

Indiana Department of Transportation
Annual Report for Special Experimental Project Number 14
Utilizing an Indefinite Delivery / Indefinite Quantity Mark-up Contract
for Bridge Preservation

June 2022

Purpose and Scope

The Indiana Department of Transportation (INDOT) submits this report for review of Special Experimental Project Number 14 (SEP-14) Utilizing an Indefinite Delivery / Indefinite Quantity (IDIQ) Mark-up Contract for Bridge Preservation to evaluate the use of Federal-Aid.

Contract Performance and Metrics

The INDOT Fort Wayne District was chosen to utilize the IDIQ Mark-up Contract. Bids were solicited through its traditional bidding process and industry reaction was positive with two contractors submitting bids.

Time from Project identification to project completion

The Notice to Proceed was issued July 29, 2021, to the winning proposer. The first scoping meeting was October 1, 2021, and the first Work Order was approved March 3, 2022, with work completed on March 30, 2022. At this time, INDOT has had only one work order on the contract, therefore it is difficult to measure cost effectiveness and timeliness of the contract.

Time for bidding and award execution

Due to the nature of the contract, we had a 6-week letting period with a mandatory pre-bid meeting, with the letting on July 14, 2021, and a NTP on July 29, 2021.

Responsiveness of contractors

Two contractors attended the mandatory pre-bid meeting, and both submitted bids.

Cost effectiveness to perform the work

We do not have enough work orders to compare it to our other IDIQ contracts at this time. The labor Markup was significant to cover overhead costs, but currently, we believe it is comparable to other IDIQ methods.

Contractor/industry reaction to this method.

The reaction has been positive. Contractors have expressed that this method of contracting removes risk from both the contractor and INDOT.

Disadvantaged Business Enterprises (DBE) Utilization

The DBE goal for the contract was set at 7%. The DBE participation on the first work order was 13%, so we are within that goal.

Lessons Learned

Although we are still in the data collection process of the project, the bidding process did allow us to determine contractors' bids.

It was determined in the pre-bid meeting that contractors had concerns on where to place their overhead costs. During the pre-bid meeting, bidders explained that during a typical project, overhead is covered within the main project. Furthermore, change orders done under Force Account were acceptable due to the overhead being covered in the main portion of the contract. Yet this contract would require the contractor to place overhead costs in the mark up for either Materials, Equipment or Labor. In the pre-bid meeting contractors stated that the mark up for Labor would be substantially higher than a typical Force Account Change Order (20%). RL McCoy was the low bidder.

The mark-up from the bidders were as follows as compared to INDOT Force Account mark up:

	RL McCoy Inc	Primco Inc	INDOT Specification 109.05
Labor Mark-up:	95%	107%	20%
Materials Mark up:	12%	12%	12%
Equipment Mark up:	12%	12%	12%