



Innovative approaches to delivering Federal-aid road safety projects.

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Indefinite Delivery/Indefinite Quantity (IDIQ) Contracting Can Hasten Implementation of HSIP-Funded Safety Projects

Alternative contracting approaches are becoming more widely used across the Nation. These methods can streamline Highway Safety Improvement Program (HSIP) project delivery, save money, and increase the rate at which needed safety improvements are installed. In the case of IDIQ contracting, agencies are able to “bundle” low-cost safety projects under a single contract.

Montana’s Job Order Contracting Offers District-wide Solutions

In Montana, an increase in available HSIP funds in recent Federal authorizations combined with a need to quickly implement a variety of projects that were limited in scope, repetitive in nature, and had a minimal design component resulted in an IDIQ approach from the Montana Department of Transportation (MDT) known as “Job Order Contracting” (JOC). JOC provides a way for MDT to deliver common, low-cost safety projects quickly and easily. Project types include signs, delineation, solar flashers, and traffic control at HSIP project sites on Federal-aid eligible routes in each of the State’s five districts.

Under this contracting method, an IDIQ contract is bid for a specific district through a competitive bidding process, and the successful bidder will have a guaranteed minimum amount of work. The selected contractor will then receive their first Job Order containing a list of projects. The successful bidder is required to complete all the projects listed. The Job Order, which functions as the State’s notice for the contractor to proceed and perform the work, includes site plans, specifications, quantities, schedules to complete the work, any project certifications, and other required documentation.

A typical MDT Job Order for HSIP-funded treatments will contain a bundled set of projects, often between 40 and 50. Each bundled Job Order is treated as a single task. Prior to issuing a Job Order, MDT staff meet to define goals, objectives, and schedule. Once work needs are identified, engineering staff coordinate with functional managers and district staff to investigate and review the work

The amount of time it takes to put together a project and plan package for a JOC is reduced from an average of 1-2 years using traditional contracting methods for similar projects, down to an average of 5 months. In addition, the average cost reduction has been 26 percent below the engineer’s estimate.

What is an IDIQ contract?

IDIQ contracts provide for an undefined quantity of services for a fixed time. Minimum and maximum quantity limits are specified in the basic contract as either number of units (for supplies) or as dollar values (for services). Contracting agencies use these contract vehicles when they anticipate a recurring need but cannot determine, above a specified minimum, the precise quantities of supplies or services they will require during the contract period. IDIQs can help streamline the contract process and speed service delivery.

For more information on IDIQ contracts, visit <https://www.fhwa.dot.gov/construction/cqit/idiq.cfm> or contact your FHWA Division Office.

to be accomplished, the availability of information and documents concerning the sites, the existing conditions (e.g., as built drawings), and information concerning the proposed work (drawings, sketches, etc.). Although headquarters staff coordinate the development of the Job Order package, once the package has been issued to the contractor awarded the IDIQ contract, district staff manage the contractor's work and review the installations for correctness and completeness.

New Job Orders (i.e., Job Order No. 2, Job Order No. 3) are initiated via change order. MDT typically sets up 2 year initial contracts with an optional 1 year contract extension.

Delaware's IDIQ Solution Saves Time

Delaware DOT (DelDOT) also uses IDIQ contracting to decrease the time between completion of project design and start of construction. The agency's approach varies from awarding contracts to individual contractor

DelDOT's primary measure of effectiveness is the amount of time between the completion of design and the start of construction. Between 2016 and 2022, this period ranged from **32 to 63 days** with an average of 40 days over the 7-year period.

teams to making awards to multiple teams. DelDOT has also used open-ended contracts with no treatment locations specified as well as contracts that list only some treatment sites, leaving others to be determined.

Multiple Contractor Selection based on Lowest Bid: DelDOT's approach for improving signalized intersections is to make multiple IDIQ awards to qualifying low bidders. For these contracts, the agency will typically issue a request for proposal that includes all the devices and bid items the agency uses for building or upgrading signals. Under the current IDIQ, three contractor teams have been selected. Once DelDOT identifies an individual intersection project, agency staff identify the bid units (i.e., materials, equipment, or devices) that will be needed to complete the work. They then compare the bid prices submitted by the three awardees during the competitive IDIQ bid process to determine the lowest bidder for the group of bid items needed for that particular effort. The contractor with the overall lowest price is then offered the work order. Work orders must include appropriate National Environmental Policy Act approval; traffic,

utility, right-of-way, and railroad permits; funding approvals; and sealed plans. The work order outlines the work locations, planned items, quantities of work, and the deadline for completion.

The IDIQ contains a clause that limits the amount of work any individual contractor can be selected to receive, however, and once that limit is reached—or should the contractor decline to accept the work due to schedule conflicts or other considerations—the next lowest bidder is invited to accept the project.

No Locations Specified: For installations of certain safety countermeasures, such as high-friction surface treatments (HFST), rumble strips, and systemic signing and marking, an IDIQ contract is awarded to one contractor, but locations for treatment are not identified in the contract vehicle. For example, the original IDIQ for HFST installations listed no treatment sites, but the contract duration was 3 years, and the contract language included a set number of treatments and an associated contract value for those applications. Rumble strip contracts used a similar approach.

For IDIQ contracts with open-ended delivery of safety projects, DelDOT uses data-driven network screening to identify where improvements should be installed.

Some Locations Specified: Beginning in 2015, an IDIQ was issued that included a group of specific sites to be treated. While originally intended to be open ended, due to uncertainty related to mobilization prices and high prices for the open-ended sites, the agency modified its approach to include a list of locations for treatment as well as a rider for unknown locations.

An Effective Tool in the Safety Toolbox

Job Order or IDIQ Contracting has been used to save time and money and deliver safety projects at an accelerated pace, ensuring needed improvements are implemented and making our Nation's roadways safer, faster. These approaches can be efficient practices for delivering multiple projects on a shorter timeline than needed for traditional contracting methods, and FHWA encourages agencies interested in improving safety to consider using this proven, helpful tool.

For more information on this practice, please contact your State's FHWA Division Office.

