Indefinite Delivery Indefinite Quantity
Contracting for Preservation Projects

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Historical Background

• FHWA Procurement Requirements and SEP-14
  – Mid-1800’s - many States adopt “low bid” requirements
  – 1938 Federal Highway Act required competitive bidding
  – 1968 Federal Highway Act revised Title 23 USC to award construction contracts “... only on the basis of the lowest responsive bid”
  – February 2, 1990 – FHWA establishes an experimental program titled “Special Experimental Project No. 14 – Innovative Contacting”
Indefinite Delivery Indefinite Quantity Contracting for Preservation Projects

Jeff Lewis

SEP-14 Milestones

- 2/13/1990 – FHWA initiates SEP-14
- 5/4/1995 – FHWA declares A+B and Lane Rental operational
- 4/19/1996 – Final rule – warranties
- 12/15/1998 TEA-21 S. 1307 authorizes Design-Build
- 12/10/2002 final rule – Design-Build
- 8/10/2005 – SAFETEA-LU S. 1503
- 7/6/2012 MAP-21 S. 1303 authorizes CM/GC delivery
- 11/8/2012 FHWA declares alternative pavement type bidding operational
Alternative Contracting Overview

- Non-Experimental (A+B bidding, lane rental, warranties, Design-Build, CM/GC, additive bidding, alternate pavement type bidding)
- Experimental (best-value, job order contracting, etc.)
Other SEP-14 Pilot

- ID/IQ – Indefinite Delivery/Indefinite Quality
- Best-Value
- Performance-Based Contractor Prequalification and Procurement
- D-B-B ATC’s
- Alliance Contracting
- FHWA/HUD, USDOT “Contracting Initiative”
Indefinite Delivery/Indefinite Quantity Contracts

- **Definition** - “An ID/IQ contract provides for an indefinite quantity of supplies and/or services whose performance and delivery scheduling is determined by placing work orders with one or multiple contractors during a fixed period of time”

- Also known as “job order, task order, area-wide, continuing” contracts

- Selection based on the lowest bid or bid factor for a given estimated scope

- Appropriate for preventive maintenance and recurring tasks

  - NCHRP Synthesis 473
NYSDOT Sample Job Order Projects

- Culvert Replacement
- Culvert Lining
- Replace Bridge Joints
- Concrete Pier Repair
- Replace Bridge Bearings
- Replace Bridge Deck
- Slope Failures
- Shoulder Repair
NCHRP Synthesis 473

- ID/IQ Use

<table>
<thead>
<tr>
<th>Policies and Procedures</th>
<th>Answers and Observations</th>
<th>Frequency of Observations (out of 41)</th>
<th>Frequency %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery Method used for IDIQ Contracts</td>
<td>DBB</td>
<td>17</td>
<td>51%</td>
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<tr>
<td></td>
<td>DB</td>
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<td>12%</td>
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<tr>
<td></td>
<td>CMGC</td>
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<tr>
<td>Type of Work</td>
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<tr>
<td></td>
<td>Construction</td>
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<td>Maintenance</td>
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<td>Average Number of IDIQ Contracts Awarded per Year</td>
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<td>3</td>
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<tr>
<td></td>
<td>3-5</td>
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<td>12%</td>
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<tr>
<td></td>
<td>6-10</td>
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<td></td>
<td>&gt;10</td>
<td>15</td>
<td>37%</td>
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<td>Classification by Location(s)</td>
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<tr>
<td></td>
<td>County-wide</td>
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<td>District-wide</td>
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<td>Other</td>
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<td>No</td>
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<td>68%</td>
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SEP-14 ID/IQ Award Methods

• Bids based on estimated quantities – contractors bid unit prices, task orders issued based on bid prices; (MN)
• Same as above, but multiple awards made, tasks orders issued based on lowest bid for quantities in task order (DE)
• Construction Task Catalogue – contractors bid markup rates for defined tasks; job orders issued based on markup rates (NY, NJ, MO)
NYSDOT JOC Contract Documents

- Construction Task Catalog
  - Tasks with Pre-Set Unit Prices

Full Description of Task
Price Includes Labor, Material and Equipment
Modifiers for Variations or Quantity Discounts
Demolition Price If Applicable
“Do you have an agreement with your FHWA Division office on what activities are considered as pavement preservation vs system preservation vs maintenance?”
ID/IQ - Contract Administration Reminder

• All FHWA construction contract administration requirements apply
  • 23 CFR 635
  • NEPA
  • Buy America
  • FHWA Form 1273
  • Davis-Bacon
  • Etc.

• SEP-14 - Requires
  • FHWA HQ’s approval
  • Workplan
  • Evaluation Plan (typically 2-3 years to determine if to make mainstream)
Will SEP-14 Ever End?

http://www.fhwa.dot.gov/programadmin/contracts/sep14list.cfm?sort=technique
Alternative Contracting Methods (ACMs) Library

The Federal Highway Administration supports the deployment of Alternative Contracting Methods—Design-Build (D-B), Construction Manager/General Contractor (CM/GC), Alternate Technical Concepts (ATC)—to accelerate project delivery, encourage the deployment of innovation, and minimize unforeseen delays and cost overruns.

In traditional highway construction contracting (design-bid-build), cost is generally the one criterion that determines the winning bid. As State and local agencies strive to meet customer needs, factors such as quality, delivery time, social and economic impact, safety, public perception, and life-cycle costs have gained in importance. Since the 1980s, the FHWA has been supporting the use of these innovative alternative contracting methods to help achieve these goals.

This Library has been assembled to provide access to samples of documents prepared by State legislatures, and transportation owner agencies in the execution of roadway construction contracting, deploying these methods. It does not constitute a standard, specification, or regulation.

- Design-Build (D-B)
- Construction Manager/General Contractor (CM/GC)
- Alternate Technical Concepts (ATC)
- Quick Reference, Background Material, and Useful Information

ACM Technical Contacts

<table>
<thead>
<tr>
<th>ACM Deployment</th>
<th>ATC</th>
<th>CM/GC</th>
<th>D-B</th>
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<tbody>
<tr>
<td><strong>Team Manager</strong></td>
<td><strong>Load</strong></td>
<td><strong>Load</strong></td>
<td><strong>Load</strong></td>
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<tr>
<td>Rob Elliott</td>
<td>David Unkefer</td>
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<td>Jeff Lewis</td>
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Thank You!