

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

**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 resulted in one contractor submitting a bid.

**Contract Bidding, Award, and Current Extension**

The contract had a 6-week letting period with a mandatory pre-bid meeting, with the letting on April 12, 2023, and a NTP on May 1<sup>st</sup>. The contract has been renewed for an additional year. The second year of the contract ranges from June 16<sup>th</sup>, 2024, through June 15<sup>th</sup>, 2025. The term of contract and option periods state that an estimated annual value for each contract is \$1,000,000. The maximum contract value is \$2,000,000.

**Responsiveness of Contractors**

One contractor attended the mandatory pre-bid meeting submitted a bid.

**Time from Project Identification to Project Completion**

The Notice to Proceed was issued May 1<sup>st</sup>, 2023, to the winning proposal. The first scoping meeting was on May 15<sup>th</sup>, 2023, and the first Work Order was approved mid-August of that year. Seven work orders have been completed thus far under the contract. The average time from identification to project completion is 90 days.

**Cost Effectiveness to Perform the Work**

To date, \$787,250.78 has been spent, with an average cost per work order of \$112,464.40. The labor markup was significant to cover overhead costs, however, with less change orders submitted being submitted the overall costs have trended lower than other IDIQ methods.

**Contractor/Industry Reaction to This Method.**

May 2024

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 total DBE participation to date has been 11.35% (\$85,366/\$787,250.78). We are meeting this goal.

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

	<u>RL McCoy</u>	<u>INDOT Specification 109.05</u>
Labor Mark-up:	125 %	20%
Materials Mark up:	12 %	12%
Equipment Mark up:	12 %	12%

### **Lessons Learned and Future Contracts**

Two change orders submitted were for pay item corrections to rectify misunderstandings between INDOT design and construction. There is currently no way to add labor, materials, and equipment pay items to new projects. These pay items must be added through change orders. Until this issue is corrected by INDOT, change orders will continue to be the method to add these pay items.

Other districts across the state have expressed interest in force account type contracts to bolster their IDIQ programs. To date, we have stated that this is currently an experimental type contract and a more official determination for its expansion will be made upon contract completion.