Chapter 7      Indefinite Delivery, Indefinite Quantity (IDIQ)

Section 7.1     General

Disclaimer: This manual section not currently approved for use on federally funded projects. All specification references are to the 2005 edition of Standard Specifications for Construction. All Contract requirements of a Non-IDIQ contract apply to an IDIQ contract, unless otherwise provided for in the Contract, i.e. prevailing wages apply, 1801, “Subletting of Contract” provisions apply.

The Indefinite Delivery, Indefinite Quantity (IDIQ) contracting method provides for an indefinite quantity of work during a fixed period of time. The Department will place orders for individual requirements. The Contract may state quantity limits as number of units or as dollar values.

The IDIQ Contract would require the Department to order, and the Contractor to furnish, the stated minimum quantity of Work. In addition, if the Department orders, the Contractor must furnish any additional quantities, not to exceed the stated maximum quantity. The Department will be obligated to authorize the minimum dollar value of the contract.

The Contract would include:

1. The specific period of the Contract.
   a. The Department must include time assigned to pay items.
   b. The Department must consider time needed by Contractor to procure materials when computing time needed for Task Orders (between execution of Task Order and start of task).
   c. All Task Orders will be assigned Working Days (WD) as designated in the contract, not by completion date.
   d. Include any deviation from normal WD definition.
   e. If limiting the number of concurrent Task Orders, this information needs to be included in the Contract.
   f. Contract completion date is date when all work must be completed. District should not add a task that cannot be completed by completion date specified in contract.

2. The Contract contains the total minimum and maximum dollar value of work that will be required under the Contract. The Department is required to authorize at least the minimum dollar value of work.

3. A statement of Work, specifications or other description, that reasonably describes the general scope, nature, complexity, and purpose of the Work the Department will required under the Contract in a manner that will enable a prospective bidder the ability to decide whether to submit a bid.

4. The procedures that the Department will use to issue orders for additional work beyond the minimum.

Potential Project types suited for IDIQ:

- Bituminous mill and overlay
- High tension cable guardrail
• Concrete pavement repair
• District-wide projects (pavement striping)
• Contaminated soil disposal
• Combining multiple noise wall maintenance contracts
• Combining small chip seal projects
• Culvert lining
• Relamping

**IDIQ Contracting Definitions**

Contract Time: Number of Working Days assigned to an individual Task Order based on the quantity of work in the Task Order.

IDIQ: Type of Contract that provides for an indefinite quantity of Work during a fixed period of time.

Task Order: Document executed to determine location, contract time, and scope of work.

Task Order Item List (TOIL): Complete list of bid items generated from the schedule of prices that defines which items will be utilized repetitively to perform the IDIQ Contract.

**Pre-Letting issues**

Proposal Package

The Proposal Package will identify:

• the project engineer and contact information
• maximum number of calendar days allowed to Contractor to commence Work after fully executed Task Order
• cost escalation

**Formal Clarification Process**

MnDOT will use a clarification process to allow the Contractor to ask questions of the Department during the Project Advertisement period. The Department will clarify questions regarding the Proposal Package in responses, but will not make material changes. If material changes are needed, the Department will issue an addendum.

Beginning with project advertisement, and continuing until award of a Contract, the Contractor shall not have ex parte communications with any employee, member or agent of any potential contractor, subcontractor, or supplier regarding the Project, unless expressly permitted by the MnDOT project
Engineer. Any potential Contractor, subcontractor, or supplier engaging in prohibited communications may be disqualified at the sole discretion of MnDOT.

The Contractor shall direct questions regarding the project, including questions prior to bidding to the Engineer’s attention. All requests for clarifications of the bidding package must be in writing and submitted via e-mail.

Prior to Issuing Initial Task Order:

Encumber amount needed for Task Order; utilize IDIQ Project Budget Tracking Form to inform Capitol Programs to ensure sufficient funds to cover Task Order.

You may wish to consider contingencies when writing initial Task Order; consider any incentives or invoice items. The Task Order template has fields for these contingencies. A field for “other” is also under contingencies; money included in this field is limited to 2% of the total amount of the task order, and must be group specific. The “other” contingency money can be used for:

- Spec. Book or Special Provision items with pre-determined prices, such as 1404 Additional Traffic Control Items, water directed for dust control, erosion control items; or
- Minor variations in quantities.

The Task Order payment cannot exceed the amount in the original Task Order. You must issue another Task Order and encumber funds, if necessary, prior to allowing overruns, that exceed dollar values encumbered in the Task Order.

When writing Task Order:


A Task Order consists of the following sections:

Section I. Scope of Work, make sure everything in your Task Order names the origin section from your contract. Follow the format of your contract. If your contract outlines what the first Task Order will consist of do not modify from the original description. When drafting the Task Order’s Scope of Work, tell the whole story using plain English. List or tabulate each location that the work will be performed and if applicable, describe which costs for each segment are negotiated.

Section II. Cost Estimate, break down the cost estimate for these Task Orders by Control Section and State Project Number. For each Control Section and State Project Number table, list all the known items, estimated quantities, and estimated cost along with an estimated grand total for the work needed to complete that portion of the Task Order.

Verify that with addition of Task Order total value, the maximum Contract value will not be exceeded.
Section III. Impact Delay Analysis, address Contract Time and assign Working Days for the Task Order. Be clear in what you expect and will allow. (e.g. if issuing a Task Order late in the season, do you expect them to continue working or will you allow for a winter suspension.)

Provide lag time to Task Order start date if necessary to allow Contractor to procure materials.

Assign Working Days to each Task Order. If extra work is added to a task, negotiate the additional time with the Contractor.

Section IV. Attachments, complete individual forms as instructed on individual forms and attach or submit to others as required by the individual form. Missing information will be cause for rejection/return of Task Order until all requirements are met, which will delay processing.

- Office of Civil Rights: Indicate DBE/TGB/Vet goal met, or attach Waiver form.
- Utility Notification: indicate no impact, adjust/relocate, reimbursable
- Attach MnDOT Utility Certification Form (Required)
- Attach Permits (as required) including:
  - Watershed
  - DNR
  - Corp of Engineers (COE)
  - Judicial Ditch Authority
  - Storm Water Pollution Prevention Plans (SWPPP) amendments
- Funding authorization Source Funding and Control Section Funding: Source Funding information is submitted on the IDIQ Project Budget Tracking Form and the Control Section Funding information is submitted on the IDIQ Individual Control Section Attributes Form (These completed forms are required at time of submittal to OCIC for Approval)

Section V. Disclaimer, the following language must be shown in this section:

This Task Order represents a complete and equitable adjustment to the contract price and time; and includes all costs, both direct and indirect, associated with delays, impacts, and time extensions.

Section VI. Signatures.

Submitting the Task Order For Approval:

- Send the Task Order to the contractor for signature.
- Combine with other required forms to create the Task Order Package, and
- Send completed Task Order Package to: *DOT_ContractChanges-Enc

It is recommended to submit a Draft to: *DOT_ContractChanges-Enc for review prior to obtaining the contractor’s signature.
The Task Order Package consists of the following documentation:

- Task Order document,
- IDIQ Project Budget Tracking Form,
- IDIQ Individual Control Section and Attributes Form(s),
- Utility Certification Form (Required), and
- Other Attachments as listed in section IV of the Task Order Form
- Send completed Task Order Package to: *DOT_ContractChanges-Enc

When a Task Order has been Approved and fully Executed:

OCIC will update CMS and download info to FOS.

OCIC will notify the Engineer via email that the Task Order has been approved.

The Engineer will issue a Notice to Proceed (NTP) letter to the Contractor. The engineer will notify the contractor verbally and in writing that the Task Order has been approved and is fully executed. It is recommended that this letter be sent certified mail to a signatory party of the contractor.

1402 Contract Revisions

If changes to a Task Order are required, issue a new Task Order. Due to fund encumbrance requirements, Work Order – Minor Extra Work documents are not allowed. Task Orders will also function as a Supplemental Agreement for any necessary Contract changes.

Submit a Transmittal (Justification) letter with these Task Orders for Contract Revision. There should be no Force Account on an IDIQ Contract.

Obtain negotiated price approvals from the MnDOT Construction Cost Support Unit.

Contract Time

1803.2 The Contractor must provide a minimum 48-hour notice to the Engineer prior to performing any Work.
Working Periods for Task Orders

Treat each Task Order as you would treat an intermediate completion date in FieldOps (FOS). Track using FOS Working Day Statements; provide Working Day Statements to the Contractor during duration of active Task Orders.

Complete Change in Construction Status reports for each Task Order.

1807, Failure to Complete Work On Time

Assess liquidated damages (LDs) per calendar day per table 1807-1, for each Task Order not completed within the time specified for that Task Order. Assess LDs based on the value of the respective Task Order.

1906 Partial Payments

Prepare an estimate of the value of work completed to date, at least once a month, at regular intervals. If the Contractor requests payment for Material On Hand (MOH), pay for non-perishable materials that will be incorporated into the permanent construction if all other requirements of 1906 have been met. Do not pay for quantities greater than what is called for in the Task Order. Create a general backsheets for MOH, Identify which Task Order the MOH is for, and remove MOH from the backsheets as materials are incorporated into the project.

If the actual work tied to an individual group contained within a Task Order is eliminated or begins to overrun; to account for this, you can adjust the remaining identified groups funding contained within the Task Order by requesting that the Task Order’s group funding be redistributed.

This request can only pertain to already established groups within an individual Task Order. This request must show a negative (-) withdrawal from one or multiple, previously established groups and positive (+) entry into one or multiple, previously established groups. The Total after taking the requested redistribution moves into account must always equal zero (0) (Total Must Remain the Same). This form cannot be used to identify additional (new) groups or add additional funds to the Task Order’s approved value.

To complete this request, fill out the IDIQ Request for Group Funding Redistribution Form and submit it to *DOT_ContractChanges-Enc email address to be processed. Once the request has been completed an email notification will be sent to the Requestor, Responsible Engineer and District Construction Office Manager.
1910 Cost Escalation

Fuel escalation is not recommended for IDIQ contracts. If the contract provisions call for use of inflation index, fuel escalation will not be used.

If Cost Escalation is included in the Special Provisions, apply the proper percentage outlined in the contract to all applicable items on the Bid Schedule for work performed on or after the Contract’s letting date anniversary. Do not adjust unit prices.

- Only pay increased prices for work completed during the escalation period; do not base increase on when item is paid.
- Include items in each affected Task Order for this escalation.
- Pay in accordance with the following:
  - On or after the one-year anniversary date, calculate an additional 2% and apply it to all the original contract bid list items for all work executed during year 2.
  - On or after the two-year anniversary date, calculate an additional 4% and apply it to all the original contract bid list items for all work executed during year 3.
  - On or after the three-year anniversary date, calculate an additional 6% and apply it to all the original contract bid list items for all work executed during year 4.

1603 Material Certification

Document exceptions to the Acceptance Program requirements and correspondence in real-time.

Record exceptions and resolutions on form TP-02171-04 and/or document exceptions and resolutions by Individual Task Order or Individual Task Order Backsheet Item. The Project Engineer will consult with and request input from the District Materials Engineer and the appropriate Specialty Offices. Both the Project Engineer and the District Materials Engineer sign form TP-02171-04 to indicate that they have had the opportunity to provide input. Specialty Offices provide input to form TP-02171-04 or provide separate documentation that allows the Project Engineer to complete the form.

Prior to the Project Engineer signing the Task Order Certificate of Acceptance and sending it to the Contractor for signature, form TP-02171-04 should be completed and all exceptions resolved. Store individual Task Order completed forms in project file until contact as a whole is finalized.

When the Engineer signs the Final Voucher to send to the Contractor the project is certified. Enter this date on the Final Voucher Date Tracking Form.

At the time of the “Contract as a Whole” Final process, combine all Individual Task Order Material Certification Exceptions Summary forms and submit these forms in File 2 – Special Contract Requirements File.
1516 Acceptance of Work

1516.1 Partial Acceptance

After the Contractor has notified the Engineer, in writing, that the work completed under each individual Task Order is complete, inspect the Work. If the Work is acceptably complete, accept the Work, in writing. If the Work is not acceptably complete, issue instructions for correction, complete another inspection upon notice from the Contractor that the corrections are complete. Upon partial acceptance, the Contractor is relieved of further responsibility for the maintenance of Work performed under that Task Order. Partial acceptance is not effective until done in writing; issue a Certificate of Task Order Acceptance to the Contractor within ten business days after a satisfactory inspection. Partial acceptance does not invalidate or alter any other terms of the Contract.

Upon receipt of Contractor signed Certificate of Task Order Acceptance, forward a copy to *DOT_ContractChanges-Enc email address to be processed. The OCIC Task Order Specialist will route to Transportation System Management (PPMS) contact and Financial Management (SWIFT) contact for acceptance. Once it has been returned to the OCIC Task Order Specialist, it will be recorded (Field Ops and CMS) and a copy of the accepted Certificate of Task Order Acceptance will be sent to the District’s Project Engineer, Construction Office Manager and STIP Coordinator.