



DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

INTRADEPARTMENTAL CORRESPONDENCE

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MEMORANDUM

TO: DOTD Project and Task Managers
FROM: Darhlene Major, Consultant Contract Services Administrator
DATE: November 13, 2018
SUBJECT: DOTD Guidance on Indefinite Delivery/Indefinite Quantity (IDIQ) Type Contracts

BY DATE
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As you know, 2016 changes to 23 C.F.R. 172 affected the way DOTD manages its IDIQ (retainer) contracts. This memorandum is being offered to assist you with the management of IDIQ contracts for which you are responsible and as aid in planning for your projects. Please read and be mindful of the following guidance regarding applicable restrictions and limitations on your use of IDIQ contracts.

For All IDIQ contracts:

- The maximum contract time is 5 years, and it will not be increased.
All services to be performed under all Task Orders shall be completed within the IDIQ contract time.
Maximum compensation will be not be increased.

Exceptions to the above:

An IDIQ contract executed prior to May 22, 2016, may be extended and/or have the maximum compensation amount increased, but only in very special circumstances and only upon written approval from the appropriate Office Head (Chief Engineer, Assistant Secretary of Operations, and the Deputy Assistant Secretary, Office of Planning) based upon proper written justification. Do not presume your given circumstance will qualify for this exception, but seek advice up your chain of command well in advance of an anticipated need.

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**Supplementing Task Orders:**

Task Orders under IDIQ (retainer) contracts will not be supplemented absent exceptional circumstances (*i.e.*, that there are no other means of obtaining the services necessary to deliver a project short of a noncompetitive selection). Accordingly, when a request to supplement a Task Order is sent to Consultant Contract Services (CCS), it must be accompanied by a detailed justification memo describing the extenuating circumstances that make it necessary to supplement the Task Order. This memo should be addressed to the appropriate Office Head (Chief Engineer, Assistant Secretary for Operations, or Assistant Secretary of Planning) for his or her approval. Project Managers and Task Managers should not plan their program delivery on the assumption that Task Orders can be readily supplemented.

All requests to CCS for supplements to any Task Order **must be accompanied by an approved justification memo, as described above.** CCS will not route justification memoranda to executive staff for approval. That is the responsibility of the Project and/or Task Managers.

**Multiple IDIQ contracts for the same or similar services and Task Order selection:**

The proper use of IDIQ contracts is for small, short-term projects, performance of routine or specialized services on a number of projects, and work necessary for emergency responses. (*See 23 C.F.R. 172 and comments thereto.*) The use of IDIQ contracts for these purposes greatly enhances the department's ability to deliver its projects more efficiently and to respond more appropriately and timely to a variety of emergencies than it could otherwise. Therefore, it is recommended that more than one IDIQ contract be procured for any given set of services so that the department has flexibility to more efficiently deliver projects and react to emergency situations. In addition, maintaining multiple IDIQ contracts for the same or similar services puts the department in a position to react to the receipt of additional funding (*e.g.*, surplus, ARRA, August redistribution).

Where the department has multiple IDIQ contracts for the same or similar services, the C.F.R. requires a secondary selection process be followed in the determination of which contract to task for any given services. The department has developed, and CCS maintains, the secondary selection processes, which are also included in every IDIQ contract advertisement. It is the project manager's or task manager's responsibility to use the process when deciding which contract under which a Task Order will be issued. Documentation of that process must accompany every request to CCS for a Task Order under any such IDIQ contract.

Lastly, be cognizant of the fact that, as with all IDIQ contracts, the maximum contract amount is not necessarily the estimated amount of compensation that is expected to be expended under each contract, and that no compensation is budgeted unless and until a Task Order is issued. An IDIQ contract merely affords the department a contracting capability with all contracting

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procurement requirements having been met and with all necessary contracting mechanisms in place and ready to be used, as the department, your program, and/or a project requires.

As always, consulting services for any large scale, long term project, if needed, should be obtained using a project-specific advertisement that includes a well-defined scope of services. When planning your programs and projects going forward, you should include time in your schedules for specific advertisements for any such consulting services.

For further information and guidance on IDIQ contracts, please refer to the CCS Manual, Chapter 3, located on the CCS website, and the Chapter 3 Standard Operating Procedures and Chief Engineer Memorandum dated September 13, 2016, both attached hereto.

If you have any questions, please contact me at [darhlene.major@la.gov](mailto:darhlene.major@la.gov) or 225-379-1025.

Attachments

c: Ed Wedge, P.E.  
Mark Chenevert, P.E.



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**Chapter 3 CCS  
Manual:  
Indefinite Delivery/  
Indefinite Quantity  
Contracts  
Standard Operating  
Procedure Manual**

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Consultant Contract Services

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November 2018

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### **3.0 Introduction**

Comply with the SOP for contract selection and the following.

IDIQ contracts are selected to provide a variety of services under task orders for many projects on an as needed basis. IDIQ contracts are chosen because of the flexibility to perform similar services statewide or regionally for projects which may require urgency to meet program or Department needs.

IDIQ contracts require one selection and may be used on many task orders up to the maximum contract amount. A second level of selection is required when multiple IDIQ contracts exist for similar services. The secondary selection qualification based factors will be included in the IDIQ advertisement and contract.

All task orders and/or supplements created during the term of the IDIQ contract must be completed by the end of the term of the contract, which shall not exceed five years (in accordance with 23 CFR 172.9, as amended).

#### **A. Project Manager: Task Manager Coordination**

As noted in Chapter 2: Contract Preparation SOP, the Project Manager communicates with Task Manager regarding preliminary approval of scope and funding for Task Order development, if applicable.

#### **B. Compensation Structure**

Comply with the Chapter 2: Contract Preparation SOP for establishing compensation structure for contracts. PM should set up IDIQ contracts for all compensation structures, Lump Sum, Cost Plus Fixed Fee, Cost per Unit of Work, and Specific Rates of Compensation. Individual task orders will be set up for the appropriate compensation structure for the proposed work.

### **3.1 Task Order Development**

Develop the scope of services for the individual task order based on the required services to be performed. Comply with the available services covered by the IDIQ Contract.

The Task Order will be numbered using the project number without the phase extension (H.xxxxx).

The task order should be written to encompass all elements of work intended to be accomplished under the task order. Only under special circumstances may a task order be supplemented. A request to supplement a task order must be accompanied by a memorandum requesting the supplement and approved by the Office Head of the project manager requesting the supplement. Usually, Phase 4 Utilities is covered by a separate task order.



Construction, Engineering, and Inspection (CE&I) should be covered in a separate task order under a separate IDIQ Contract for these services and should not be included with design services. Phase 6 services cannot be authorized until Phase 5 services are complete.

A. Task Order Request and Contract Preparation

Submit the Task Order request including the approved secondary selection documentation, if required, to Consultant Contract Services for Task Order development and preparation.

B. Task Order Execution

Comply with the SOPs for contract execution outlined in Chapter 4 of the CCS Manual "Contract and Project Administration"

### **3.2 Task Order Selection**

Individual project-specific IDIQ contracts may be used to issue task orders on scope of services provided under the contract on an as needed basis. No secondary selection is required.

When multiple IDIQ contracts providing essentially the same scope of services exist within a section of the department, a secondary selection is required. The applicable standard procedures for this secondary selection will be that which was included in the advertisement(s) for the pertinent contracts. The Project Manager will prepare the following documentation for the secondary selection:

1. Develop the scope of services required for the proposed work.
2. Identify the existing IDIQ contracts for the same or similar scope of work held in the relevant DOTD section.
3. Apply the applicable standard procedures for selecting among IDIQ contracts for issuance of task orders (as advertised).
4. Prepare and submit to the Appointing Authority a memorandum recommending the IDIQ contract that should be tasked to perform the proposed work based on the application of the appropriate selection criteria identified in the selection procedure. The Appointing Authority will either approve the selection or request further information be provided regarding the application of the selection criteria and the selection.
5. Submit the approved document to the Consultant Contract Services Section as part of the task order request package.

### **3.3 Task Order Preparation**

Comply with the Standard Operating Procedures of Chapter 2 (Contract Preparation) for scope of work, man-hour development and cost estimate as applicable, with the following exceptions:

- Task Orders do not require FHWA approval; however, CCS does send an “FYI” notification via e-mail (CCS copies the appropriate FHWA contacts when e-mailing the Consultant a copy of the Task Order to print and sign)
- The required federal forms, which are normally sent to the Consultant by CCS, are not necessary for Task Orders





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MEMORANDUM

TO: DOTD Project Managers
FROM: Janice P. Williams, P. E. Chief Engineer
DATE: September 13, 2016
SUBJECT: Use of IDIQ (Retainer) Contracts 23 C.F.R. 172

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The referenced C.F.R. has been updated by the US DOT effective May 22, 2016. Under the new version of the C.F.R., retainer contracts are strictly limited to a maximum term of five years. DOTD has received guidance from FHWA that all work for any task order issued under a retainer contract signed after May 22, 2016 must be completed before the contract's five-year limit is reached.

In addition, FHWA emphasized that retainer contracts should not be used to deliver design or other services routinely required as part of DOTD's programs. Use of retainer contracts should be limited to small, short-term projects, performance of routine or specialized services on a number of projects, or work necessary for emergency response. Consulting services for any large scale, long term project, if needed, should be obtained using a project specific advertisement that includes a well-defined scope of services. When planning your programs and projects going forward, you will have to include time in your schedules for specific advertisements for any such consulting services.

If you have any questions, you should consult your section head for further guidance.

- c: Ed Wedge, P.E.
Mark Chenevert, P.E.
Darhlene Major
Geoff Rodriguez
Section Heads
District Administrators

Ed Wedge 9/13/16
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