



U.S. Department
of Transportation

Federal Highway
Administration

Memorandum

Subject: **ACTION:** Hawaii Indefinite Delivery /
Indefinite Quantity (ID/IQ) Contracting under
Special Experimental Program No. 14 (SEP-14)

Date: April 4, 2018

From: /S/Angel L. Correa
Acting Director, Office of Preconstruction,
Construction, and Pavements

In Reply Refer To:
HICP-20

To: Ralph J. Rizzo
Division Administrator
Honolulu, Hawaii

This memorandum is in reference to a March 19 email from Wayne Kaneshiro of your staff, which transmitted the following documents:

1. A Hawaii Department of Transportation (HDOT) workplan under Special Experimental Project No. 14 (SEP-14) for Indefinite Delivery / Indefinite Quantity (ID/IQ) Contracting, dated March 13, 2018;
2. Attachment 1 to the SEP-14 Workplan, which provides the Anticipated Breakdown of Contract Annual Maximum Value for each District; and
3. A document, dated March 13, which responded to comments provided by FHWA to a HDOT's draft SEP-14 workplan of February 12.

Procurement of ID/IQ Contracts

HDOT will procure a maximum of four individual ID/IQ contracts for each of the four districts (Oahu, Kauai, Maui, and Hawaii), for a total of sixteen (16) contracts Statewide that will cover the following work type categories at various locations on the state highway system:

- Installation of Enhanced Pavement Marking and New Milled Rumble Strip at Various Locations,
- Installation and Replacement of Signs at Various Locations,
- Installation and Replacement of Guardrail at Various Locations,
- Installation of Pavement Surface Treatments, and
- Installation of Pavement Preservation Strategies.

Each of the individual ID/IQ contracts will be competitively bid. The ID/IQ solicitation will contain a master set of specifications, construction methods and typical detail drawings, traffic control requirements, pay items, method of measurement, method of payment and

terms and conditions. Specific project locations, scopes of work, designs, and specific quantities will not be known at the time of letting.

The method of measurement and payment section will contain a list of construction items with approximate quantities of a typical work order for each District. These quantities are for bidding purposes only and this is no guarantee of the quantity of work that will be issued.

Development of Work Orders

For each applicable ID/IQ contract, work orders will be issued with a defined work order scope as determined by HDOT. Funds will be encumbered into the approved work orders. HDOT will be responsible for providing the work orders to the Contractor to accomplish the work.

All work will comply with Federal, State and local laws and permitting requirements. Environmental permitting will not occur prior to contract letting as specific project locations and scope of work need to be developed.

Duration

The duration of these individual ID/IQ contracts will be for one year, with options to extend in one year increments up to two additional years for a total of three years maximum.

We noted that HDOT is considering an optional Minimum Proposal Guarantee Amount (MPGA) for each of the individual ID/IQ contracts. Final determination on the use of the MPGA will be made at the time of contract letting after discussion with the FHWA Hawaii Division office. Should the cumulative approved work order total value for a contract be less than the MPGA established for that contract, HDOT proposes to pay the contractor the difference between these amounts at the completion of the contract. The MPGA will be entirely State funded.

We are pleased to programmatically approve HDOT's SEP-14 workplan for the use of an ID/IQ contracting program for a period of three years from the issuance of this memorandum.

Thank you for the opportunity to review and comment on this SEP-14 project. If you have any questions, please contact: Gerald Yakowenko at (202)366-1562 or Gerald.Yakowenko@dot.gov or John Huyer at (651)291-6111 or John.Huyer@dot.gov.