDW·G ensures supply chain security, end-to-end, she says, adding that the company only works with trusted OEMs and suppliers that have a commitment to equipment and supply chain security integrity.

For more information:
http://www.cdwg.com/ites-3h