What is IDIQ?

AASHTO Subcommittee on Construction
Big Sky, Montana, August 16, 2016

We all have a stake in A→B
What is IDIQ Contracting?

IDIQ stands for Indefinite Delivery, Indefinite Quantity

- Federal Acquisition Regulation (FAR) definition:
  - IDIQ contract is a method to “provides for an indefinite quantity, within stated limits, of supplies or services during a fixed period of time”
  - Products and Services
  - New to MnDOT … not new to other public agencies
Why?

- Multiple contracts of similar scope in close proximity
- Districts often determine a budget for a type of work before knowing the exact locations of the work
- District budgets can be difficult to maintain at the end of the year
- Reduce the amount of overall contracts needed to perform this work
- We were using funds that should have been spent on road projects to buy plow blades, salt, etc.
What Have We Done to Date

- Over 50 Contracts
- Over 100 Task orders have been written for these IDIQ contracts
- Maximum capacity of contracts to date – 205 Million
Various Types of Work

- Bit Seal Coat
- Micro-surfacing, Chip Seal or Thin Overlay
- Culvert Repair or Clean and Lining
- Mill and Overlay
- Airport Runway Striping

- Bit. Crack Seal
- LED Re-lamping
- Noise Wall Repair
- Epoxy Chip Seal – Bridges
- Sign Replacement
- Concrete Pavement Repair
Concrete Pavement Repair Example

- Intent was for districtwide spot repairs
- Work between Aug 2014 and Oct 2015
- Spend between $700,000 and $2,500,000
Pro’s

▶ Fewer lettings saves time
▶ Able to use money when it becomes available
▶ Flexible time to complete task orders
▶ Contractor stated he could bid these projects cheaper because of the flexible time component – used this as fill in work
Cons

- More paperwork for Project Engineers
- New contracting method, pricing is variable
- No overruns are allowed on these contracts, scoping needs to be accurate
Funding/Groups

- All IDIQ contracts should be let with an original encumbrance that matches the contract’s minimum value.

- Because of the unknown specifics at time of letting; the process of encumbering funds and the group set-up is a big difference as compared to a DBB contract.

- Due to State Statute (§) 161.08 we are required to report all construction expenditures by location/control section.
Task Orders

- All work assigned to the contractor will be done by Task Order.
- Task Orders should be treated like an individual mini contract inside the main contract.
- Due to the IDIQ funding process, SAs, Change Orders & Work Orders are not allowed - The only contract change document allowed on IDIQ contracts are Task Orders.
- Due to the requirement of identifying the funding involved, Task Orders are not allowed to Overrun – possible § 16.A & 16.C authorization violations.
- Task Order is your authorization to spend the contract money identified for that particular Task Order.
Required Task Order Request Package Forms:
(Submit to: *DOT_ContractChanges-Enc)

- Completed Task Order Template
- IDIQ Budget Tracking Form
- IDIQ Individual Control Sections Attribute Form
- Utility Certification Form

- Additional attachments as listed in Section IV. of the Task Order Template
  - Civil Rights letters/waivers along with any applicable environmental permits (DNR, MPCA)
Certificate of Task Order Acceptance

- Once it is determined that all the work required under the task order is complete the task order needs to be closed out by completing and submitting a Certificate of Task Order Acceptance for the Task Order
  
  (Submit to: *DOT_ContractChanges-Enc)

- Certificate of Task Order Acceptance form certifies all quantities and dollar values listed in cost estimate of the Task Order
What we learned so far?

- Need to work with the District STIP Coordinators to identify funding and establish Groups/SPs for Task Orders - Seems like a lot of paperwork

- The time lag from “ready Task Order” to “completely processed Task Order” was from ranging from 1 to 20 days….targeting and have been averaging 7 days

- Multiple work types…ok

- Prices…..High..Medium..Low

- Survey…….Contractors….Sureties…..Internal Staff
What do we need to work on?

- Allow adequate time for Task Order Request Package to be processed
- Overruns – They are not allowed on IDIQ
- Complete Certificates of Task Order Acceptance in close proximity to actual Task Order work completion
- Adjust the procedure as needed for future Task Orders and IDIQ Contracts……consistency on specs
- Establish and furnish a stripped down IDIQ version of Field Ops and CMS
What do we need to work on?

- Mobilization compensation
  - Fixed % stated by MnDOT
  - Fixed % bid by Contractors
  - Fixed Price Bid by Contractors
  - None

- Cost Escalation
  - Fixed Annual Adjustment rates
  - External Cost Indexes
  - Develop Internal Cost Indexes

- Uniformity on specifications state wide

- Lack of Knowledge by Engineers in the Districts
Will there be more?

- Yes .... we think so
  - D1 thought their projects worked well
  - Metro is considering several different types of work for future contracts (mill and overlay, tunnel repair, twisted end treatments…)
  - Flood repair
  - ADA work
  - Contaminated soil disposal
  - District wide pavement striping
Questions
IDIQ Questions, Resources and Contacts

- IDIQ Website
  - [http://www.dot.state.mn.us/const/tools/idiq.html](http://www.dot.state.mn.us/const/tools/idiq.html)

OCIC - IDIQ Contacts

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