

Section 10: Construction Delivery Order Contracts



Construction Delivery Order Contracts

- Objective: Given instruction and the workbook, at the completion of the block, each participant will be able to correctly:
 1. Describe the major differences between Requirements, Indefinite Quantity and Definite Quantity Contracts.
 2. Understand differences between single and multiple award contracts.
 3. Identify various types of work that could be performed with delivery/task order contracts.



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Section 10: Construction Delivery Order Contracts

Indefinite-Delivery Contracts

- FAR Subpart 16.5
 - ▶ Prescribes policies and procedures for making awards of indefinite-delivery contracts
 - ▶ Establishes a preference for making multiple awards of indefinite-quantity contracts
- Know we need construction services or materials but don't know exactly:
 - ▶ When
 - ▶ How Much
 - ▶ Which Services
- Issue Delivery/Task Orders as needed



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3 Main Types of Indefinite Delivery

Definite Quantity

Indefinite Quantity

Requirements Contract

- Definite Quantity
- Indefinite Quantity
- Requirements



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Indefinite Delivery

Indefinite Quantity

Requirements Contract

Definite Quantity

- **Definite Quantity (Materials)**
 - ▶ Definite quantity and price as bid for a fixed period of time
 - ▶ Delivery is made as ordered



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Indefinite Delivery

Definite Quantity

Requirements Contract

Indefinite Quantity

- **Indefinite Quantity**
 - ▶ Can be for work at multiple locations
 - ▶ Effective for the period in the schedule
 - ▶ Quantities in schedule are Estimates only and are not purchased at time of contract award
 - ▶ Delivery or performance only made as authorized orders are issued





Section 10: Construction Delivery Order Contracts



Indefinite Delivery

Definite Quantity

Requirements Contract

Indefinite Quantity

- Indefinite Quantity – Minimum Guarantee
 - ▶ Contractor only assured of a minimum guaranteed amount in the base year
 - ▶ Minimum amount is specified by the Contracting Officer and is obligated at contract award



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Indefinite Delivery

Definite Quantity

Requirements Contract

Indefinite Quantity

- Indefinite Quantity – Delivery/Task Orders
 - ▶ Issued by Contracting Officer
 - ▶ No limit to number of Dos which can be issued
 - ▶ Any DO may be for multiple services at multiple locations



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Section 10: Construction Delivery Order Contracts

Indefinite Delivery


Definite Quantity

Requirements Contract

Indefinite Quantity

Three Types of Bonding

- Bid Bonds
- Performance Bonds
- Payment Bonds



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Indefinite Delivery


Definite Quantity

Requirements Contract

Indefinite Quantity

Bid Bond:

Also called “bid guarantee”, means a form of security assuring that the bidder will not withdraw a bid within the period specified for acceptance, and will execute a written contract and furnish additional required bonds, if successful. Bond is released after award to another, or when additional bonds are received.



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Section 10: Construction Delivery Order Contracts

Indefinite Delivery


Definite Quantity

Requirements Contract

Indefinite Quantity

Performance Bond:

Secures performance and fulfillment of the contractor's obligations under the contract. Surety guarantees construction and/or services will be completed.


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Indefinite Delivery


Definite Quantity

Requirements Contract

Indefinite Quantity

Payment Bond:

Assures payment as required by law to all persons supplying labor or materials in the prosecution of work required by the contract.


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Section 10: Construction Delivery Order Contracts


Indefinite Delivery

Definite Quantity

Requirements Contract

Indefinite Quantity

1. The contractor shall provide bonding per Task Order.
2. Bid Bonds: Each bidder shall submit with his bid a bid guarantee in a form acceptable to the Government and in the required amount of \$500,000
3. Performance and Payment Bonds: Within ten (10) days after notification of award of the contract, the Contractor shall execute and furnish bonding as follows:
 - a. If the amount of the Task Order is \$30,000 or less, no bonding is required.
 - b. If the Task Order amount is greater than \$30,000 but not exceeding \$100,000, only a Payment Bond in the amount of 100% of the contract price shall be submitted.
 - c. If the Task Order amount is greater than \$100,000, both a Payment Bond and a Performance Bond, both in the amount of 100% of the contract price shall be submitted.




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Indefinite Delivery

Definite Quantity

Requirements Contract


Indefinite Quantity



Liquidated Damages

Each D.O. completion date is negotiated between the government representative and the contractor representative.

Liquidated Damages are applied based on the dollar amount of the delivery order.


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Section 10: Construction Delivery Order Contracts


Indefinite Delivery

Definite Quantity

Requirements Contract


Indefinite Quantity

Safety



Contractor required to be in Full Compliance with:

- EM-385-1-1 Safety Manual
- Current OSHA standards




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Indefinite Delivery


Definite Quantity

Requirements Contract

Indefinite Quantity





Contractor not required to make delivery after 180 calendar days following the contract termination date.



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Indefinite Delivery		
Definite Quantity	Indefinite Quantity	
Requirements Contract		
<p>Does not require a minimum guarantee, but does ensure the contractor will be employed to perform the activities described within the Scope of Work, if and as-needed, unless performed by in-house labor or volunteers.</p>		
		
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Indefinite-Delivery Contracts

- Single Award Task Order Contract (SATOC)
 - ▶ Single Solicitation – Single Award
 - ▶ For each Task Order – Negotiate with Single Contractor
 - ▶ More common O&M Contract
- Multiple Award Task Order Contract (MATOC)
 - ▶ Single Solicitation – Multiple Awards
 - ▶ For each Task Order – Negotiate with Multiple Contractors
 - ▶ Need a large program to make this method worthwhile
 - Typically awarded on Regional basis or large military construction efforts
 - Possible to borrow capacity from existing MATOCs


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Section 10: Construction Delivery Order Contracts

Pros and Cons

Pros

- One time cost for
 - Engineering
 - Solicitation and Contracting
- Faster response time
- Flexibility you need in Real World
- Consistency of Work Quality



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Cons

- More effort developing specs and scope of work up front*
- On-site people must be very knowledgeable in construction and contracting
- Must have adequate budget to make it worthwhile



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Section 10: Construction Delivery Order Contracts

Construction Delivery Order Contracts

The Process....

How do we get from start to finish?



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Steps in the Process

- Solicitation
- Award
- Execution



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[illegible]

Firm Fixed Priced (FFP), Indefinite Delivery Indefinite quality (IDIQ) Paving Contract for Metroplex Regional Office primarily for the following lakes in Texas - Ray Robert Lake, Grapevine Lake, Lewisville Lake, Lavon Lake, Benbrook Lake, Joe Pool Lake, and Bardwell Lake

This acquisition is set-aside for 8(a) Sole Source.

The Government intends to award one (1) contract, for a Base Period plus four (4) Option Periods. The total contract duration should all options be exercised, shall not exceed sixty (60) consecutive months after the contract award. Duration of each contract period is not to exceed (NTE) 365 days. The estimated contract amount is between \$1,000,000 and \$3,500,000.

FUNDING SHALL BE CITED ON INDIVIDUAL TASK ORDERS.

The Government will obligate to the contractor a guaranteed minimum amount of \$30,000 for the entire life of the contract. Bid Bond is \$500,000, and shall accompany proposal or the proposal shall be rejected. Performance and Payment Bond requirements shall be in accordance with FAR 52.228-15.



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Section 10: Construction Delivery Order Contracts

Indefinite Delivery Indefinite quality (IDIQ) Paving Contract for Robert Lake, Grapevine Lake, Lewisville Lake, Lavon Lake, E...
side for 8(a) Sole Source.

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The estimated contract amount is between \$1,000,000 a



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Before We Issue Any D.O.'s....

- Contract has been awarded?
- Pre-Work Conference completed?
- Insurance and bonding requirements confirmed?
- Funds available?
- Acceptance of Safety, Environmental Protection, Quality Control Plans, etc.?
- Addition and Betterments Documentation?
- CEFMS, P2?



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Task Order Award Process

- Determination of project requirement
- Prepare Scope of Work (SOW)
- Prepare Independent Government Estimate (IGE)
- Prepare PR&C



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Task Order Award Process

- Request for Proposal (RFP) sent to Contractor
- Proposal Review
 - ▶ Acceptable as submitted – prepare Technical Analysis and Acceptance Memorandum
 - ▶ Negotiations required
 - Prepare Pre-Negotiation Objectives Memorandum and Technical Analysis
 - Negotiate after KO approval
 - Prepare Price Negotiation Memorandum after negotiations
- KO Awards Task Order



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Section 10: Construction Delivery Order Contracts

ORDER FOR SUPPLIES OR SERVICES																																																																	
1. CONTRACT/PURCH. ORDER/ AGREEMENT NO. W9126G-07-D-0045		2. DELIVERY ORDER/ CALL NO. 0028		3. DATE OF ORDER/ CALL (YYYYMMDD) 2011 Mar 30																																																													
		4. REQ. / PURCH. REQ. W45XM A92465009																																																															
6. ISSUED BY US ARMY ENGINEER DISTRICT, FORT WORTH ATTN: CESWF-CT 819 TAYLOR ST, ROOM 2A19 P.O. BOX 17300 FORT WORTH TX 76102-0300			7. ADMINISTERED BY (if other than 6) SEE ITEM 6																																																														
<table border="1"> <tr> <td>14. TYPE OF ORDER</td> <td>DELIVERY CALL PURCHASE</td> <td>X</td> <td colspan="3">This delivery order/call is issued on another Government agency or in accordance with and subject to terms and conditions of above numbered contract.</td> </tr> <tr> <td colspan="6">Reference your quote dated _____ Furnish the following on terms specified herein. REF: _____</td> </tr> <tr> <td colspan="6"> <p>ACCEPTANCE. THE CONTRACTOR HEREBY ACCEPTS THE OFFER REPRESENTED BY THE NUMBERED PURCHASE ORDER AS IT MAY PREVIOUSLY HAVE BEEN OR IS NOW MODIFIED, SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH, AND AGREES TO PERFORM THE SAME.</p> <p>NAME OF CONTRACTOR _____ SIGNATURE _____ TYPED NAME AND TITLE _____ DATE SIGNED (YYYYMMDD) _____</p> <p><input type="checkbox"/> If this box is marked, supplier must sign Acceptance and return the following number of copies: _____</p> </td> </tr> <tr> <td colspan="6">17. ACCOUNTING AND APPROPRIATION DATA/ LOCAL USE</td> </tr> <tr> <td colspan="6">See Schedule</td> </tr> <tr> <td>18. ITEM NO.</td> <td colspan="2">19. SCHEDULE OF SUPPLIES/ SERVICES</td> <td>20. QUANTITY ORDERED/ ACCEPTED*</td> <td>21. UNIT</td> <td>22. UNIT PRICE</td> </tr> <tr> <td></td> <td colspan="2"></td> <td></td> <td></td> <td>23. AMOUNT</td> </tr> <tr> <td colspan="6">SEE SCHEDULE</td> </tr> <tr> <td colspan="3"> <p>* If quantity accepted by the Government is same as quantity ordered, indicate by X. If different, enter actual quantity accepted below quantity ordered and encircle.</p> </td> <td colspan="3"> <p>24. UNITED STATES OF AMERICA TEL: 817-896-1069 EMAIL: june.wohlbach@usace.army.mil BY: JUNE WOHLBACH CONTRACTING / ORDERING OFFICER</p> </td> </tr> <tr> <td colspan="3"></td> <td colspan="3"> <p>25. TOTAL \$257,500.25 26. DIFFERENCE</p> </td> </tr> </table>						14. TYPE OF ORDER	DELIVERY CALL PURCHASE	X	This delivery order/call is issued on another Government agency or in accordance with and subject to terms and conditions of above numbered contract.			Reference your quote dated _____ Furnish the following on terms specified herein. REF: _____						<p>ACCEPTANCE. THE CONTRACTOR HEREBY ACCEPTS THE OFFER REPRESENTED BY THE NUMBERED PURCHASE ORDER AS IT MAY PREVIOUSLY HAVE BEEN OR IS NOW MODIFIED, SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH, AND AGREES TO PERFORM THE SAME.</p> <p>NAME OF CONTRACTOR _____ SIGNATURE _____ TYPED NAME AND TITLE _____ DATE SIGNED (YYYYMMDD) _____</p> <p><input type="checkbox"/> If this box is marked, supplier must sign Acceptance and return the following number of copies: _____</p>						17. ACCOUNTING AND APPROPRIATION DATA/ LOCAL USE						See Schedule						18. ITEM NO.	19. SCHEDULE OF SUPPLIES/ SERVICES		20. QUANTITY ORDERED/ ACCEPTED*	21. UNIT	22. UNIT PRICE						23. AMOUNT	SEE SCHEDULE						<p>* If quantity accepted by the Government is same as quantity ordered, indicate by X. If different, enter actual quantity accepted below quantity ordered and encircle.</p>			<p>24. UNITED STATES OF AMERICA TEL: 817-896-1069 EMAIL: june.wohlbach@usace.army.mil BY: JUNE WOHLBACH CONTRACTING / ORDERING OFFICER</p>						<p>25. TOTAL \$257,500.25 26. DIFFERENCE</p>		
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Task Order Award Process

- Bonding approval as required
- KO issues Notice to Proceed (NTP)
- Pre-Work Conference
 - ▶ Contractor acknowledges NTP
 - ▶ Inform contractor who is performing as KO, COR, QA
 - ▶ Discuss SOW in detail
 - ▶ Discuss start and end date
 - ▶ Discuss Liquidated Damages (LD's)



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D.O. Received by Contractor - OK to Start Daily QC done by contractor

DAILY CONSTRUCTION QUALITY CONTROL REPORT
WACO PAVING, INC.

CONTRACT NO. DACW63-99-D-0002 DATE 9-3-99 REPORT NO. _____

LAKE PROJECT: () BELTON () STILLHOUSE 63 GEORGETOWN () GRANGER () CANYON

WEATHER: () CLEAR (X) P. CLOUDY () CLOUDY (X) HOT () MILD () COLD () RAIN
RAIN AMT: _____

WORK PERFORMED THIS DATE AND RESULTS OF SURVEILLANCE:

DELIVERY ORDER # 0042 Cedar Breaks ~~work~~ work on Split Rail Fence & Gates

DELIVERY ORDER # _____

DELIVERY ORDER # _____

DELIVERY ORDER # _____

DELIVERY ORDER # _____

DELIVERY ORDER # 0042 LABOR COUNT (NUMBERS AND CLASSIFICATIONS) 2 labor



Quality Assurance

QA Logs done by
government rep.

DA 2538-2-R

Modify D.O. if
needed

INSPECTOR'S QUALITY ASSURANCE REPORT (QAR)
DAILY LOG OF CONSTRUCTION - CIVIL
(ER 415-1-302)

TO FILE DATE 2-3 SEP99

PROJECT SPLIT RAIL FENCE D.O. #0042 CONTRACT NUMBER DACW63-99-D-0002

CONTRACTOR WACO PAVING WEATHER _____

PORTION OF SCHEDULED DAY SUITABLE FOR OPERATIONS				TEMPERATURE	
STRUCTURAL EXCAVATION	BORROW EXCAVATION	EMBANKMENT	CONCRETE	MINIMUM	MAXIMUM
%	%	%	%		

HAS ANYTHING DEVELOPED ON THE WORK WHICH MIGHT
LEAD TO A CHANGE ORDER OR FINING OF FACT? ☐ NO ☐ YES (explain) _____

24 HOUR PRECIPITATION _____ INCHES

NUMBER OF GOVERNMENT EMPLOYEES

SUPERVISORY	OFFICE	LAYOUT	INSPECTION	TOTAL	LABOR	FEET	TIME

NUMBER OF CONTRACTOR'S EMPLOYEES

SUPERVISORY	SKILLED	LABORERS	TOTAL	FROM	TO	FROM	TO	FROM	TO	FROM	TO
				M	M	M	M	M	M	M	M

Attach list of the following: (a) Major items of equipment either idle or working, and (b) Number and designation of contractor personnel onsite.
Note: If the contractor's Quality Control Report (QCR) contains the information it need not be repeated.

CONTRACTOR/SUBCONTRACTORS AND AREA OF RESPONSIBILITY FOR WORK PERFORMED TODAY:

CEGAR BREAKS FENCE

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

7. _____

8. _____

9. _____

10. _____

WORK PERFORMED TODAY: (Indicate location and description of work performed, refer to work performed by prime or other subcontractor by letter in Table above.)
Drill Holes and Set Posts / Fence Installation Completed.

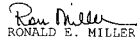
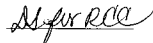
Days of no work and reasons for same: _____

Information on progress of work, causes for delays and extent of delays, plant, material, etc.
No Delays

ENG FORM 2538-2-R, Sep 93 (CIVIL) (Edition of Aug 98 may be used all subsequent) (Prepared: CEMP-CI)



Section 10: Construction Delivery Order Contracts

Work OK On-site CET's Recommend payment - Sign DD1155 inspected and received	TO: DEBBIE	DATE <u>24 SEP 99</u>
	THROUGH: ROBERT C. CHAPMAN	
	FROM: RONALD E. MILLER	
	SUBJECT: PAYMENT	
	WACO PAVING, INC. P.O. BOX 5247 WACO, TEXAS 76708	
	REFERENCE: CONTRACT #DACW63-99-D-0002	
	DELIVERY ORDER NO. <u>0042</u>	
	RECOMMEND THAT PAYMENT FOR SERVICES RENDERED ON THE ABOVE CONTRACT BE MADE. ALL WORK HAS BEEN COMPLETED TO SPECIFICATIONS AND DEDUCTIONS FOR RE-INSPECTIONS HAVE BEEN MADE, IF REQUIRED.	
	 RONALD E. MILLER	
	APPROVED BY 	

PR 5 Oct 99

Paying the Contractor

- CEFMS Receiving report completed
- Invoice goes to Millington - Copy to local office
- DD1155 "Received"
- Millington sends payment via EFT to contractor for the D.O.



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Section 10: Construction Delivery Order Contracts

Review

1. Describe the major differences between Requirements, Indefinite Quantity and Definite Quantity Contracts.
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