

Indefinite Delivery/Indefinite Quantity Contracting for Highway Maintenance and Repair Services

For Senate and House Transportation Committees, January 11, 2018

Current Construction Contracting Processes

1. Individual Highway Construction Projects

- Large projects
- 40-80 per year
- Mainly Federal funding
- Advertised and awarded through the formal and highly competitive **Design-Bid-Build** and **Design-Build** processes
- usually single award to a single contractor.

Current Construction Contracting Processes

2. Maintenance and Repair Work

- Smaller construction tasks
- Hundreds per year
- State funded in the past
- Contracted through the less formal, less competitive
- Maintenance and Rental Agreements” or “MRA”s**
- Multiple contractors awarded retainer-type contracts for general scopes of work, with individual tasks assigned as needed.

Maintenance and Rental Agreements

Category I- very small tasks, just equipment rental with out without operator. These remain unchanged.

Category II- small to large tasks, to include more complex construction services. These are now being procured under IDIQ

Category III- emergency maintenance and repair services – can now be procured under CAT III process or IDIQ

Problems with CAT II MRAs

- **No Federal funding.** CAT II contracting process did not meet requirements for Federal funding. Federal funding is increasingly available for maintenance and repair services, and increasingly important to Vermont in today's fiscal climate.
- **Inefficient:** Approximately **100** CAT II retainer contracts maintained, but only about 1/3 of the contractors were assigned work under them.
- **Rudimentary:** Designed for simple equipment rental, with or without operator, but increasingly used to serve a need for more complex services.

The IDIQ Solution

FHWA Participation: VTrans worked with Federal Highway to develop a contracting method for maintenance and repair services that would qualify for Federal funding, and meet State needs. FHWA has approved the IDIQ method and RFP.

Benefits of IDIQ:

- Efficient
- Flexible
- Competitive
- Federally Compliant

How Does IDIQ Work?

Not new in concept- similar to retainer contracts used for consultant services or blanket purchase agreements for supplies, but new in terminology and implementation

Basic features:

- Primary Contracts to be awarded for general scopes of work and regions to multiple firms
- Task Orders to be awarded for individual tasks among the contractors in the “pool” for the particular scope and region of the task

How is IDIQ Different from CAT II MRA?

- Contractors will bid for Primary Contracts in work categories and regions,
- Primary Contract will include all scopes and regions.
- When VTrans has a task, all contractors holding Primary Contracts within that work category and region will be asked to bid.
- Bonding will be required
- Federal requirements may apply
- Low price, responsive, responsible bidder will be selected

IDIQ Competition

Competition takes place at both the Primary Contract and Task Order levels

- Primary Contracts for general scopes of work and regions were competed to select the best firms
 - Business structure
 - Experience
 - Past performance
 - *Geographic Coverage – as needed*
- Tasks Orders will be competed among Primary Contract holders in the “pool” for the scope and region
 - lowest responsible, responsive bidder

IDIQ

- Scopes of Work included in IDIQ Primary Contracts
- Right-of-Way Clearing
- Paving (includes rut fill)
- Surface Treatments (includes crack seal)
- Roadway Repair (includes small culvert)
- Bridge Repair
- Large Culvert Repair

IDIQ

Scopes of work categories not included in IDIQ

- Bridge Painting
- Drainage System Cleaning and/or Inspection
- Servilift Bridge Work
- Guardrail Repair/Installation \$500,000 RFP
- Roadside Mowing \$400,000 RFP
- Rock and Slope Stabilization

IDIQ Flexibility

ON RAMP:

- At any time Vtrans can issue an RFP for additional Primary Contracts

OFF RAMP

- Contractors will be evaluated after completion of each Task Order
- Poor performance or chronic lack of availability can lead to contract termination

IDIQ Procurement Status

- VTrans posted a request for proposals on October 2, 2017
- Received 48 proposals covering all categories and regions
- Expect to award any day with an effective date of February 1, 2018

Approximate # of expected awards

paving- 14

surface treatments - 5

roadway repair- 13

large culvert- 12

bridge repair- 10

Right of Way Clearing - 12

Questions?