



OHIO DEPARTMENT OF TRANSPORTATION

Application for SEP 14

Indefinite Delivery/ Indefinite Quantity (ID/IQ) Contract

INTRODUCTION

The Ohio Department of Transportation (ODOT) routinely sells maintenance contracts with relatively large amounts of contingency bid items, roughly estimated quantities, or potentially unknown required work. These are traditionally maintenance contracts procured through traditional Design-Bid-Build methods with contingencies (Guardrail / Electric / Striping / Spot Repairs).

As the process currently exists, the Designer develops a plan with estimated quantities determined from current field conditions, historical data, and projections of future deficiencies. The amount of a particular work item within the project is often unknown. Required work is often in response to accidents (past or future) and/or infrastructure failure due to age. Many times, the exact scope of work needed is not known until the entire item is fully investigated. Often, this cannot occur until after beginning the work, especially in regards to a repair. The Designer is required to guess to the extent of damage and guess the amount of future work. Large amounts of contingency items are used to cover unknowns. When work exceeds the contingency amounts, the Project Engineer must write multiple change orders if actual quantities exceed plan quantities. Estimating and maintaining a budget for this type of contract is difficult.

Because of the inherent unknowns and the requirement to be flexible in responding to future maintenance, the ODOT is in need of flexibility in managing these routine maintenance type contracts. Flexibility could reduce overhead in the Project development and Project field management. Additionally, this could shorten project delivery periods.

PURPOSE

The Ohio Department of Transportation is requesting SEP-14 approval for the implementation of a Pilot Program evaluating the merits of an Indefinite-Delivery Indefinite-Quantity (IDIQ) contracting method.

The purpose of the SEP 14 IDIQ contracts will be to better establish project budgets during the planning phase and to minimize the overall number of change orders during construction. Furthermore, IDIQ contracts will aid in shorter project delivery periods and reduce emergency type contracts with an “on-call” contractor.





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SCOPE

ODOT will utilize IDIQ contracts as a way to competitively bid projects with an indefinite amount of quantity for given work items with work limited to a geographical region. Contractors will competitively bid “estimated” individual work items within the contract without knowing actual quantities or exact work locations. The overall contract value and duration will be set by the Department prior to bid time. The contract will either expire upon reaching the known fixed amount or the pre-established timeframe set forth in the contract, whichever comes first. The contract will permit one final change order to either extend the duration of the project or extend the contract value.

In order to reduce the risk of prospective bidders and to gain better unit costs, the Department will establish a “minimum anticipated usage” table within the contract for items of work which the Department has a reasonably assured expectation of need. The table will determine which contract items the contractor will be compensated for in regards to delivered or stored materials. The minimum amount of contract items and quantities to be used on the contract will be specified in the plans in effort to provide more confidence during the bidding phase for contractors.

These contract types would only be utilized to repair existing infrastructure.

SCHEDULE

ODOT would utilize this type of contract for maintenance projects. ODOT plans to let two pilot ID/IQ projects for fiscal year 2016 and two pilot projects for fiscal year 2017. For fiscal year 2016, ODOT has scheduled one bridge maintenance project and one intelligent transportation system (ITS) maintenance project. Projects for fiscal year 2017 have yet to be determined.

MEASURES

ODOT will analyze the measures below during the IDIQ pilot program and evaluate the benefit vs. cost to conclude on the overall feasibility of IDIQ contracts.

- Timeframe to complete the ID/IQ bid documents
- Timeframe for bidding and award execution
- Industry reaction to the procurement process
- Review all bids from bidders and compare prices to the Department’s historical bid database
- Reliability of estimated bid quantities
- Amount of ODOT construction management





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- Overall number of work orders
- Responsiveness of contractors
- Quality of Work
- Lessons learned and suggestions for improvements on future innovative procurements.

REPORTING

ODOT will provide a report to FHWA evaluating the measures listed above. ODOT's report will be complete within six months of the end of the pilot program. Subsequent monitoring reports will be prepared annually to track the status of all four pilot projects. The final report will detail all the measures mentioned above along with ODOT's conclusion on the viability of IDIQ as a method to contract routine maintenance projects.

ODOT believes the procedures described above will result in very successful projects. ODOT looks forward to collaborating with FHWA throughout the life of the pilot program and providing FHWA and other DOTs the benefits of ODOT's experience.

