



## **Limited Programmatic Use of Indefinite Delivery / Indefinite Quantity Delivery (IDIQ) Methods**

**Update- 10/5/17**

### **PURPOSE**

The Vermont Agency of Transportation (VTrans) is requesting SEP-14 approval for the implementation of an Indefinite-Delivery Indefinite-Quantity (IDIQ) contracting method for certain categories of preventive maintenance and repair services.

Some expected benefits of the IDIQ contracting method, which will replace an outdated system of retainer contracts known as “Category II Maintenance Rental Agreements” (“CAT II MRAs”) in most categories are:

- A better system for project budgeting during the planning phase;
- A more competitive means of selecting contractors;
- A reduction in administrative burden for the State and contractors;
- Shorter project delivery periods, especially under emergency conditions;
- More for flexibility during construction;
- Reduce risk in cost estimates; and
- Improvement upon previous SEP-14 work plan: Using Maintenance Rental Agreements for Preventive Maintenance (Oct. 2013)

### **SCOPE**

The IDIQ contracts for will be employed in six work categories:

- Paving
- Surface Repair
- Large Culvert Repair
- Bridge Repair
- Right-of-way Clearing
- Roadway Repair (Includes slope stabilization and small culvert repair)

### **DESCRIPTION OF MAJOR FEATURES**

IDIQ Primary Contracts will awarded in each work category and to cover all State regions. Bidders may submit proposals for Primary Contracts in one or more categories of work, and for one or more regions. Bidders selected for Primary IDIQ Contracts will become part of a “pool” of

contractors who will be solicited to bid on Task Orders for specific tasks in the categories of work and regions covered by their Primary Contracts.

VTrans will award Primary IDIQ Contracts in the best interest of the State. In making the best interest determination, the selection panel will evaluate proposals based upon the following primary factors.

- Business Structure
- Past Performance
- Experience

Contractor's availability will also be a selection criterion to ensure the State has an adequate contractor pool to cover the needs of the State in all regions. More detail will be provided in the Request for Proposals.

Task Bid Requests for defined tasks will be issued to all Primary Contract holders in the relevant "pool" and Task Orders (TO) for specific tasks will be awarded to the **lowest-priced, responsive and responsible bidder** in that pool.

Each Primary IDIQ Contract will include a set of federally- required provisions that will apply when federal funding is part of a specific task. Every TBR will indicate whether those federal provisions apply to the specific task, and all Federal requirements will be met when completing these tasks.

Primary IDIQ Contracts will have an initial duration of three years, with the option to renew for two additional one-year periods of one year each, at VTrans' discretion (3+1+1). To encourage healthy competition, VTrans may also provide bidders not initially selected for Primary Contracts with an opportunity to compete for Primary Contracts during the contract period, with VTrans awarding additional Primary Contracts as deemed necessary. This process is known as the "*On Ramp.*"

To maintain high quality work among Primary Contract holders, VTrans will assess vendor performance at the Primary IDIQ Contract level at least annually and at the Task Order level upon the completion of individual Task Orders. Additionally, VTrans may terminate Primary Contracts at any time when it determines that a contractor previously awarded a Primary Contract has not delivered adequate performance or has demonstrated a lack of availability. This process is known as the "*Off Ramp.*"

## **SCHEDULE**

### October 2017

- Published IDIQ Primary Contract RFP

#### Fall 2017

- VTrans Contract Administration Training
- VTrans Field Staff Training
- Further develop performance measures and evaluation process and forms

#### December 2017

- Award IDIQ Primary Contracts

#### January 2018

- Begin performance of IDIQ Primary Contracts

#### January 2019

- Provide FHWA with initial evaluation of IDIQ performance

#### March 2021

- Provide final report to FHWA on IDIQ performance

### **PERFORMANCE MEASURES**

VTrans will establish with FHWA a defined set of key performance measures upon approval of this work plan and a working group will be developed to implement. This working group will:

- Evaluate the benefit vs. cost of IDIQ contracts;
- Evaluate the timeframe to complete the ID/IQ bid documents;
- Evaluate the timeframe for bidding and award execution;
- Evaluate price results;
- Evaluate the reliability of estimated bid quantities;
- Evaluate industry reaction to the new procurement process; and
- Compile lessons learned and suggestions for improvements on future innovative procurements by;
- Increase transparency by:
  - Maintaining a centralized, consistent repository of task order solicitations, contractor responses, and awards.
  - Developing a systematized, simple method of open public reporting of the basic parameters (location, type of work, price) of task orders awarded.
  - Identifying and seeking to implement measures to maximize fairness and transparency in the IDIQ process.

## **REPORTING**

VTrans will provide an annual report to FHWA evaluating the measures listed above and future developed key performance measures. All reports will follow the same report format for ease of tracking performance. VTrans' final report will be complete within six months of the end of the base contract period. The final report will detail all the measures mentioned above along with VTrans' conclusion on the viability of IDIQ as a method to contract routine maintenance projects.