Choosing the Right Contract Vehicle from the Lot

Moderator:
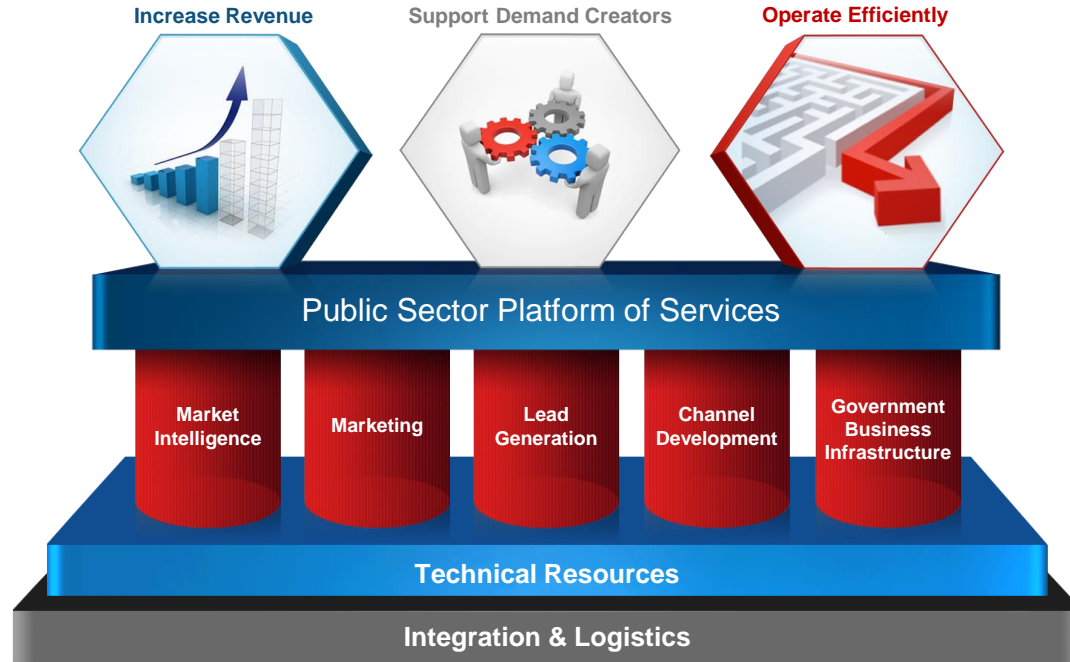Steve Charles, Co-founder

Speakers:
Jenni Taylor, Contract Programs Manager
Adam Hyman, Senior Manager, GSA Programs
Ray Miles, Senior Channels Executive
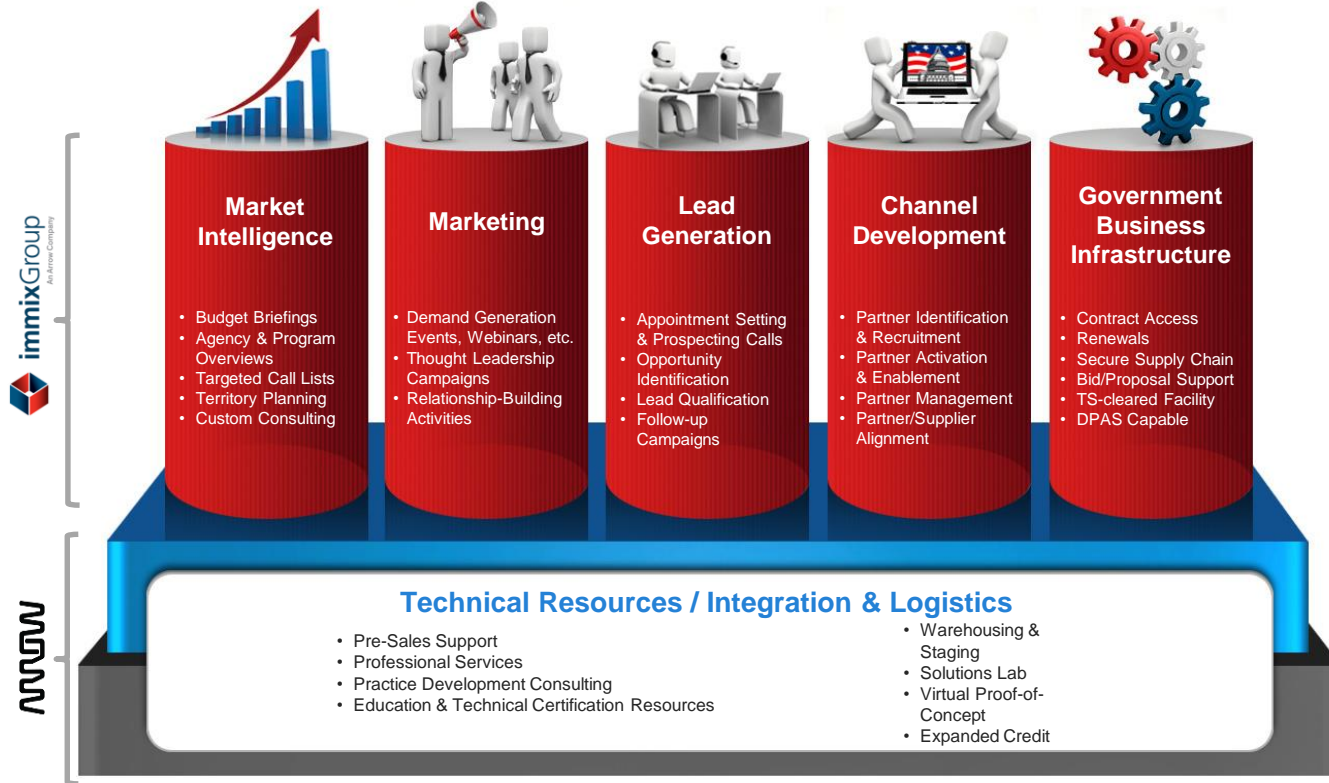Charlie Whipple, Corporate Counsel

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Combined Capabilities for Suppliers & Partners

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ARROW

Market Intelligence

- Budget Briefings
- Agency & Program Overviews
- Targeted Call Lists
- Territory Planning
- Custom Consulting

Marketing

- Demand Generation Events, Webinars, etc.
- Thought Leadership Campaigns
- Relationship-Building Activities

Lead Generation

- Appointment Setting & Prospecting Calls
- Opportunity Identification
- Lead Qualification
- Follow-up Campaigns

Channel Development

- Partner Identification & Recruitment
- Partner Activation & Enablement
- Partner Management
- Partner/Supplier Alignment

Government Business Infrastructure

- Contract Access
- Renewals
- Secure Supply Chain
- Bid/Proposal Support
- TS-cleared Facility
- DPAS Capable

Technical Resources / Integration & Logistics

- Pre-Sales Support
- Professional Services
- Practice Development Consulting
- Education & Technical Certification Resources
- Warehousing & Staging
- Solutions Lab
- Virtual Proof-of-Concept
- Expanded Credit

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Bridging a Gap in the Market

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VALUE-ADDED DISTRIBUTOR
Expected Value

ARROW + immixGroup (An Arrow Company) = STRATEGIC VALUE

PUBLIC SECTOR AGGREGATOR
Expected Value

- Logistics
- Pick, pack & ship
- Engineering & technical resources
- Integration & configuration
- Solution builds from spec via hardware OEM relationships
- Financial resources & credit flexibility
- SLED/commercial partner base (North America & Global)

- **End-to-end market reach (Federal, SLED & Commercial)**
- **Enterprise software AND hardware solutions**
- **Breadth AND depth in partner networks, product/solution offerings, technical knowledge, demand generation**

- DC presence (for Federal)
- Government contract access
- Contract management & compliance procedures
- Relationships with Federal sales & teaming partners
- Deep Federal/SLED procurement expertise
- Public sector demand generation programs

Complete Public Sector Market Coverage

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Proven Success with…

Top Technology Manufacturers	900+ Channel Partners	Government Agencies	A Broad Range Of Contracts

Top Technology Manufacturers: Hewlett Packard Enterprise, IBM, CISCO, redhat, BROCADE, intel Security, vmware, NORSE, RSA, Polycom, CITRIX, Check Point, COMMVAULT, paloalto networks, FORTINET, NETSCOUT, aruba, ixia, Centrify, riverbed, NetApp

900+ Channel Partners: IRON BOW TECHNOLOGIES, CSC, HARRIS, NORTHROP GRUMMAN, Blue Tech, ANACAPA, THUNDERCAT TECHNOLOGY, CDW-G, shi, Red River, GOVPLACE Enterprise IT Integration, DLT SOLUTIONS, Booz | Allen | Hamilton, GENERAL DYNAMICS Information Technology, World Wide Technology, Inc.

Government Agencies: U.S. ARMY, GSA, U.S. AIR FORCE, USDA, DISA, MARINES THE FEW. THE PROUD., Defense Intelligence Agency, Central Intelligence Agency, Department of Defense, U.S. Department of Commerce Bureau of the Census, U.S. Department of Homeland Security

A Broad Range Of Contracts: GSA, SEWP, NETCENTS-2, Continuous Diagnostics Mitigation, CHESS ITES-2H, ENTERPRISE SOFTWARE INITIATIVE, FirstSource DHS

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Enterprise Programs - Delivery Order Contracts

Jenni Taylor,
Contract Programs Manager

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- SEWP V began May 1, 2015, replacing SEWP IV

- 147 Awardees (vs. 38 on SEWP IV) leads to increased competition

- Contract fee lowered to .39% (from .45% on SEWP IV) -- Lowest fee of all Government Wide Acquisition Contracts (GWAC)

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NETCENTS-2 Products

- 25 contract holders, 14 small businesses

- Mandatory use for US Air Force purchase of NetCentric products

- NETCENTS Services and NetOps contractors must procure products from NETCENTS Products primes

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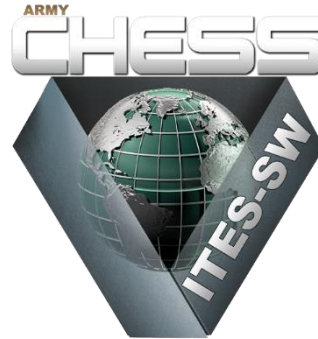
- Began February 2015

- 3 contract holders, 1 small business

- Certificate of Networthiness (CoN) required for software and maintenance

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GSA IT70 Schedules:

Adam Hyman,
Senior Manager

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GSA Schedule 70 Sales Trend

Billions of Dollars

FY10: **15.96**
FY11: **15.72**
FY12: **15.39**
FY13: **14.43**
FY14: **14.15**

Legend:
- ■ Wireless
- ■ Training & Services
- ■ Software & Software MNT as a Product
- ■ Software MNT, as a Service
- ■ Other
- ■ Hardware MNT
- ■ Hardware

Source: Schedule Sales Query
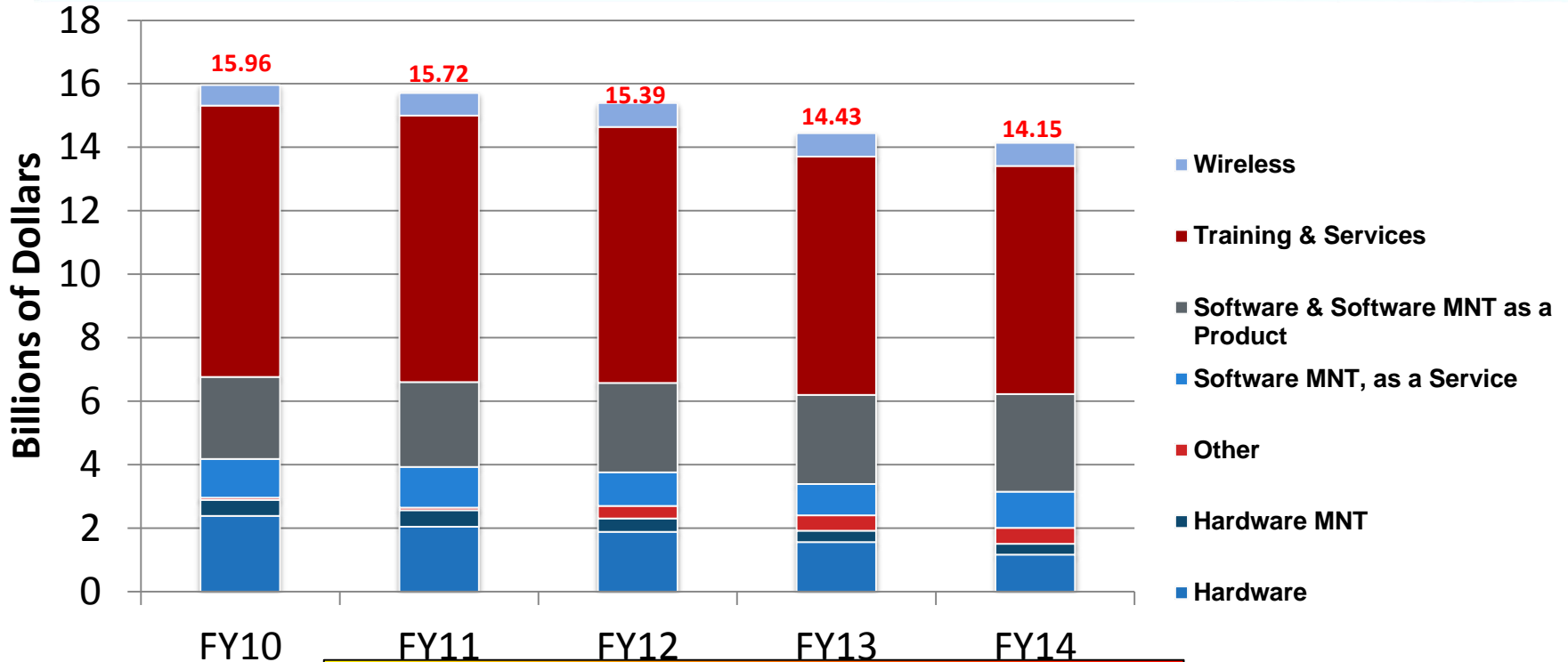
Across more than 4,800 IT MAS Contracts.

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1. **Continued delays in refreshing GSA catalogs with latest technology**
    – GSAM 538.271
    – Horizontal Price Analysis
2. **Transactional Reporting requirements (Proposed Rule)**
3. **DFARS (Proposed Rule) – Defense Federal Acquisition Regulation Supplement: Evaluating Price Reasonableness for Commercial Items (Case 2013-D034)**
    – Exception to requirement if items are awarded on a Schedule Contract.
4. **Recommendations**
    – Take charge of your pricing and channel economics.
        • Increased price visibility across agencies, vehicles and down at the order level
    – Who is authorized or is not authorized to sell your items?
        • DoD buyers and prime contractors require chain of custody documentation back to OEM through OEM-authorized channels to address Supply Chain Risk Management rules.

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Class Deviation to address common Commercial Supplier Agreement Terms

– Identifies fifteen (15) common elements of commercial terms.

– New GSAR 552.212-4

  • Lowers order of precedence on commercial terms.

    – Including disclaimers of implied warranties

  • Designed to prevent Anti-deficiency Act Violations

Refresh 34 – Software warranty requirement; minimum 60-days

Common Acquisition Platform that all agencies can leverage

Organized under 17 categories of products and services, 6 for IT:

1. Hardware
2. Software
3. Cloud
4. Security
5. Telecommunications
6. Professional Services

Acquisition Gateway

– See what kinds of information will be curated at https://hallways.cap.gsa.gov/faq.html

– Built by the acquisition community for the acquisition community

– Only open to government users today, but eventually public information will be open to all

– Will include "prices paid" data but not clear yet if that will be made public

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Blanket Purchase Agreements (BPAs)

Blanket Purchase Agreement (BPA)

1. Useful for repetitive purchases by a particular customer.

2. GSA Schedule provides baseline contractual terms: warranty, delivery, license, maintenance.

3. BPA may include discounts off the GSA Schedule catalog price for volume and term considerations for orders through a single point.

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- This has become the vehicle for strategic sourcing
  - Reduces administrative costs by eliminating the need for repetitive, competitive procedures.

- Narrows the playing field
  - Only BPA awardees are considered for subsequent orders.
  - Annual review is required to ensure best value over time.

- Will be the method GSA will use to define enterprise-wide agreements under the new FITARA authority.

BPA Examples

BPA	Description	Expires	Value
DOD Enterprise Software Initiative (ESI)	Joint DOD effort to implement a software enterprise management process. Creates DOD -wide Enterprise Software Agreements (ESAs) to reduce the cost of common use COTS software. Now includes Cloud (DFARS 239-76)	Ongoing	N/A
SmartBUY	Complementary effort to ESI focusing on civilian agencies. Wide variety of BPAs to achieve enterprise software license cost savings. GSA is the SmartBUY executive agent.	Ongoing	N/A
CDM	Driven by Information Systems Security Line of Business requirements, CDM is DHS program implemented through a series of BPAs for Situational Awareness and Incident Response tools covering Configuration Management, Network Mapping, and Vulnerability Management.	August 11, 2018	$6 Billion

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CDM/CMaaS (Continuous Diagnostic & Mitigation/Continuous Monitoring as a Service)

- **Fast, reliable access**

- **Extensive Knowledge**

- **Contract and Pricing Compliance**

- **Networking Events**

Other Contracts for which we Provide Products

Ray Miles,
Sr. Channels Executive

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Two Enterprise Programs immixGroup Supports

NITAAC
OMB Authorized GWACs for IT Acquisition

CIO·CS
COMMODITIES/SOLUTIONS

Includes *everything IT* in support of the Federal Enterprise Architecture, the Department of Defense Enterprise Architecture and the Federal Health Architecture

NAVAL ENTERPRISE NETWORKS
SECURE AGILE
PMW 205
INTEGRATED

- Awarded to Hewlett Packard

- Formerly Navy Marine Corps Intranet (NMCI) contract

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IT Products Contracts

o DHS First Source; HubZone, SDVO, 8(a) expire Sep 2017 thru Jan 2018.

o Army ITES-2H expires June 2016

o ARMY ADMC-2, expires Apr 2016

o ARMY WIN-T

o Air Force NETCENTS2

o SEWP

o CIO-CS

Task Order Contracts (that may require IT product)

o DHS Eagle

o Army ITES-2S expires April 2018

o Army ITES-SB expires Feb 2016

o Air Force NETCENTS2 services, expire in November 2020+

o NAVY NGEN (formerly NMCI)

o CIO-SP

o Alliant I

o Encore II, RFI Issued September 2015

o VA – T4 expires June 2016

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Contract Access Options

Charlie Whipple, Corporate Counsel

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Contractor Teaming Arrangements/Teaming Agreements (FAR 9.6)

1. Traditional Teaming Agreements
   - To respond to an RFP and hopefully lead to a subcontract with a winning prime

2. Contractor Teaming Arrangements (GSA specific)
   - Private relationship between Schedule contractors
   - Each team member must have its own GSA Schedule contract
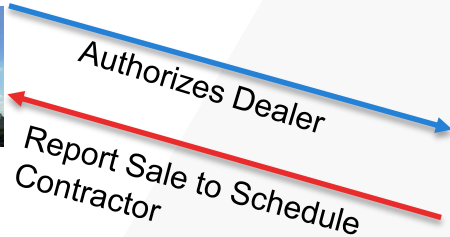   - Each team member is considered prime and has privity of contract with government

Team Lead

Team Member

Team

Team Member

Government Customer
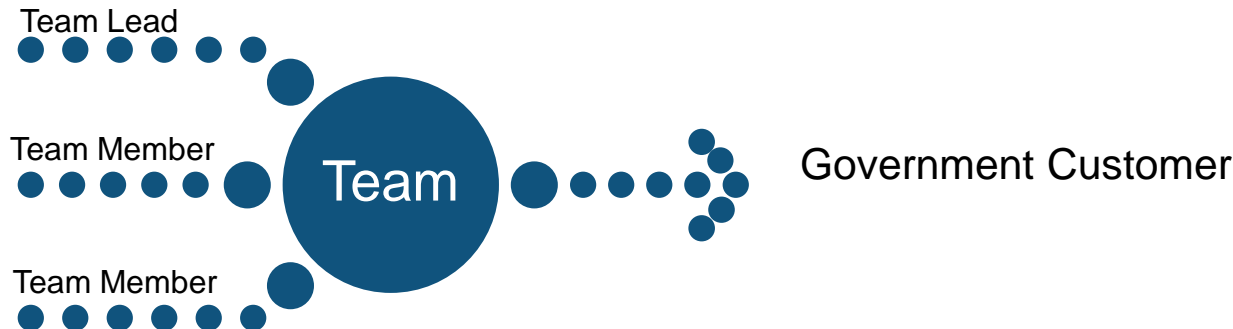
GSA Agent / Participating Dealer Arrangements

1. Schedule Contractors authorize Dealers to sell off of their GSA Schedule contract
   - Dealers sell directly to government customers

2. Expands reach of GSA Schedule contract by opening it up to channel partners (Dealers)

3. Benefits all parties when the dealer has good relationships with agencies in their territory
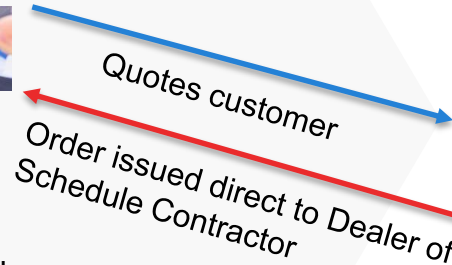
*Schedule Contractors and Dealers enter into Agent Agreements – Schedule Contractors must ensure that Dealers agree to certain terms

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How Authorized Agent/Dealer Programs Work

Schedule Contactor

Authorizes Dealer

Report Sale to Schedule Contractor

Authorized Dealers

Quotes customer

Order issued direct to Dealer of Schedule Contractor

GSA

- Schedule Contractor maintains single contract with GSA

- Schedule Contractor reports sales and pays IFF

- Dealers authorized to take orders, invoice customer, and receive payments

- Dealer provides quarterly reports to Schedule Contractor detailing sale price for reporting and IFF payment

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Purchasing from Government Supply Sources

- FAR 51.1 provides contractors with access to Federal Supply Schedules and GSA Global Supply Programs – limited to certain contract-types.
  - Contract must include FAR 52.251-1, Government Supply Sources
  - Allows a prime contractor to purchase items needed for a prime contract via certain contract vehicles
  - Simplifies a prime contractor's supply chain

Potential Pitfalls

- Title to items – vests with government unless contract provides otherwise
- Payment – Selling Contractor looks to Buying Contractor for payment

FITARA Overview:

Steve Charles

1. Increased Chief Information Officer Authority over IT Budget and Spend

2. Complete IT Portfolio Review with CFO as part of budget process

3. Acquisition Changes increase centralized controls enforced under budget

   a) Federal Data Center Consolidation Continues as part of budget process

   b) Increase use of "IT Cadres", more training and performance metrics

   c) Maximize Federal Strategic Sourcing Initiatives (started Feb 2015), e.g. Office Supply Commodities, QEBs, Printer Fleet Management, etc.

   d) Implement Government-wide Software Purchasing Programs, e.g. GSA Smart Buy, ESI Council, NC2

4. All to provide more transparency of IT spend as a function of improved mission performance while more actively managing investment risk.

FITARA - Implications

1. **New review and approval processes at the CIO level**

   • Agencies to develop plans by calendar year-end. Many are done.

   • Will require additional acquisition steps—CIOs, CFO's and CAO's working more closely

   • The DHS C-Level team does a stand-up meeting every morning to implement this.

2. **CIO has been given real authority**

   • Stopping rogue IT spend is priority

   • Money power – includes <u>both</u> CFO and CIO

   • Defining Utility vs Mission IT is the way many agencies now manage the approvals

3. **AGILE development – Less time to more value for services is focus**

   • Requires a high level architecture and more active management across all stakeholders.

4. **Procurement—how is this agency buying this kind of thing now?**

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Questions & Answers