



INDEFINITE-DELIVERY INDEFINITE-QUANTITY (IDIQ) GUIDE

VAAM APPENDIX M816A

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This is a guide for individuals involved in placing, administering, or managing indefinite-delivery, indefinite-quantity type contracts whether for construction, architect-engineer services, information technology, or other supplies and services. It is a useful tool for sharing best practices but does not replace regulations, directives, or policy guidance.

VA



U.S. Department of Veterans Affairs

Office of Acquisition and Logistics
Procurement Policy and
Warrant Management Service (PPS)

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1. INTRODUCTION

1.1 FOREWORD

This guide contains general Department of Veterans Affairs (VA) indefinite-delivery, indefinite-quantity (IDIQ) contract-type information for supplies and services, as well as specific guidance for special categories such as construction, architect-engineer services, and facilities maintenance, repair, and construction services. Any unique application of other categories of IDIQ contract vehicles (i.e., Federal Supply Schedules, information technology, etc.) will be added to this guide as each VAAR or VAAM part/s covering the specialty categories are updated.

1.2 BACKGROUND

An IDIQ contract fulfills recurring needs when the government cannot predetermine the precise times and/or quantities of supplies or services that will be required during the contract period of performance. Specific deliveries to be scheduled or services provided occurs by placement of orders with the contractor when the need arises. IDIQ contracts must contain a minimum and maximum level of quantities to be ordered under the contract, either in terms of dollars or numbers of units.

The FAR requires contracting officers to give preference to making multiple awards when implementing IDIQ contracts (see FAR 16.504(c)). The contracting officer must determine whether multiple awards are appropriate as part of acquisition planning (see FAR 16.504(c)(1)(ii)(A)). As the term “multiple award” implies, this entails awarding contracts to multiple contractors (two or more sources), under a single solicitation for the same or similar supplies or services.

1.3 DEFINITIONS

Coefficient – means a numerical factor that represents costs (generally indirect costs) not considered to be included in “Unit Price Book” (i.e., R. S. Means Cost Estimating System) unit prices (e.g., general and administrative and other overhead costs, insurance costs, bonding and alternative payment protection costs, protective clothing, equipment rental, sales tax and compliance with tax laws, and contractor’s profit). Contingencies such as changes in wage rates and the effect of inflation in option years are also covered in the coefficient when an Economic Price Adjustment clause is not used. Coefficients proposed by offerors are multiplied times the unit prices in the Unit Price Book to price a job or project on individual orders. The coefficient(s) proposed by the offeror and accepted by the Government are incorporated in the contract. Coefficients are typically used in smaller

(less than \$500K) facilities maintenance, repair and construction IDIQ contracts, which include non-recurring maintenance and maintenance and repair projects.

Delivery Order – An order for supplies. See FAR 16.501-1.

Indefinite-Delivery Indefinite-Quantity (IDIQ) contracts – An indefinite-quantity contract provides for an indefinite quantity, within stated limits, of supplies or services during a fixed period. The Government places order for individual requirements. Quantity limits may be stated as number of units or as dollar values. See FAR 16.504. These contracts fall under the type of indefinite-delivery contracts outlined in FAR 16.501-2.

Indefinite Delivery/Indefinite Quantity Architect-Engineer (IDIQAE) – Within the VA, these contracts provide a variety of professional A-E services not available or not appropriately provided by VA Staff or the A-E specifically selected to design the project. IDIQAE type contracts may be used for consulting services at any stage of project development and production of design programs, schematic design, and design development. IDIQAE contracts may also include services and deliverables such as the master facility plan, detailed space program, historic preservation issues, hazardous materials (asbestos, lead, heavy metal, etc.) contaminations, impact costs, budget, etc., which are funded with Advanced Planning Funds (APF).

Multiple Award Task Order Contracts (MATOC) – IDIQ contracts awarded to multiple contractors, under a single solicitation, for the same supplies or services. Within the VA, MATOCs are typically used for larger, more complex projects. Non-Recurring Maintenance (NRM) and Maintenance and Repair (M&R) requirements are also examples of work performed using the MATOC method.

Multiple year contracts – IDIQ type contracts (for base periods of up to five years) that upon award obligates the government to a minimum guarantee, and contracts with option years (not to exceed a total of five years) that upon award obligates the government for the bona-fide need of no more than one fiscal year, but allows for future obligations requiring contractor performance in future fiscal years.

Non-prepriced task or item – means a task or item of such a unique nature that renders it not able to be priced using the pre-priced tasks in the Unit Price Book or database incorporated into the contract. The coefficient developed for a prepriced task or item must not be applied to a non-prepriced task or item. Non prepriced items are typically used in facilities maintenance, repair, and construction IDIQ contracts and must be supported with verifiable documentation. Repetitively-used non-prepriced items should be negotiated and incorporated into the unit price book by modification to the contract, thereby making it a prepriced item for the remainder of the contract.

Schematic Design – In construction and A-E contracts, referred to as SD, schematic design is a design which is approximately 35% complete. This is funded with APF.

Task Order – An order for services. See FAR 16.501-1.

Unit Price Book – means the compilation of sustainment, restoration, and modernization tasks, associated units of measure, and unit prices that are used in maintenance, repair, and/or construction IDIQ solicitations. The unit prices include direct material, labor and equipment costs, but not indirect costs or profits which are addressed in the coefficients in the solicitation and resulting contract.

2. PRE-AWARD

2.1 PLANNING

Sound acquisition planning is key to successful acquisitions. In addition to the guidance provided at FAR part 7 and VAAR part 807, the following are some of the specific issues contracting officers need to consider, in general, during the acquisition planning phase for IDIQ contracts:

- Development of statement of work.
- Determine whether a single or multiple award will be made and consider the issues set forth in FAR 16.504(c)(1)(ii)(A) and (ii)(B). Document the file with a Determination and Findings (D&F) (see FAR subpart 1.7) in accordance with the requirement set forth at FAR 16.504(c)(1)(ii)(C). [And see the dollar threshold limitations which require greater approval levels at FAR 16.504(c)(1)(ii)(D)(1) and (D)(2).]
- Determine whether other agencies may utilize the contract.
- Identify target number of awards. The size, complexity, and scope of the requirements anticipated, funding available to support contract minimums, regional influences, and the costs and resources needed to administer the contracts are all factors to be weighed when determining what constitutes a "reasonable" number of awards, if considering a MATOC. Awarding too many contracts could result in overly optimistic expectations on the part of contractors. Further, some awardees may find it is not cost effective to continue to submit proposals because there is too much competition, with little real opportunity for work to be awarded.
- Determine the appropriate NAICS code and related small business size standard for each product or service.
- Comply with VAAR subpart 819.70, Veterans First Contracting Program, and the Contracting Order of Priorities, VAAR 819.7004 (Class Deviation), to include conducting market research to determine capability of SDVOSBs and VOSBs.
- Establish program maximum quantities and dollar amount.
- Establish contract minimum guarantee.

- Address feasibility of regional contracts versus VA facility, or installation-specific contracts.
- Address availability of funding for contract minimum guarantee.
- Address acquisition approach, planning, and market research requirements (see FAR parts 7, 10, 15 and 36 and VAAR parts 807, 810, 815 and 836).
- Identify measures planned to increase interest and competition.
- Address order limitations, such as minimum/maximum amounts.
- Address order restrictions, such as scope issues.
- Identify evaluation factors, and establish relevancy definitions, as appropriate.
- Identify seed project for first order award if considering a MATOC.
- Address delivery/task ordering procedures and surveillance, including whether the contract will define that delivery/task orders will be set-aside based on the likelihood that two or more SDVOSBs/VOSBs or other small businesses program concerns will be able to compete, or on an order-by-order basis.
- Address bundling considerations and/or consolidation of requirements.

The contracting officer must engage their cognizant Small Business Liaison Specialist and Office of Small and Disadvantaged Business Utilization representative early in the process and ensure they participate, as applicable and required, throughout the pre-award process.

2.2 REQUIREMENTS DEFINITION

A significant advantage of IDIQ contracts is the ability to award a base (basic) contract with a general statement of work (SOW) or performance work statement (PWS), and order work with individual delivery or task orders. However, there are limits to how broad the SOW/PWS may be for these type of IDIQ contracts. The SOW/PWS must have sufficient information to encourage full and open competition in accordance with the Competition in Contracting Act (CICA). For construction IDIQ contracts, VA Master Construction Specifications will be issued with each task order for the required work to complete the project. The contracting officer is responsible for ensuring that a sufficiently described SOW/PWS, specifications, or requirements are provided to enable a prospective offeror to decide whether to submit an offer, is available to offerors. Additionally, a delivery or task order may not increase the scope, period of performance, or maximum value of the contract; only a modification to the basic contract with an approved Justification & Approval in accordance with FAR part 6 may be used in these circumstances.

2.3 SOLICITATION AND AWARD

Solicitations and contracts for an IDIQ contract must:

- Identify the appropriate NAICS code and related small business size standard for each product or service, and contain separate contract line items for each.
- Specify the period of performance, including options.
- If not fully set aside for service-disabled veteran-owned small businesses/veteran owned small businesses, identify which part or parts, if any, will be set aside in accordance with VAAR 819.203-70, Priority for service-disabled veteran-owned small business/veteran-owned small business contracting preferences (Class Deviation) and 819.7004, Contracting order of priority (Class Deviation).
- Specify the total minimum guarantee and maximum quantities to be ordered, and contract performance period/s.
- Include an SOW/PWS or other description/requirement document/specification that reasonably describes the general scope, purpose, nature and complexity of the supplies or services.
- State ordering procedures, including ordering media. State the procedures and selection criteria to be considered to provide fair opportunity for each order when making multiple awards.
- Ensure the inclusion and application of clauses appropriate for each contract line item type, e.g., fixed-price, cost reimbursement, etc. Also ensure that applicable clauses are only applied to the appropriately identified contract line items.
- Provide the Task-order and Delivery-order Ombudsman point of contact information. See VAAR 816.505(b)(8).
- Identify who can place orders, including whether other agencies may use the contract.
- Address whether oral orders may be placed.

When awarding multiple IDIQ contracts from one solicitation, each individual contract must include a statement about the minimum quantity and maximum quantity of supplies or services under the contract. The amount for each contract minimum pertains to each individual contract and must be expressed as such, however, it is permissible to express the amount of the maximum quantity collectively rather than for each contract award. For example, if the Government is making three awards for a total maximum of \$3M per year, instead of assigning \$1M as a maximum to each contract, the contracting officer would state that the maximum of \$3M applies collectively to all three contracts. In this way, you create flexibility if orders are not evenly distributed. You must be clear in the solicitation that the maximum amount applies collectively, across all awarded contracts.

2.4 ADDITIONAL SOURCE SELECTION GUIDANCE FOR AWARD OF BASIC CONTRACT(S)

Particularly for complex supplies or services, the use of competitive negotiated procedures permits the Government when needed to hold discussions with offerors to discuss important aspects of their proposals and thus the procedures of either FAR part 12 or FAR part 15 would be appropriate to consider. When using competitive negotiated procedures,

overall best value can be obtained by using any one or a combination of source selection approaches such as the tradeoff process or lowest price technically acceptable approach as described in FAR part 15. When utilizing the tradeoff process described at FAR 15.101-1, consider the following possible evaluation factors:

- Experience
- Past Performance
- Ability to Manage Multiple Projects
- Quality Control
- Subcontracting Plan
- SDVOSB and VOSB utilization; other small business utilization
- Staffing
- Subcontracting Support Capability, and
- Past Subcontracting Practices

It is also recommended that offerors be required to provide a seed task order proposal response based on an actual project to both provide insight to an offeror's understanding of the technical requirements and to demonstrate whether the contractor is proposing the most efficient and cost-effective solution. It also permits the Government to obligate the minimum guarantee and meet the consideration requirements of the IDIQ contract award on the first task order to be issued immediately after award of the overall IDIQ contract.

The Government's unilateral right to withdraw a proposed task order before or after receipt of contractor's proposal must be included in the solicitation.

2.5 MINIMUM GUARANTEE

To establish a binding IDIQ contract, FAR 16.504(a)(2) requires that there be a stated guaranteed minimum quantity to be ordered and this minimum must be more than a nominal quantity without exceeding the amount the government is fairly certain to order. Setting it too low increases the risk to contractors and may result in higher contract costs, and/or reduce the number of contractors willing to submit an offer. The minimum guarantee must be fully-funded at the time of contract award; incremental funding is not allowed. Additionally, it must represent a bona fide need of the year of award. If funds are expiring and award is made near the end of the fiscal year, care must be taken to ensure task orders in the amount of the minimum guarantee will be issued prior to such fund's expiration, and that performance can begin in the fiscal year for which the bona-fide need exists.

2.6 MAXIMUM QUANTITY

No regulatory guidance on establishing the maximum ordering quantity on an IDIQ contract exists; however, it is a best practice to base the amount on historical analysis of Government requirements and acquisition of the same or similar type of requirements,

coupled with market research to identify current trends. The estimated maximum will not be objectionable, so long as it is established in good faith, or based on the best information available, and accurately represents the anticipated need. One factor, which may be significant in setting the maximum, is to allow for trends in spending particularly in longer term contracts. You will need to repeat the competition sooner if the maximum is underestimated. **Note: The Government Accountability Office (GAO) has ruled in certain circumstances that changes adding quantities above the contractual maximum are out of scope and constitute a CICA violation.**

2.7 FUNDING

The “Availability of Funds” clause at FAR 52.232-18 signals that the government's obligation is contingent upon the availability of appropriated funds and, importantly, establishes that no legal liability arises on the part of the government until the contractor receives affirmative notice from the contracting officer of the availability of funds for that contract.

A contract that includes the Availability of Funds clause for operation and maintenance, continuing services (e.g., rentals, utilities, and supply items not financed by stock funds) may, when necessary for normal operations and for which Congress previously had consistently appropriated funds, cross fiscal years. Whether a contract is for severable or non-severable services must be established prior to solicitation and award, since a contract for non-severable services should be funded completely “up front.” Severable services are the *bona fide* requirements of the fiscal year in which they are performed, and are funded through that fiscal year's (FY) appropriations.

An IDIQ or requirements contract for services that is funded with annual appropriations may extend beyond the FY in which it begins, provided that any specified minimum guarantee is certain to be ordered in the initial FY, and the contract includes the clause 52.232-19, Availability of Funds for the Next Fiscal Year.

A contract, option, or order under a contract for severable services for a period that begins in one fiscal and crosses into the next FY may be funded with annual appropriations, if the period the contract awarded, option exercised, or order placed does not exceed one year. (41 U.S.C. 3902). Note: Under an option arrangement, each option exercise triggers a new one-year period of performance, “renewing” the funding restrictions noted here.

The FAR provides that an IDIQ contract must require the Government to order and the contractor to furnish a stated guaranteed minimum of supplies or services (FAR 16.504(a)(1)). The stated minimum forms the consideration for the contract. When an IDIQ contract is executed, the agency must record an obligation against its appropriation current upon execution. The Government then has committed itself to a fixed liability for

that guaranteed minimum amount. Task or delivery orders placed against an IDIQ are chargeable to the FY in which the order is placed as a *bona fide* requirement of that FY.

Expiring and Closing Accounts: Appropriated funds have a “shelf life” or finite period of availability (POA), usually one-year, but may have multiple-year or no-year POAs depending on the language Congress uses in a given appropriation. Under 31 U.S.C. §§ 1552, 1553, the funds provided in a given appropriation can be used to extinguish claims or obligations that arose during the funds’ initial POA but could not be liquidated or quantified until an “out” year, but after the initial POA, the account “expires” and the account and its funds cannot be used for any new obligation arising during that initial POA. On 9/30 of the fifth year after the initial POA, the account “closes” and is unavailable for any purpose or obligation, and any remaining funds must be returned to the Treasury under the Miscellaneous Receipts Statute, 31 U.S.C. § 3302.

2.8 RECORDING OF OBLIGATION

Obtaining a certification of availability of funding from the finance office does not satisfy the requirement to record an obligation in the official accounting records of the Government for the minimum order amount established by the award of an IDIQ contract. The Government’s actual obligation must be recorded at the time of contract award. Recording and subsequently reporting the required obligation using anything other than a delivery or task order will result in an unreported action in FPDS-NG. The contracting officer must work closely with the customer to develop the minimum quantity, and ensure the proper recording of the obligation upon award.

2.9 OPTIONS

The Court of Appeals for the Federal Circuit, in a 2002 decision, ruled that the minimum guarantee applies to the base year only, unless otherwise stated. Hence once that obligation has been met, the options may be exercised without an additional minimum guarantee. If using option periods in your IDIQ contract, the solicitation language must clearly state whether guarantees apply and what those guarantee amounts would be.

Options are not necessary since an IDIQ contract can have a basic period of multiple years. In fact, a Nash & Cibinic Report on this subject explained it well. In part:

*A multiple-year IDIQ contract contains all of the advantages of an option with none of the disadvantages. One of the major disadvantages of options is that if they were not evaluated at the time of initial award, they must be competed (FAR 17.207(f))...¹
Inclusion of options in IDIQ contracts is often based on a false assumption that a multiple-year IDIQ funded with annual funds would violate the Antideficiency Act.*

¹ IDIQ Contracts and Options: Varied Guaranteed Minimums; Nash & Cibinic Report, September 2002

However, this is not true since there is no binding obligation to expend funds (beyond the base year minimum) until task/delivery orders are issued.

However, contracting officers should thoughtfully consider whether it is in the best interest of the Government and various needs of the agency to either include a long-term base year (over 1 year and up to 5 years), or to award a base year with options to extend the contract each year (up to 4 additional years). In a base plus 4 option years contract, the Government chooses unilaterally not to exercise, whereas in a multiple-year contract (1 to 5-year base term), the contracting officer would be required end a contract, if necessary, using the Termination for Convenience clause or Termination for Default or Termination for Cause clause.

2.10 PRICING

FAR Part 16.501-2(c) authorizes the use of any “appropriate cost or pricing arrangement under Part 16.” This allows the base contract to authorize one, or a variety of, contract types, commensurate with the specific task or delivery order.

GAO has sanctioned two ways in which prices may be structured and evaluated when soliciting and evaluating the base IDIQ contract: 1) require contractors to respond to an actual task order (i.e., a seed project), or 2) requiring contractors to submit binding loaded labor rates or unit prices (includes overhead, general and administrative costs, direct costs, indirect costs and profit or fee) that are multiplied by the government’s estimated amounts for each class of labor or unit to arrive at a total price. During price analysis, be sure to consider not only an offeror’s labor rate and unit prices, but also the mix of labor rates and allocation of hours across various labor categories. For evaluation purposes, when evaluating labor rates on labor hour line items, be sure to include estimated quantities of hours so offerors arrive at a total “price” based on a standardized number of hours. The labor hours/unit prices must be binding and incorporated into the contract and applicable to the task orders going forward for each period of performance.

3. POST AWARD ADMINISTRATION

3.1 ORDERING

3.1.1 ORDERING AUTHORITY

Whether the contract is a multi-agency contract or a single agency contract, only persons identified in the contract may place task and delivery orders.

Only a contracting officer, or an ordering officer designated in writing, may execute delivery/task orders. Strict operational control over ordering officers is necessary to

preclude violations of law and regulations. Care must be exercised in determining how many ordering officers are necessary, yet controllable.

Contracting and ordering officers should use Attachment 1, Task Order File Maintenance, for all task order files.

3.1.2 PRICING

In the award of each task order, the contracting officer must always consider price. In the case of delivery orders for supplies and some services such as maintenance, items may be pre-priced, and the only questions typically concern quantity discounts and delivery locations. In other cases, where the contract did not establish a price for a specific task, or only established hourly rates, the contracting officer must establish reasonable prices for each order following the policies and methods in FAR subpart 15.4.

3.1.3 DEFINING ORDERS

Ordering officers must ensure that individual orders are clearly described, so that the full cost or price for performance of the work can be established at the time the order is placed. Orders shall be within the scope, issued within the period of performance, and be within the maximum value, of the contract in accordance with FAR 16.505(a)(2).

Since the purpose of an IDIQ contract is to establish a binding agreement where defined orders will be placed when the exact or specific needed times or quantities/services materialize. Issuing undefined orders would circumvent the purpose of an IDIQ contract and are not permitted.

3.1.4 PUBLICIZING ORDERS

Generally, the posting requirements of FAR part 5 do not apply to the issuance of task and delivery orders. However, there are several circumstances when a notice must be posted. The following table outlines the specific posting requirements as delineated in FAR 16.505.

Posting Requirements (See FAR 16.505)

Dollar Threshold	Requirement
Brand name orders >\$30,000 unless a justification was approved at the contract level or the base contract is a single-award contract	Publish the justification and supporting documentation on the agency website used to solicit offers for the orders or provide a copy to all contract holders except when disclosure would compromise the national security (e.g., would result in disclosure of

awarded under full and open competition.	classified information) or create other security risks.
Orders >\$25,000 funded in whole or in part by Recovery Act	Publish preaward notice “for informational purposes only” in FBO.
Orders or modifications to orders >\$500,000 funded in whole or in part by the Recovery Act.	Publish postaward notice in FBO

*Publish orders based on urgent and compelling circumstances within 30 days of award.

**Contracting officers must carefully screen and remove contractor proprietary data before posting.

3.1.5 QUALITY CONTROL/CONTRACT SURVEILLANCE

The appropriate number of quality control individuals to be specified in the contract must also be decided. This number may depend on the type and size of awarded projects anticipated. Requiring the contractor to provide a separate individual for quality control, regardless of the dollar value of work in place, is not necessary and may inflate costs. An alternative may be to specify that dedicated quality control individual(s) are required when the amount of work in place exceeds a stated cost.

Regardless of the number of quality control individuals specified, it is very important that the solicitation clearly state the requirements. In addition, the Quality Control/Surveillance individuals delineated in the offerors proposal should be carefully evaluated against the minimum requirements of the solicitation. The contract should also be monitored to ensure that the quality control individuals proposed are being provided.

4. MULTIPLE AWARD TASK ORDER CONTRACTS

4.1 INTRODUCTION

The MATOC is the statutory preference implemented by FAR subpart 16.5, Indefinite-Delivery Contracts. However, FAR 16.500(d) states the preference does not apply to architect-engineer contracts subject to the procedures in FAR subpart 36.6, but that agencies are not precluded from making multiple awards for architect-engineer services using the procedures in FAR subpart 16.5, provided the selection of contractors and placement of orders are consistent with FAR subpart 36.6.

4.2 MINIMUM GUARANTEE

MATOCs guarantee each awardee a minimum amount of work, usually expressed as a dollar amount. Rather than stating a minimum amount for all contracts equally, an initial “seed” project is awarded to the offeror representing the best value to the government. All other awardees are guaranteed a minimum amount of work expressed in dollars or units. The minimum order amount for other than the seed project awardee need not be equivalent to the value of the seed project but it must be more than a nominal quantity. The minimum order amount in any event shall not exceed the amount that the VA is reasonably certain it will order.

4.3 MATOC ORDERING

VA MATOC guidelines on construction projects are:

- Construction projects exceeding \$50M should not be procured via a MATOC task order, due to technical complexity of these projects, unless a formal waiver is approved by the HCA.
- Competitive task orders over the SAT shall be solicited for a minimum of 30 days. The minimum solicitation period may be waived by the HCA.
- Requests for proposals that require Past Performance Questionnaires (PPQs) shall utilize the standard VA PPQ form. The contracting officer shall allow offerors to submit PPQs with their proposal and shall not require PPQs to be sent directly from the client(s). However, PPQs sent directly to the contracting officer by the client(s) are acceptable.
- VA Form 2138, Order for Supplies or Services (including task orders for construction & A/E services) may be used when placing orders with the contractor.

4.4 LIMITING COMPETITION

In accordance with FAR 16.505(b)(2)(ii), a written justification shall be required to waive or limit competition for task orders under MATOCs. Approval of the justification shall be obtained prior to release of a request for proposal. The written justification must address the content requirements at FAR 16.505(b)(2)(ii)(B).

Approval thresholds for the required written justification are required in accordance with FAR 16.505(b)(2)(ii)(B) and VAAM M816.505).

- For a proposed task orders exceeding the simplified acquisition threshold, but not exceeding \$700,000, the justification shall be approved by a contracting officer one level above the contracting officer. The contracting officer shall ensure that the justification is accurate and complete to the best of their knowledge and belief.

- For a proposed task order over \$700,000 but not exceeding \$13,500,000, the justification shall be approved by the advocate for competition of the activity placing the order.
- For a proposed task order over \$13,500,000 but not exceeding \$68,000,000, the Deputy Senior Procurement shall approve the justification.
- For a proposed task order over \$68,000,000, the justification shall be approved by the Senior Procurement Executive.

4.5 FAIR OPPORTUNITY

Contracting officers have broad discretion in determining the process for selecting awardees for individual task and delivery orders. The key is to ensure the process and selection criteria are included in the solicitation, resulting contract, and request for proposal, and that the process is followed.

The minimum requirements by dollar threshold are as follows:

Fair Opportunity (See FAR 16.505(b)(1))

Dollar Threshold	Requirement
Orders exceeding the micro-purchase threshold, but not exceeding the simplified acquisition threshold (See FAR 16.505(b)(1)(i)-(ii))	<ul style="list-style-type: none"> ➤ Develop placement procedures that will provide each awardee a fair opportunity to be considered for each order and that reflect the requirement and other aspects of the contracting environment. ➤ Do not use any method that would result in unfair consideration to awardees prior to placing each order. ➤ Tailor the procedures to each acquisition. ➤ Include the procedures in the solicitation and the contract. ➤ Consider price or cost under each order as one of the factors in the selection decision.
Orders exceeding the simplified acquisition threshold, but not exceeding \$5.5 million. (See FAR 16.505(b)(1)(iii))	<ul style="list-style-type: none"> ➤ Provide a fair notice of intent to make a purchase, including a clear description of the supplies to be delivered, or the services to be performed and the basis on which selection will be made, to all awardees offering the required supplies or services under the multiple award contract. ➤ Afford all awardees responding to the notice a fair opportunity to submit an offer and have that offer fairly considered.
Orders exceeding \$5.5 million.	<ul style="list-style-type: none"> ➤ Provide notice of the task or delivery order that includes a clear statement of the requirements. ➤ Provide a reasonable response period.

(See FAR 16.505(b)(1)(iv))	<ul style="list-style-type: none"> ➤ Disclose the significant factors and subfactors, including cost or price that will be considered in the evaluation of proposals, and their relative importance. ➤ If award is made on a best value basis, provide written documentation of the basis for award and the relative importance of quality and price or cost factors. ➤ Provide an opportunity for a post-award debriefing.
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If there are any changes in evaluation criteria or priorities before award is made, all contractors will need to be notified and be provided an opportunity to revise their proposal.

Contracting officers may follow FAR subpart 16.5, Indefinite-Delivery Contracts, when developing order placement procedures. Formal evaluation plans or scoring of offers for task/delivery orders is not required. The contracting officer should consider the following when developing order placement procedures:

- Past performance on earlier orders under the contract, including quality, timeliness and cost control.
- Potential impact on other orders placed with the contractor.
- Minimum order requirements.
- The amount of time contractors need to make informed business decisions on whether to respond to potential orders.
- Whether contractors could be encouraged to respond to potential orders by outreach efforts to promote exchanges of information, such as—
 - Seeking comments from two or more contractors on draft SOW.
 - Using a multi-phased approach when effort required to respond to a potential order may be resource intensive, where all contractors are initially considered on price.
 - Other considerations as appropriate (e.g., proposed conceptual approach, past performance).

Many multiple-award IDIQ contracts consist of both small and large business awardees. The VA Rule of Two applies in all VA competitive acquisitions, including competitions for orders, and contracting officers must follow the requirements of the Veterans First Contracting Program (VFCP) as outlined in VAAR subpart 819.70, to include the contracting order of priority which provides preference to SDVOSBs first, then VOSBs. Thus, contracting officers shall follow the priorities and special acquisition methods set forth in VAAR subpart 819.70 before considering applying priorities and preferences of FAR 19.203. Additionally, contracting officers must consider the required sources of supplies and services at FAR part 8 and VAAR part 808. That said, there are five statutory exceptions to the fair opportunity requirements. Per FAR 16.505(b)(2)(i):

- The agency need for supplies or services is so urgent that providing a fair opportunity would result in unacceptable delays.

- Only one awardee is capable of providing the supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized.
- The order must be issued on a sole source basis in the interest of economy and efficiency, since it is a logical follow-on to an order already issued under the contract, provided that all awardees were given a fair opportunity to be considered for the original order.
- It is necessary to place an order to satisfy a minimum guarantee.
- For orders exceeding the simplified acquisition threshold, a statute expressly authorizes or requires that the purchase be made from a specified source.

Contracting officers must document the rationale for each order decision in the contract file. For orders over \$5.5 million where the order is made using a trade-off basis, document the basis for award and the relative importance of the factors as well, including the relative importance of quality and price or cost factors.

4.6 FOLLOW-ON TASK ORDERS

Follow-on task orders are an exception to the requirement to provide contractors under a multiple award IDIQ contract fair opportunity to compete for all orders. However, the use of this exception is only applicable when all awardees were considered for the original order. Once it has been determined that this exception applies, a justification must be prepared describing why the relationship between the initial order, and the follow-on is logical (in terms of scope, period of performance, or value), as well as how the incumbent provides economy and efficiency in accordance with FAR 16.505(b)(2)(ii)(A) or (B). The following provides some insight into what constitutes economy and efficiency:

- Award to any other source would likely result in substantial duplication of cost to the government that is not expected to be recovered through competition.
- Award of the order to a different source would cause unacceptable delays in fulfilling the government's requirements.
- A contractor is already at work on a site, and it would not be practicable to allow another contractor to work on the same site.

When using the "follow-on" task order exception you should also:

- Specify how recent the previous competitive order was and the number of times this exception has been used.
- Discuss why the specific requirement continues.
- Discuss why it would be of benefit to the government for the specified contractor to continue this work.

4.7 POST-AWARD NOTICES & DEBRIEFING

For orders exceeding \$5.5 million, post-award notifications must be made within three days after award in accordance with FAR 16.505(b)(6). In accordance with FAR 15.503(b), the notification must include the number of offerors solicited, the number of offers received, the identity of the selected offeror, a description and the quantity of what was awarded, and the general reasons why the other offeror(s) were not selected for award. Debriefings, if requested, should be conducted within five days of a timely request and provide sufficient detail for the offeror to understand the reason for the award, have confidence in the evaluation process, and be able to improve future proposals. While not required for actions less than \$5.5 million, consider conducting debriefings as part of your regular process with a goal to expand communication with offerors, improve future proposals, and minimize risk of protests.

4.8 MATOC LESSONS LEARNED

- Award of fewer contracts, such as five or six, results in better competition, better proposals, less burdensome ordering process, and improved working relationships with contractors.
- Continuously seek contractor input to improve the efficiency and effectiveness of the ordering process, discuss administrative matters, and future requirements.
- Use simplified procedures and award documentation when issuing orders under multiple award contracts. The minimum process requirements for the fair opportunity process vary depending upon the dollar amount and complexity.
- Continuously update past performance data as task orders are completed.
- Avoid large minimum guarantees that circumvent the policy of allowing awardees a fair opportunity.
- Consider establishing an automated system to manage task order issuance to make the process more efficient.
- Recommend hosting a preproposal conference to explain multiple award contract concepts and to entertain questions.
- Ensure appropriate weight is given to new teaming arrangements versus existing or prior relationship with the same teaming partner to avoid over rating past performance and provide the opportunity for new entrants to support critical agency work.
- Ensure relevancy definition is clear, concise, and relative to the magnitude and scope.

5. SPECIAL CATEGORY IDIQ CONTRACT INSTRUCTIONS

5.1 INTRODUCTION

This section of the guide focuses on the special categories of IDIQ contracts used in the VA, and the unique instructions specific to each IDIQ category. These special categories currently include construction, architect-engineer, supplies, and facilities maintenance services.

5.2 IDIQ CONSTRUCTION

The purpose of an IDIQ multiple award construction contract is to expedite contract award of construction requirements by reducing engineer design work and acquisition lead-time. The fixed-price IDIQ construction contract is appropriate for construction projects, maintenance, alterations, and repair of buildings, structures, or other real property between \$500,000 and \$50,000,000. The contract is not appropriate for larger, more complex construction projects that require extensive design effort or for predominately single skill/material projects. The IDIQ construction contract cannot be used to purchase supplies or services, and is not to include design work or A-E services.

5.2.1 SOLICITATION

The solicitation should be clear that this type of construction contract is only for specific construction projects (FAR 16.504 (a)(4)(iii)). The solicitation does not need to identify all the anticipated projects, but it is not sufficient to merely provide in the SOW that the contract is for “all construction services.”

5.2.2 BONDS

Performance and payment bonds are required for each construction contract and task order expected to exceed simplified acquisition threshold. For any task order greater than \$35,000 and less than simplified acquisition threshold (SAT), only payment protection is required as set forth in FAR 28.102-1(b). FAR part 28 allows the contracting officer flexibility in increasing the bond amounts during contract performance. When the value of task orders in progress exceeds the existing bond, the contracting officer should get additional bond protection by directing the contractor to increase the penal amount of the existing bond. The Government will, upon request, only reimburse the contractor for the amount of premiums paid the surety after receiving the bonds and evidence of full payment to the surety. Obtaining an individual bond for each individual task order in lieu of increasing the penal amount of an existing bond is also acceptable. The task order notice to proceed shall not be issued or the contractor shall not be allowed to begin work until the required bonds are received, reviewed and accepted by the contracting officer.

5.2.3 WAGE DETERMINATION (CONSTRUCTION) REQUIREMENTS

The Department of Labor (DOL) has jurisdiction over the classification of a requirement. They determine if it is construction work subject to the Wage Rate Requirements (Construction) Act or a service subject to the Service Contract Labor Standards. The DOL guidance provides services such as carpet installation, landscaping, asbestos removal, and building demolition performed are construction because they are incidental to a larger construction project. If the preponderance of the work is nonpersonal services, even though there may be some incidental related construction work, the project falls under the Service Contract Labor Standards and is not a candidate for this type of contract.

5.2.4 CONSTRUCTION MATOC PROCESS

The MATOC structure allows maximum flexibility for construction requirements. The task order RFP should provide competing offerors a SOW and supporting information necessary for the offeror to understand the project requirements to prepare their technical and price proposals. The essential elements of the SOW might include the project goals, objectives, and requirements.

There is no standard format for requesting proposals from offerors competing on task orders after award. See **Attachment 2** for Sample MATOC Task Order Request for Proposals.

Each MATOC award cites an individual contract number and work is ordered by written task orders which may be issued on VA Form 2138, Order for Supplies or Services (including construction and A/E services). Task orders are firm-fixed-price and must clearly define the specific work performed, sequentially numbered, and they must relate back to the awardees' contract.

In negotiated acquisitions, best value can be obtained by using any one or a combination of source selection approaches (see FAR 15.101), including the tradeoff process (e.g., a performance price tradeoff) or lowest priced technically acceptable source selection process. The tradeoff process is based on factors other than just price and performance. In the latter instance, award factors will vary depending on the uniqueness of the requirement. The contracting officer should keep submission requirements to a minimum. Contracting officers may use streamlined procedures, including oral presentations, per FAR 16.505(b)(1)(ii). Obtaining written proposals or holding discussions with awardees is not always required. Formal evaluation plans are not usually required. Consider one or more of the following criteria, in addition to the price or cost factor:

- Past performance
- Quality of deliverables
- Ability to meet schedule requirements
- Relevant experience
- Cost control, if applicable
- Potential impact on other orders placed with the contractor
- Current workload
- Compliance with requirements and special standards of responsibility.

5.2.5 MINIMUM GUARANTEE

MATOCs guarantee each awardee a minimum amount of work, usually expressed as a dollar amount. Rather than stating a minimum amount for all contracts equally, an initial project (either full designs or design-build) may be awarded to the offeror representing the best value to the government. All other awardees are guaranteed a minimum amount of work expressed in dollars or units. The minimum order amount for other than the seed project awardee need not be equivalent to the value of the seed project but it must be more than a nominal quantity. The minimum order amount in any event shall not exceed the amount that the VA is reasonably certain it will order.

5.2.6 ORDERING

VA MATOC guidelines on construction projects are:

- Construction projects exceeding \$50M should not be procured via a MATOC task order, due to technical complexity of these projects, unless a formal waiver is approved by the HCA.
- Competitive task orders over the SAT shall be solicited for a minimum of 30 days. The minimum solicitation period may be waived by the HCA.
- Requests for proposals that require Past Performance Questionnaires (PPQs) shall utilize the standard VA PPQ form. The contracting officer shall allow offerors to submit PPQs with their proposal and shall not require PPQs to be sent directly from the client(s). However, PPQs sent directly to the contracting officer by the client(s) are acceptable.
- VA Form 2138, Order for Supplies or Services (including task orders for construction & A/E services) may be used when placing orders with the contractor.
- VA Form 2138, Order for Supplies or Services (including task orders for construction & A/E services) may be used when placing orders with the contractor.

5.2.7 LAYDOWN AREA

Provide the contractor with laydown (trailer) space within close proximity to where the majority of the work will occur to maximize effectiveness and reduce costs. Otherwise, the contractor is required to rent space and pass those costs to the Government. Availability and location (if known) of office or lay down areas should be clearly specified in the solicitation.

5.2.8 SUPERINTENDENCE

The proper amount of superintendence required by the types of projects should be based on the number of projects anticipated to be awarded under the IDIQ contract. The contractor may have several jobs in progress and multiple subcontractors engaged in various phases of projects.

Regardless of the degree of superintendence chosen, it is very important that the solicitation clearly state the requirements. In addition, the superintendence delineated in the offeror's proposal should be carefully evaluated against the minimum requirements of the solicitation. Likewise, the contract should be monitored to ensure that the superintendence stated in the contractor's proposal is being provided.

5.3 FACILITIES MAINTENANCE, REPAIR, AND CONSTRUCTION IDIQ CONTRACTS

Facilities maintenance, repair, and construction IDIQ contracts are competitively negotiated, firm fixed-unit price, IDIQ contracts which contain a database of detailed priced tasks for a variety of facilities maintenance, repair, and construction work for projects up to \$500,000. These priced tasks form the basis for defining and negotiating Task Orders. This IDIQ contract includes non-recurring maintenance and maintenance and repair work. Since these requirements typically do not include complete design and specifications, negotiation is necessary to define the level of effort such as materials, quantities and processes required to accomplish the construction task. These IDIQ contracts can accommodate simplified scoping and estimating of requirements instead of 100% design and are most easily implemented by organizations awarding at least \$5 to \$8 million task orders per year, although larger and smaller requirements can still be acquired. Contracting personnel and resident engineers are encouraged to adapt these type of acquisitions and processes to meet local facility needs and environment.

5.3.1 PLANNING

These facilities maintenance and repair contracts provide rapid response to requirements because the contractor is already mobilized on the site(s) and can often shift work requirements among the projects in process. Additionally, they eliminate the cost of the design contract normally required for the preparation of drawings and specifications for a

sealed bid award. Rather, joint scoping between the contractor and the government will help to develop the most practical and effective approach to projects. This ability to obtain input from all sources during the formulation of the project scope (statement of work) benefits all parties, including the ultimate customer. However, it is still necessary to prepare a scope of work and Government estimate (for projects over \$25,000).

Prior to seeking to implement this type of contract, all other alternatives should be evaluated. When a large amount of work falls within separately definable trades such as painting, an indefinite-quantity contract for one specific trade may be prudent. If a single activity cannot generate enough work to make this type of contract attractive to a contractor at a reasonable price, consideration might be given to combining with another activity within the nearby geographical area.

Following are some issues to consider when planning for these smaller project contracts:

- A description of the estimated workload to be assigned to this contract: number, dollar range, total amount, and average size of anticipated work projects;
- An organization chart for the contract which shows the number of Government employees needed for contract administration, whether full or part time, their series and grade, contracting experience, training held and planned; and

See FAR 16.503(b)(2) and 16.504(c) for guidance pertaining to single award indefinite-delivery type contracts.

Coordination and cooperation between the contracting officer and the Chief of Engineering/Resident Engineer is essential to successful implementation of the IDIQ contract. Engineering personnel have significant responsibilities for planning work and budget projects, identification/prioritization of individual task order requirements, task order proposal evaluation, contract administration, and monitoring contractor performance. The only contract administration responsibilities of engineering personnel are those delegated by the contracting officer in the contracting officer's delegation of authority letter that appoints the Contracting Officer's Representative for the project.

5.3.2 STATEMENT OF WORK

Unlike typical repair/construction contracts, the solicitation has no specific work or design identified. Each task order will identify the scope of work to be accomplished. The minimum design for task orders is up to 15%. However, if the design requires the services of a registered architect or engineer, it is outside the parameters of minimum design.

5.3.3 COEFFICIENTS

The contracting officer in coordination with the resident engineer can decide how many coefficients to use. Coefficients may include bands or ranges based on dollar levels, standard and non-standard hours, or isolated site work, or work in secured areas. The recommend approach is to use tiered coefficients with break points at cumulative dollars awarded thresholds over the life of the contract, including options. This approach recognizes that a contractor's overhead decreases as workload increase. For example, the RFP and resultant contract might establish coefficients for less than \$3 million, and from \$3 million to \$6 million, and so on.

Since material, labor and equipment costs are combined in the pre-priced tasks unit prices, the offerors can only propose competitively on this markup. Only those costs directly involved in the work performance are included in the pre-priced amounts, the coefficient must cover everything else. Any item of cost left out may be cause for the contractor to request compensation during negotiations. Therefore, the solicitation may specify "at a minimum" what is to be included in the coefficient or be included as an evaluation criterion.

Some items the coefficient should cover:

- Indirect costs such as bond premiums, insurance, waste or excess material purchases, disposition of waste materials, compliance with security requirements, taxes on materials, and the contractor's risk factor.
- Indirect labor such as: incidental engineering and planning, company officers and support staff, flag persons for traffic control, scaffolding, superintendents, quality control personnel, etc.
- Employer's share of taxes such as social security and unemployment compensation and fringes.
- Any compensation for wage differential between the applicable Wage Rate Requirements (Construction) hourly wage requirements and the prepriced unit line items.
- Cost of the purchase of equipment. (Purchase of company equipment is normally depreciated over a period of time and is shown as an indirect cost that is spread over all the company's projects.).
- Transportation to and from the site.
- Preparation of estimates.
- "Normal" tools of the trade, such as hammers, shovels, etc.
- Compliance with environmental laws.
- As-Built drawings.
- Submittal preparation.
- Mobilization/demobilization.
- Quality control.

- Other risks of doing business (i.e., risk of a lower than expected contract dollar value; risk of a high inflation cost if factors are bid for option years; risk of poor subcontractor performance and re-performance).
- Incidental fasteners - Past administration of these types of contracts have shown that there continues to be misunderstanding regarding fasteners. It is recommended that the solicitation state requirements similar to the following:
 - Incidental nails, screws, elements, and connectors are considered included in the unit price line items. Unless a connector or fastener is specifically omitted in the unit price line items, it is included in the price.
- The contractor's coefficient shall be "net" (e.g., 1.0) or a percentage "Decrease from" (e.g., 0.95), or a percentage "Increase to" (e.g., 1.2) the unit prices listed in the R.S. MEANS Cost Data Books or the Army Computer-Aided Cost Estimating System (CACES).
- Daily cleanup.
- Contracts that require the R. S. MEANS Estimating System shall state that Sections 010 and 013 of R. S. MEANS Division 1 shall not be used. R. S. MEANS Section 010 and 013 contain overhead and quality control costs that should be in the coefficient.

An offeror's proposed coefficients provide insight into their experience and knowledge of the local construction market. Expect proposed coefficients of less than 1 in a strong competitive market (experienced contractors will know this). Therefore, in this situation, a proposed coefficient of 1 or more might point to a flawed proposal or weak experience. To aid in the analysis of proposed coefficients, the team should consider requesting a rationale for each coefficient. Do not consider this information cost or pricing data in the context of FAR part 15.

5.3.4 PRICING AND PRICE ANALYSIS

The Independent Government Estimate should be prepared using the unit price book so that a common basis exists to compare with the contractor's proposal and will serve as the Government's pricing and quantity objective if any discussions with the contractor are necessary relative to the task order.

Contracting officers shall insert the language at Attachment 3 when using the R. S. MEANS Cost Data Book in contracts establishing for pre-priced items.

Costs not included in the coefficient or the unit prices are subject to disagreement and negotiation during the contract. It may be difficult to perform a detailed price analysis or ascertain offerors understanding of the contract requirements (by comparison with price elements proposed), without assurance that the offeror has included the appropriate and necessary costs. For these reasons, some organizations have found it useful to require

offerors to provide a price breakdown of the coefficient. **Attachment 4** provides a sample of a coefficient breakdown. (Note that price analysis is not a requirement and should be used at the discretion of the contracting officer).

5.3.5 OPTION YEARS

Offices with previous experience of maintenance repair contracts should use the maximum number of contract years (a base plus four options) to preclude early re-solicitation. Increases in the contract for option years should follow the guidance for Wage Rate Requirements (Construction) wages.

5.3.6 WAGE RATE REQUIREMENTS (CONSTRUCTION)

The Department of Labor (DOL) has jurisdiction over the classification of a requirement. They determine if it is construction work subject to the Wage Rate Requirements (Construction) Act or a service subject to the Service Contract Labor Standards. The DOL guidance provides services such as carpet installation, landscaping, asbestos removal, and building demolition performed are construction because they are incidental to a larger construction project. If the preponderance of the work is nonpersonal services, even though there may be some incidental related construction work, the project falls under the Service Contract Labor Standards and is not a candidate for this type of contract.

Only one Wage Rate Requirements (Construction) wage determination shall be included in the contract (for each geographic area). The annually published R. S. MEANS Cost Data Book will be incorporated (by a no cost administrative modification) and used to provide for any increases in wages or cost of materials when an option is exercised. Thus, the coefficient for the base period, and all option years will remain the same throughout the life of the contract and no economic price adjustment will be made to the contractor's coefficient. However, a current Wage Rate Requirement (Construction) must be incorporated at the exercise of each option extension. See FAR 22.404-12(c) for applicable requirements for adjustment of the contract price at the exercise of an option to extend the term of the contract.

5.3.7 LIQUIDATED DAMAGES

Typically, liquidated damages (LDs) are not included in these contracts for the following reasons:

- The contractor has no control over the timing, the amount, or the content of the work since the contract prohibits the refusal of any orders; and

- The amount of the LDs cannot be related to the specifics of an unknown project and therefore might be held to be a penalty as described in FAR 11.501(b).

For these reasons, it is strongly recommended that liquidated damages clauses not be included in the contracts.

5.3.8 BONDS

Performance and payment bonds are required for each construction contract and task order expected to exceed simplified acquisition threshold. For any task order greater than \$35,000 and less than simplified acquisition threshold (SAT), only payment protection is required as set forth in FAR 28.102-1(b). FAR part 28 allows the contracting officer flexibility in increasing the bond amounts during contract performance. When the value of task orders in progress exceeds the existing bond, the contracting officer should get additional bond protection by directing the contractor to increase the penal amount of the existing bond. The Government will, upon request, only reimburse the contractor for the amount of premiums paid the surety after receiving the bonds and evidence of full payment to the surety. Obtaining an individual bond for each individual task order in lieu of increasing the penal amount of an existing bond is also acceptable. The task order notice to proceed shall not be issued or the contractor shall not be allowed to begin work until the required bonds are received, reviewed and accepted by the contracting officer.

5.3.9 ORDERING

Ordering limitations may be established above or below the simplified acquisition threshold, but in no event, shall the task order threshold exceed \$500,000.

5.3.10 SUPERINTENDENCE

The contracting officer must decide on the proper amount of superintendence required by the types of projects it anticipates awarding. A superintendent for each small job is not necessary and will inflate the contractor's costs and coefficients.

The solicitation must also state that compensation for the cost of superintendence must be included in the coefficient.

5.3.11 QUALITY CONTROL

The number of quality control individuals to be specified in the contract may depend on the type and size of projects it anticipates awarding. Requiring the contractor to provide a

separate individual for quality control regardless of the dollar value of work in place is not necessary and may inflate costs and coefficients. An alternative may be to specify that dedicated quality control individual(s) are required when the amount of work in place exceeds a stated cost.

5.3.12 GOVERNMENT-FURNISHED PROPERTY/EQUIPMENT

The contract is based on the assumption that the contractor will furnish the labor, materials, and equipment needed to perform the work. Limited use of government-furnished material (GFM) or government-furnished equipment (GFE) may be necessary to solve a specific schedule or cost problem; however, any job that includes substantial portions of GFM or GFE is generally not appropriate for these contracts.

5.3.13 POST-AWARD CONTRACT ADMINISTRATION

5.3.13.1 MAINTENANCE OF EVEN WORKFLOW

The responsiveness and flexibility of a facilities maintenance and repair contract is directly related to the presence of the contractor onsite or the contractor's ability to mobilize quickly in the case of multiple sites. To make it economical for the contractor to retain an administrative staff and a basic construction crew to meet the activity's needs, it is important to attempt to maintain a constant workflow which will cover the contractor's extended overhead and permit a reasonable profit.

Funding exigencies tend to create workload peaks and valleys, which could cause the contractor to ramp on and off employees in an inefficient manner.

It is inappropriate to ask the contractor to prepare detailed proposals on jobs which may not be funded since the recovery of overhead is only through performance of the resulting construction work.

5.3.13.2 TYPE OF WORK ACCEPTED

The procedure of selecting work for these contracts is crucial. The work project should first be checked to ensure that it does not consist of work which includes professional engineering or design. Typical facilities maintenance and repair work requires minimal design. The work project should not include a large percentage of non-pre-priced items. Work order negotiations can be expedited if engineering support personnel design to the unit price estimating system, R. S. MEANS Cost Data Book.

5.3.13.3 NON-PREPRICED LINE ITEMS

If the contract is a justified single award, issuance of task orders occurs without competition on individual projects as there is only one awardee and is thus permitted because the prices for the items on task orders were competed as part of the original award. As a result, non-pre-priced items are being ordered noncompetitively, and the price therefore must be determined fair and reasonable. However, if the contract is a MATOC, then the Fair Opportunity guidance found in the MATOC section must be followed.

If it is discovered that frequently used tasks are not covered by existing line items, the contract may be modified to incorporate those items by negotiating an acceptable price with the contractor and documented by a bilateral agreement using an SF 30. The new line items should be priced using techniques which duplicate the existing prepriced line items, if the same coefficient will be applied to reach a final task order price. Consider material required, appropriate construction crew, the original wage rates specified in the contract, and the rental of any special equipment.

Do not add any items required to already be in the coefficient. After these new line items are added to the contract by modification, they become prepriced line items on future task orders.

The percentage value of the non-prepriced component for an individual task order should be limited to no more than 20%. Task Orders which exceed 20% non-prepriced line items should be thoroughly documented and justified in a memo to file.

5.3.13.4 PROCESSING AN ORDER

Prior to requesting a task order proposal from the contractor, the contracting officer or administrative contracting officer (ACO) should have:

- Funds (or a written commitment of funds availability);
- An initial Government estimate (if over \$25,000), preferably prepared in the estimating system specified in the contract; and,
- A description of work.

Prior to receipt by the contracting officer or ACO, any needed basic drawings and specifications which will enable the contractor to understand what is required and how it is to be attached to existing systems and structures shall be prepared.

The contracting officer/ACO should clarify the requirement by contacting the customer and, if needed, make a site visit prior to a scope validation conference with the contractor. The contracting officer/ACO should review applicable standards and regulations pertaining to the type of work or review existing drawings of the structure.

The contracting officer/ACO should communicate the requirement to the contractor and conduct a job walk with his representative, the customer, the contract specialist, and any other technical assistants such as Planner and Estimators, Engineers, Quality Assurance, etc. Major changes should not be permitted at this point but only minor adjustments suggested during actual review of the project site.

The following terms should be discussed:

- Site conditions and access to the site
- Methods and alternatives for accomplishing the work
- Definition and refinement of requirements
- Detailed scope of work
- Preliminary quantities or dimensions
- Initial or proposed unit priced line items
- The contractor's requirement for plans, sketches, shop drawings, etc., or Government provided plans, sketches, drawings, etc.
- Submittals Required
- Time for completion

The contract specialist shall formally request the contractor to prepare a proposal by listing the project title and work order number, identifying the scope of work, and stating any special instructions or conditions. The contractor should not normally be requested to undergo this expense unless the contracting officer/ACO has a firm commitment of funds which will enable award of the task order upon successful negotiation.

The contractor will then prepare a detailed proposal using R. S. MEANS Cost Data Book as specified in the contract.

NOTE: At this point, the Government should also prepare a detailed estimate using the same system, or should update the original estimate based on all details learned during the job walk.

Upon receipt of the contractor's proposal, the contracting officer/ACO should compare the proposal and the government estimate for scope, completeness, method of construction, tasks and unit price reasonableness. The review should include any contractor work sketches and evaluation of the contractor's proposed performance time. The reasonableness of the contractor's price proposal is determined by comparing it with the government estimate and the scope of work. Although it is intended that the prepriced unit line items include all prices for all of the common construction tasks, contract negotiation will always be required:

- To maintain an ongoing productive relationship with the contractor,
- To confirm the appropriateness of the line items chosen,
- To establish the quantities of each line item required,

- To negotiate the price of any non-pre-priced construction tasks; and
- To establish the date for completion.

Absent documented changes in requirements (necessitating increases in quantities), or evidence of gross mistakes, the underestimating of quantities of materials does not summarily entitle the contractor to an upward adjustment of price. Nor is the government entitled to a rebate of unused quantities in such orders unless specifically mentioned in the task order (i.e., order includes estimated quantity line items subject to a variation and for which the government will only pay for the quantities installed).

5.3.13.5 INVOICE AND PAYMENT

Due to the time frames for individual task order completion, activities may consider allowing progress payments.

To approve progress payments, the contractor's invoice should show, in summary form, the basis for arriving at the amount of the invoice. The contractor shall include a contract performance statement, which shall show in detail the estimated cost percentage of completion and value of completed performances for each of the construction categories stated in the task order.

Smaller dollar value task orders may be invoiced upon completion, if those parameters are specified in the solicitation. It is vital that invoices be processed promptly to provide a constant cash flow to the contractor.

5.4 ARCHITECT-ENGINEER IDIQ CONTRACTS

5.4.1 GENERAL

IDIQ Architect-Engineer (IDIQAE) contracts shall be restricted to small projects requiring similar engineering disciplines and scopes of work (e.g., real property vs. bridge requirements). FAR 16.500(d) states the preference does not apply to architect-engineer contracts subject to the procedures in subpart 36.6, but that agencies are not precluded from making multiple awards for architect-engineer services using the procedures in FAR subpart 16.5, provided the selection of contractors and placement of orders are consistent with FAR subpart 36.6.

5.4.2 MAXIMUM QUANTITY

The contract amount is the maximum "Not to exceed" amount.

5.4.3 ORDERS

Architect-engineer task orders shall have a minimum solicitation period of 14 days.

VA Form 2138, Order for Supplies or Services (including task orders for construction and Architect-Engineer Services) may be used when placing orders with the contractor.

ATTACHMENT 1—TASK ORDER FILE MATRIX

CONTRACT NO:
TASK ORDER NO:
DATE ORDER AWARDED:
CONTRACTOR/SUBCONTRACTOR:
AMOUNT OF THIS ORDER:

Checklist Item	Yes	No
1. Does the file contain properly approved work request (VA Form 2237)?		
2. Are sufficient funds available and documentation contained within the file?		
3. Is the memorandum for record of site visit adequate?		
4. Does the file contain statement of work revisions for changes as a result of the site visit or negotiations?		
5. Does the contractor's proposal contain: <ul style="list-style-type: none">a. Proposal for the scope as stated in the request for proposal?b. Pricing by line item in accordance with R. S. MEANS Cost Data Book?c. Non-pre-priced items?d. Method of construction?e. Other items as stated in the request for proposal?		
6. Does the file contain an adequate technical evaluation?		
7. Does the record of negotiations provide sufficient detail of the negotiated variances in price, period of performance, quantities, statement of work changes, negotiated methodology, etc.?		
8. Is VA award form complete and does it contain: <ul style="list-style-type: none">a. Accounting and appropriation data?b. Scope of work?c. Period of performance?d. Any mandatory methodologies?e. Negotiated Non-Priced Items?		

ATTACHMENT 2— SAMPLE MATOC TASK ORDER REQUEST FOR PROPOSAL

Request for Proposal Number:

Project Title:

Location:

Office Issuing this Request:

Point of Contact:

Date of this Request:

GENERAL PROPOSAL INFORMATION

1. Contract Clauses: All contract clauses contained in the respective MATOC IDIQ contracts are hereby incorporated into this solicitation and the resultant task order. If there are any conflicts between the contract clauses and the information outlined in the resultant task order, the contract language takes precedence over the information in the task order.

2. Offer Acceptance Period: Offers providing less than _____ calendar days for Government acceptance after the date offers are due may not be considered and may be rejected.

3. Proposal Due Date: Sealed offers in original and 0 copies to perform the work described herein are due at the office location identified above by _____ (hour) local time _____ (date).

4. Offer Guarantee (Bid Bond): An offer guarantee is required. See Special Contract Requirements paragraph (insert appropriate paragraph number). (If Uniform Contract Format is used, insert Section H, paragraph (insert appropriate paragraph number) of basic contract.

5. Site Visit: Reference Section __, (insert appropriate paragraph number): An organized site visit is scheduled for: _____. Only one site visit will be conducted. Participants are to meet in the lobby of (insert appropriate information) at the address identified above.

6. VAMC Campus or Facility Access: VAMC Campus [Note: Or include other VA facility name here] _____ is not an open installation and you must have a valid ID for both yourself and your vehicle to access the VA facility. Anyone who does not have the necessary identification to enter the VA facility must make arrangements with the contracting office to be vouched onto the installation. You

may contact _____ at Telephone Number - _____ to make these arrangements. The contact should initially be made at least seven (7) days prior to the date for receipt of proposals. It is your responsibility to confirm that someone will be available to vouch you onto the installation.

7. Magnitude of Construction: Pursuant to FAR 36.204 as supplemented by VAAR 836.204, the following is provided: The magnitude of construction is between \$ _____ and \$ _____.

8. This project is construction only (there is no requirement for design effort) and includes a _____% design package.

9. Technical proposals are not required in response to this request. [Note: If technical proposals are required, include the technical evaluation factors to be used.]

10. Proposal Preparation and Evaluation Information. Proposal Preparation Instruction: To assure timely and equitable evaluation of proposals, offerors must follow the instructions contained herein. Proposals must be complete, self-sufficient, and respond directly to the requirement of this solicitation. The response shall consist of one (1) hard copy of the following: (insert required proposal documents).

ATTACHMENT 3— CONSTRUCTION DATA PRICE ADJUSTMENTS

- (1) The R.S. Means, Inc., “Facilities Construction Cost Data Book” is the database to be used on this contract for pricing all prepriced items.
- (2) Prior to the Government exercising contract options, economic price adjustments to the prepriced items will occur annually in accordance with and upon receipt of the current edition of the R. S. Means Cost Data Book.
- (3) The annual construction database price adjustments shall apply to “Bare Costs” (excluding Division—General Requirements) and the City Cost Index, as described in R.S. Means, Inc., “Facilities Construction Cost Data Book.” The “Bare Cost” includes material, labor, and equipment costs as indicated in the database. The coefficient shall be negotiated and agreed to prior to initial contract award for the base year and for each of the option years.
- (4) The contractor shall use the established prices in effect as of the date of request from the Government for an individual task order proposal.

ATTACHMENT 4— SUGGESTED FORMAT FOR PRICE ANALYSIS OF
OFFEROR’S PROPOSED COEFFICIENT

	<u>MATERIAL</u>	<u>LABOR</u>	<u>TOTAL</u>
1. MEANS BARE COSTS			
2. PRODUCTIVITY EFFICIENCY			
3. LABOR WAGE ADJUSTMENT			
4. MATERIAL COST ADJUSTMENT			
SUBTOTAL			
5. WORKERS COMPENSATION			
6. FED/STATE UNEMPLOYMENT			
7. FICA			
SUBTOTAL			
8. PROJECT OVERHEAD			
9. ALL OTHER COSTS AS STATED IN SECTION B, PARAGRAPH B, AS REQUIRED TO BE COEFFICIENT COSTS, SUCH AS, PREPARTION ESTIMATES, DRAWINGS, SUPERVISION, QUALITY CONTROL, TOOLS, SUBMITTALS, ETC.			
SUBTOTAL			
10. MATERIAL SALES TAX			
11. HOME OFFICE OVERHEAD			
12. PROFIT			
13. CITY/STATE TAX			

SUBTOTAL

14. PERFORMANCE BOND

15. ANY OTHER COSTS

SUBTOTAL