Indefinite Delivery – Indefinite Quantity (IDIQ) Contracts

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Brooke Bernold, M.S., PMP®
Brooke.Bernold@hhs.gov
Contracting Officer
Where are IDIQs in the FAR?

• PART 16 – Types of Contacts
  • Specifically, FAR 16.5 – Indefinite Delivery Contracts
Three Types of Indefinite-delivery contracts

• **Definite-quantity contracts** – Delivery of a *definite quantity* of specific supplies or services for a *fixed period*, with deliveries or performance to be schedule at designated locations upon order.

• **Requirements contracts**- Provides for filling *all actual purchase requirements* of designated Government activities for supplies or services during a specific contract period (*from one contractor*), with deliveries or performance to be schedule by placing orders with the contractor.

• **Indefinite–quantity contracts**- Provides for *indefinite quantity* within stated limits of supplies or services during a *fixed period*. Government places order for individual requirements. Quantity limits are stated in units or dollar values.
Indefinite Delivery, Indefinite Quantity (IDIQ)

• Minimum and maximum quantity limits are specified in the basic contract as either number of units (for supplies) or as dollar values (for services)

• Delivery orders (for supplies) or task orders (for services) awarded against a basic contract for individual requirements.
Multiple Award Preference

• According to FAR 16.504(c) the Contracting Officer (CO) must to the maximum extent practicable, give preference to making multiple awards of indefinite-quantity contracts under a single solicitation for the same or similar supplies or services to two or more sources.

• Examples of BARDA’s multiple awards: Animal Models Contracts, Fill Finish Network, Lab Services, etc.
Ordering

- Orders do NOT need to be synopsized
- Orders shall clearly describe all services or supplies so that the full cost or price for performance can be established
- Orders shall be within the scope, inside the period of performance, and within the maximum value of the parent contract
- If contract is for services, performance based acquisition must be used to the maximum extent practicable
Fair Opportunity – Below SAT

• If order does not exceed the Simplified Acquisition Threshold (SAT) the CO need not contact each of the multiple awardee before selecting an order awardee, if the CO has information to ensure that each awardee is provided a fair opportunity to be considered for each order.

• CO shall:
  ─ not use any method that would not result in fair consideration
  ─ tailor the procedures to each acquisition
  ─ include procedures in the solicitation
  ─ consider price or cost under each order as one of the factors in selection
Fair Opportunity – Above SAT

• Placed on a competitive basis

• CO shall:
  — Provide a fair notice of intent to make a purchase, including a clear description of supplies or services
  — Afford all contractors responding to the notice a fair opportunity to submit an offer and have it considered

• Question for audience: If practicable, would your company desire a debriefing on awarded orders?
• If an order is in excess of $5 million, fair opportunity shall include:
  — Notice of the task or delivery order that includes a clear statement of agency’s requirements
  — Reasonable response period
  — Disclosure of significant factors and sub factors, including cost or price, considered in evaluations and their importance
  — If award is made on best value, a written statement documenting the basis for award and the importance of quality and cost factors
  — Opportunity for a post award debrief
Post Award Notices and Debriefings

• Only required for orders in excess of $5M
• Procedures of FAR Part 15.5 are followed for notification and debriefing unsuccessful offerors
• These debriefings shall include:
  — Evaluation of the significant weaknesses or deficiencies in the offeror’s proposal,
  — The overall evaluated cost or price (including unit prices), and technical rating, if applicable, of the successful offeror and the debriefed offeror, and past performance information on the debriefed offeror;
  — The overall ranking of all offerors, when any ranking was developed by the agency during the source selection;
  — A summary of the rationale for award;
  — Reasonable responses to relevant questions

• A summary of debriefings shall be included in task or delivery order file
Protests

• No protest is authorized

• Exceptions:
  — Protest on grounds that order increases the scope, period, or maximum value of the contract
  — Protest of an order valued in excess of $10M

• Protests of an order in excess of $10M may ONLY be filed with Government Accountability Office

• The ability to protest an order in excess of $10M expires for HHS contracts on September 30, 2016, unless extended
Benefits

Benefits for All

• Flexibility of the IDIQ contract vehicle for both firms and the government,
• Task orders that are quicker and easier to propose on than with other contracting arrangements
• Quicker turnaround of task orders

Benefits for Firms

• Reduced business proposal burden, which allows for firms to devote more resources to innovative approach development
• A more predictable scope of work for firms
• With the long-term period of performance for the base contract (10 years) contractors are able to become more familiar with the mission and agency requirements
• Standardized terms and conditions for the contracts, aggregation of reporting and reduced audit burdens all make the contracting arrangement more transparent and reduce uncertainty for firms
• IDIQ contracting arrangements mean access to a new customer for the contractor, especially when large companies include small businesses in their proposals.
QUESTIONS?

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