

**STATE OF HAWAII DEPARTMENT OF TRANSPORTATION PROCUREMENT  
PROCEDURES FOR INDEFINITE DELIVERY INDEFINITE QUANTITY METHOD  
OF CONTRACTING ON FEDERAL-AID CONSTRUCTION PROJECTS**

**SEPTEMBER 15, 2021**

**The attached guidelines have been approved by the following:**

**FEDERAL HIGHWAY ADMINISTRATION**

By:   
Ralph J. Rizzo, Division Administrator

DATE: Sep 20, 2021

**STATE OF HAWAII DEPARTMENT OF TRANSPORTATION, HIGHWAYS DIVISION**

By:   
Edwin H. Sniffen, Deputy Director

DATE: Sep 17, 2021

**State of Hawaii Department of Transportation Procurement Procedures for Indefinite Delivery Indefinite Quantity (IDIQ) method of contracting on Federal-aid construction projects**

The following guidelines provide the procurement procedures and responsibilities for processing Federal-Aid Indefinite Delivery/Indefinite Quantity (IDIQ) Contracts.

**GENERAL**

The Hawaii Department of Transportation (HDOT) plans to utilize IDIQ contracting as a method to expedite HDOT's delivery of competitive low bid construction procurement of various federal-aid highway funded projects.

This contracting method will allow HDOT to quickly and efficiently maintain and/or improve various locations on the State Highway system.

HDOT will advertise individual IDIQ projects for each of the four districts (Oahu, Kauai, Maui, and Hawaii) that will cover various work categories at various locations on the State Highway system. Depending on the needs of the respective Districts, each project may have multiple work areas. Potential work categories suited for IDIQ Construction Contracting include, but are not limited to:

- Rumble Strips, Pavement Marking and Striping
- Pavement Preservation Strategies
- Pavement Reconstruction
- Guardrail
- Signage
- Bridge Repairs
- Low Cost Safety Improvements

Each of the individual IDIQ contracts will be competitively bid in accordance with HDOT's Project Development Manual (PDM) and as stated below.

I. CONTRACT DOCUMENTS

- A. The IDIQ solicitation shall meet the requirements of subpart F under 23 CFR part 635. The contract documents will contain a scope of work, specifications, standard plans, best management practices and traffic control requirements. Specific project locations, scopes of work, designs, and specific quantities will not be known at the time of letting. For each contract, work orders will be issued with a defined location, duration and scope of work as determined by HDOT under the applicable IDIQ contract.
- B. Use the following link for Special Provisions for 2005 Standard Specifications. Use the files under DOT/IDIQ Federal Projects for the Special Provisions applicable only for IDIQ projects. The standard Special Provisions for DOT/Federal Projects shall be used for all other Special Provisions.

<https://hidot.hawaii.gov/highways/s2005-standard-specifications/special-provisions-for-2005-standard-specifications/>

- C. Use the following link for Federal Project Documents for 2005 Standard Specifications.

<https://hidot.hawaii.gov/highways/s2005-standard-specifications/documents-for-2005-standard-specifications/dot-federal-project-documents-for-2005-standard-specifications/>

- D. The Proposal Schedule will contain a list of construction items with estimated minimum and maximum quantities for each work area. These construction items may or may not be used in the issuance of actual work orders depending on the District's actual need and available funding. The contract language will state that the estimated quantities are for bidding purposes only and are no guarantee of the quantity of work that will be issued.
- E. The maximum total duration of a contract term including contract extensions shall not exceed five (5) years. The duration of each optional extension shall not exceed the initial contract term. There will not be an annual expenditure cap for each contract. The Project Manager will obtain concurrence from the FHWA Division Administrator prior to extending any contract.
- F. For contracts exceeding one year in duration, a price adjustment may be used when an optional contract extension is issued. The contract shall include the basis as a fixed percentage and the procedure to be used for the price adjustment. Price adjustments shall apply to work orders issued during optional contract extensions only. The price adjustment shall not be applied to items of work when those items are separately covered under commodity price escalation clauses in the contract or contract change orders issued within the contract year. Negotiated contract price adjustments shall not be used.
- G. Include the most recent US Department of Labor (USDOL) contract wage determination rates and the applicability of the most recent wage determination rates to any optional contract extension.
- H. Specify the minimum percentage of work the prime contractor must perform with its own forces. A minimum participation requirement of thirty percent (30%) is required. Self performance requirements are to be based on the cumulative amount of all work orders issued under the IDIQ Contract.
- I. The IDIQ contracts may have a Disadvantaged Business Enterprise (DBE) goal or may have a DBE Goal designated as non-specified in the event of a lack of certified DBE contractors and/or subcontractors. The DBE percentage shall apply to the total contract and not individual work orders. The Office of Civil Rights (OCR) calculates the project's unique DBE percentage. At least two months before advertising, email the following items to the OCR Branch Head requesting the calculation of your project's DBE goal.
1. Engineer's Preliminary Detail Estimate (final) – in Excel format
  2. Combine all subcontractors' work by discipline (paving, electrical, concrete, etc). Show the total dollar amount and a percentage of work for each discipline compared to the total.
  3. Ready-To-Advertise date

OCR will email a draft DBE project goal calculation and narrative for review and comment from the Project Engineer/Manager. If the draft project goal is acceptable, OCR emails the goal setting committee (FHWA Civil Rights Program Manager, HDOT PE, County PE - if applicable, OCR civil rights Coordinator, and DBE Program Supervisor) to confirm the goal.

- J. Provide provisions for liquidated damages. The assessment of liquidated damages will be based on the estimated scope of work for each work order. Click on the following link to a sample calculation:

[https://hidot.hawaii.gov/highways/files/2013/01/Spec05-pro-fd-108A\\_Computation\\_Sample\\_for\\_108.08.pdf](https://hidot.hawaii.gov/highways/files/2013/01/Spec05-pro-fd-108A_Computation_Sample_for_108.08.pdf)

- K. Contract documents shall state that there is no guarantee of a minimum number of work orders to be issued under the contract. Payments to a contractor to satisfy a minimum award provision that is not supported by eligible work is not eligible for Federal aid participation.
- L. All work will comply with Federal, State and local laws and permitting requirements. Compliance with HRS Chapter 343 must be completed prior to advertising the project. In general, the scope of work for IDIQ projects is covered under the HDOT EIS Exemption List.
- M. The completed National Environmental Policy Act (NEPA) process will not occur prior to Contract advertisement and award as specific project locations and scope of work need to be developed. The Project Manager shall obtain the FHWA Division Administrator's concurrence for Contract advertisement and award prior to completion of NEPA. The NEPA process must be completed prior to a work order being submitted for authorization and obligation of funds.

## II. ADVERTISEMENT

- A. Competitive sealed bidding shall be used for all solicitations for IDIQ Construction Contracts and conform to Hawaii Administrative Rules Chapter 3-122, subchapter 5 and Hawaii Revised Statutes Section 103D-302.
- B. HDOT will provide the Federal Highways Administration-Hawaii Division (FHWA) with the contract documents for each IDIQ solicitation for review prior to advertising an Invitation for Bid (IFB). The Project Manager shall then obtain FHWA approval and authorization of the PS&E (pursuant to 23 CFR 630.106) prior to advertising an Invitation for Bid (IFB).
- C. The Project Manager shall obtain Highway Administrator's approval and authorization of the plans prior to advertising an IFB.
- D. The IFB shall be posted on the State of Hawaii's eProcurement System – HiePRO.

- E. A non-mandatory pre-bid meeting is required at least 15 calendar days before bid opening. This means that it is mandatory for DOT to hold this meeting, but not mandatory that the bidders attend. Note that all questions are required to be submitted in writing no less than 14 calendar days before bid opening.
- F. An addendum shall be issued to respond to questions and if required to revise the project's specifications or proposal prior to bid opening.
- G. Bid documents shall be allowed to be viewed publicly in HlePRO except for documents marked confidential.

### III. AWARD

- A. A single solicitation may include multiple work areas within a District. A contract may be awarded to one or multiple contractors based on the lowest responsible bid for each work area within a District. The lowest bid will be based upon the maximum quantities in the proposal schedule.
- B. Review the apparent low bidder's bid proposal, licenses, and percentage of work done by the prime contractor to ensure that the bidder has completed and submitted all paperwork necessary and is eligible to receive the award.
- C. Submit the following documents for all bidders to the OCR to confirm the DBE goal requirements have been met:
  - 1. DBE Contract Goal Verification and Good Faith Efforts (GFE) Documentation For Construction
  - 2. DBE Confirmation and Commitment Agreement – Trucking Company
  - 3. DBE Confirmation and Commitment Agreement – Subcontractor, Manufacturer, or Supplier
- D. Do not award the project until you receive confirmation that the low bidder's DBE contract goal has been approved by OCR.
- E. Prior to the award of a contract, confirm on the <https://www.sam.gov/SAM/> website that the apparent low bidder and all his subcontractors are not suspended or debarred from working on Federal-aid projects.
- F. A Bid Tabulation showing bid proposal information for all bidders for each work area is to be completed, signed, and distributed.
- G. Concurrence of the award is required from FHWA. The Project Manager shall send a letter to FHWA requesting concurrence of award.
- H. The Recommendation on Contract Award (RCA) is to be completed and routed to the Department's various branches for their appropriate attention and action. No funding is associated with IDIQ contracts.
- I. After the RCA is approved, the award shall be made in HlePRO.

#### IV. WORK ORDERS

- A. Each District will generate individual work orders based on the bid prices in the IDIQ contract. The District or Design Branch will send the work order and all supporting documents (location map, construction schedule, PS&E checklist, detailed estimate, construction plans, right-of-way (ROW) certification and environmental documentation) to HWY-SM for review. HWY-SM will submit to FHWA for authorization and obligation of funds.
- B. Work Orders issued within the contract period must be completed prior to the contract end date. The contract duration cannot be extended beyond five (5) years to complete outstanding work orders.
- C. For pavement preservation activities, refer to the Pavement Preventative Preservation Agreement for Federal-Aid Projects dated May 2021 for requirements.
- D. Work will comply with any stipulations included in the Minor Projects Programmatic Agreement to address Section 106 requirements.
- E. Majority of the scope of work for IDIQ Construction Contracts will qualify for a Categorical Exclusion (CE) as defined in 23 CFR 771.117(a) and specifically listed in 23 CFR 771.117 (c). On October 29, 2019 a programmatic agreement was executed between HDOT and FHWA to authorize HDOT to determine on behalf of FHWA if a project qualifies for a CE under 23 CFR 771.117(c). The Project Engineer/Manager shall fill out the CE under 23 CFR 771.117(c) checklist and send to their respective Branch Head or District Engineer for Approval. For projects that do not meet the criteria of a CE under 23 CFR 771.117(c), refer to HDOT's Project Development Manual, Section 2.13 – Environmental Documentation.
- F. The ROW certification is required to obligate funds for all Federal aid projects. This certification should be completed as soon as the ROW has been cleared or reasonably cleared. The Project Engineer/Manager shall fill out a request for ROW Certification, including in-progress and/or completed Memorandums of Understanding for utility adjustments, and send to the ROW Branch.
- G. Disability and Communication Access Board (DCAB) reviews all projects for Americans with Disabilities Act standards compliance. The Project Engineer/Manager shall fill out the DCAB transmittal form and submit for review.
- H. Work will comply with relevant Memorandum of Understanding regarding utility relocation/adjustment conditions.
- I. The NEPA process must be completed prior to a project agreement being executed for a work order.
- J. Once FHWA authorizes the project agreement, including amendments, and the Contractor has obtained all the necessary permits, the District will issue the work order to the Contractor.

- K. FHWA will have the discretion to review and approve each work order prior to the Districts issuing the work orders to the Contractor.
- L. The process for addressing changes to the site conditions, work, additional work and delays caused by the State, etc. shall be provided in the Special Provisions.
- M. The work order detailed estimate shall not exceed the actual or best estimated costs of items necessary to complete the scope of work in the applicable work order and in the completed NEPA process. An amendment to the project agreement with all supporting documents shall be submitted to FHWA for approval.

V. CONTRACT CHANGE ORDERS

- A. A Contract Change Order (CCO) will be issued for changes in the contract documents or specifications. A CCO is a written order signed by the Engineer issued with or without the consent of the Contractor directing changes in the work, contract time or contract price. A CCO shall require a need, justification and adequate funding to be valid. See Procedure No. 10-02-18, Contract Change Order in the HDOT Construction Guidelines for the policies and procedure in executing a CCO.
- B. If funded with Federal-Aid Highway funds, all CCOs will require FHWA approval pursuant to 23 CFR 635.120.
- C. If the maximum quantity in the proposal schedule is exceeded by 15% a price increase may be allowed per the Special Provisions.