



U.S. Department
of Transportation

Federal Highway
Administration

Memorandum

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

Date: June 19, 2018

From: /S/ Gerald Yakowenko for Shay K Burrows
Acting Director, Office of Preconstruction,
Construction, and Pavements

In Reply Refer To:
HICP-20

To: Ralph J. Rizzo
Division Administrator
Honolulu, Hawaii

This memorandum supersedes our June 12, 2018 SEP-14 approval memo. It is also in reference to the April 27, May 4, May 22, and May 24 emails from Wayne Kaneshiro of your staff, which discussed and transmitted the following documents:

1. A revised Hawaii Department of Transportation (HDOT workplan under Special Experimental Project No. 14 (SEP-14) for Indefinite Delivery / Indefinite Quantity (ID/IQ) Contracting, dated May 18, 2018;
2. A revised Attachment 1 to the SEP-14 Workplan, which provides the Anticipated Breakdown of Contract Annual Maximum Value per Contract Type for each District, dated April 30, 2018; and
3. A transmittal letter from HDOT to the FHWA Hawaii Division Office, which transmitted the revised SEP-14 workplan for ID/IQ Contracting, dated May 3, 2018.

Advertisement of ID/IQ Contracts

The revised HDOT SEP-14 workplan of May 18 will allow for the award of additional ID/IQ contracts for additional work beyond the scope of the SEP-14 workplan of March 13, approved by this office on April 4, 2018. All ID/IQ contracts awarded under this revised SEP-14 workplan will be for a single work type category (e.g. Installation of Enhanced Pavement Marking and New Milled Rumble Strip at Various Locations) under a single contract, but will allow for one or more work orders. HDOT will advertise a maximum of four individual ID/IQ projects for each of its four districts (Oahu, Kauai, Maui, and Hawaii). Each project be confined to a single District, and will correspond with the work type categories at various locations on the state highway system as listed below:

- 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, and
- Installation of Pavement Preservation Strategies and Surface Treatments at Various Locations.

The revised HDOT SEP-14 workplan will allow, depending on the needs of the respective Districts, each project to have multiple work areas. In total, HDOT may procure a minimum of 16 and a maximum of 57 individual IDIQ single award work order contracts Statewide. The breakdown of the number of potential contracts for each work type category and for each of the four districts is shown in the Table 1 of the revised SEP-14 Workplan.

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 contract 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, HDOT will issue work orders with a defined scope. 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 no longer considering the optional State-funded Minimum Proposal Guarantee Amount (MPGA) that was under consideration as part of its March 13 workplan.

Approval

We are pleased to programmatically approve HDOT's revised 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 revised 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.