

## Section 8: Construction Delivery Order Contracts

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# Construction Delivery Order Contracts

### Indefinite Delivery “Construction” Contracts

**Objective:** Given notes, handouts, and workbook, at the completion of the block of instruction, each participant will be able to correctly:

- 1. Describe the major differences in Requirements, Indefinite Quantity, and Definite Quantity Contracts.**
- 2. Identify various types of work that could be performed with indefinite delivery contracts.**



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**Review:**

**DD1155  
Delivery Order**

### **"Indefinite" Delivery Contracts**

**Know we will need construction services or materials but don't know exactly:**

- **When**
- **How much OR**
- **Exactly which ones we need**



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### 3 Main Types of Indefinite Delivery

- Definite Quantity (Materials)
- Indefinite Quantity (Trades & Crafts)
- Requirements (Construction)

#### Indefinite Delivery Contracts

#### Definite Quantity (Materials)

**A definite quantity and price as bid for a fixed period of time.**



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### Indefinite Delivery Contracts

#### Indefinite Quantity

(Trades & Crafts is an Example)

A contract for services or supplies specified in bid schedule.

### Indefinite Delivery Contracts

#### Indefinite Quantity

Delivery or performance shall be made **ONLY** as authorized orders are issued in accordance with the ordering clauses.



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### Indefinite Delivery Contracts

#### Indefinite Quantity - Mandatory Work

Contractor guaranteed 2% of base  
year bid and 1% of each option year

### Indefinite Delivery Contracts

#### Indefinite Quantity

Use of Delivery Orders



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### Indefinite Delivery Contracts

#### Indefinite Quantity - Bonding

##### Three Types

- Bid Bonds
- Performance Bonds
- Payment Bonds

### Indefinite Delivery Contracts

#### Indefinite Quantity

#### Liquidated Damages

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



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### Indefinite Delivery Contracts

#### Indefinite Quantity Safety

Contractor required to be in Full  
Compliance with Safety Regulations:

### Indefinite Delivery Contracts

#### Indefinite Quantity

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



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### Indefinite Delivery Contracts

#### Indefinite Quantity

**Gives us Flexibility:**

- To Execute to New Ideas
- To Rehab Older Facilities
- To Keep Up with Changing Standards
- To Complete New Construction

### Indefinite Delivery Contracts

#### Requirements Contracts

**A contract to furnish various  
construction and paving services.**



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Indefinite Delivery Contracts

### Requirements Contracts

The Government agrees to order  
all of its needs from the Contractor.

Indefinite Delivery Contracts

### Requirements Contracts

**Bid Schedules:**



## Section 8: Construction Delivery Order Contracts

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Indefinite Delivery Contracts

### Requirements Contracts

Delivery Orders:

Indefinite Delivery Contracts

### Requirements Contracts

**Bonding:**



## Section 8: Construction Delivery Order Contracts

### Indefinite Delivery Contracts

#### Requirements Contracts

#### Bonding - Payment Bond

\$1,000,000 or less - 50% of contract price

\$1,000,000 to \$5,000,000 - 4% of contract price

More than \$5,000,000 - \$2,500,000

### Indefinite Delivery Contracts

#### Requirements Contracts

#### Schedule to Determine Liquidated Damages

<u>Value of Delivery Order</u>	<u>Damages per Day of Late Performance</u>
0 - \$ 2,000	\$18.00/day
\$ 2,000 - \$ 10,000	\$24.00/day
\$ 10,000 - \$ 25,000	\$36.00/day
\$ 25,000 - \$100,000	\$54.00/day
\$100,000 - Over	\$72.00/day



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Indefinite Delivery Contracts

### Requirements Contracts

**Safety:**

Indefinite Delivery Contracts

### Requirements Contracts

**Examples of Work Performed:**

- **Stilling Basin De-Watering**
- **Road Paving**
- **Campsite Construction**
- **Your Examples????**



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### Indefinite Delivery Contracts

#### Pros and Cons of Indefinite Delivery Contracts

##### The Pros:

### Indefinite Delivery Contracts

#### Pros and Cons of Indefinite Delivery Contracts

##### The Cons:



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### Indefinite Delivery Contracts

#### Construction Delivery Order Contracts

The Process....

How do we get from start to finish?

What are the steps?

### Indefinite Delivery Contracts

Who's on the Team?



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### Indefinite Delivery Contracts

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

- Contract has been awarded?
- Pre-Work Conference completed?
- Insurance and bonding requirements confirmed?
- Funds available?
- Authority delegations for DO approvals and inspections received from KO in writing?

#### The Life Cycle of a Delivery Order

Prior to Construction

Administrative Work Prior to  
Construction

Work During Construction

Work After Construction





# Section 8: Construction Delivery Order Contracts

Quantifying...

Planning Prior to Construction

VENDOR/CONTRACTOR: \_\_\_\_\_ DATE: 7-27-99

PR&C: 921 8997  
D.O. #: 0242

NAME: WACO PAVING  
ADDRESS: P.O. BOX 5247  
CITY: WACO, TEXAS 76708  
PHONE: 254/752-4081  
QUOTER: REQ. CON. DACW63-99-D-0002  
PRICE/FOB: \$5437.35  
DISCOUNT: NET 30 DAYS

DESCRIPTION: W/F/LRPO  
CHARGE TO 249 B FOR CEDAR BREAKS  
GATE COMPLETED  
003 HCL  
61511

DATE WORK IS TO COMMENCE: 1502 DATE WORK TO BE COMPLETED: 10 SEP 99

SERVICES/SUPPLIES:  
FURNISH ALL TOOLS, LABOR, EQUIPMENT, AND MATERIALS WHEN REQUIRED, TO PERFORM THE FOLLOWING CONSTRUCTION SERVICES AT THE LOCATION AND IN THE QUANTITIES STATED BELOW, IN ACCORDANCE WITH THE SPECIFICATIONS IN THE CONSTRUCTION REQUIREMENTS CONTRACT FOR THE LITTLE RIVER PROJECT.

LOCATION/EXPLANATION: GEORGETOWN / CEDAR BREAKS PARK

<u>ITEM # 0127AU - BACKLOG, RUBBER-TIRED - 8 HES @ 70 = 560</u>	} 038 80
<u>0166AA - SPLIT RAIL FENCE, TWO RAIL - 200 LF @ 7.30 = 1460</u>	
<u>0166AB - SPLIT RAIL FENCE, TWO RAIL - IN ROCK - 310 LF @ 7.90 = 2478</u>	
<u>0166AS - AREA ACCESS GATE, IN ROCK - 1 EA @ 900.00 = 900.00</u>	
<u>018A - PAYING COSTS, PER 1000 - 5K @ 8.71 = 43.55</u>	

Approval of DA3953 Request...

Planning Prior to Construction

TO: <u>Procurement and Contracting Officer</u>	YEAR: _____	FISCAL YEAR: _____	PAGE: _____
<b>Approval of DA3953 Request...</b>			
LOCAL PURCHASES AUTHORIZED AS THE NORMAL MEANS OF SUPPLY AND THE FOREGOING SITUATION PRECLUDES USE OF ACQUISITION CHANNELS FOR SECURING ITEM		FUND CERTIFICATION The supplies and services listed on this request are properly chargeable to the following accounts, the available balances of which are not shown to be exhausted thereof, and funds have been available.	
ITEM DESCRIPTION OF SUPPLY OR SERVICE QUANTITY/UNIT ESTIMATED	Job File	ACCOUNTING CLASSIFICATION	AMOUNT
1. See Attached Sheet			\$ 5,437.35
THE FOREGOING ITEM IS REQUIRED NOT LATER THAN AS INDICATED ABOVE FOR THE FOLLOWING PURPOSE:		Approved by commanding officer or his designee	
DATE: <u>7/26/99</u> TYPE NAME AND OFFICE OF INITIATING OFFICER: <u>Paul Mullen, G-11</u> SIGNATURE: <u>[Signature]</u>	DATE: <u>7/30/99</u> TYPE NAME AND OFFICE OF COMMANDING OFFICER OR DESIGNEE: <u>ROBERT C. CHAPMAN, ORDERING OFFICER GM-13</u> SIGNATURE: <u>[Signature]</u>		

DA FORM 3953 1 AUG 78 PREVIOUS EDITIONS OF THIS FORM WILL BE USED UNTIL EXHAUSTED.



# Section 8: Construction Delivery Order Contracts

**Administrative Work  
Prior to Construction**

**Before we start pushing dirt**

**CEFMS and SAACONS/SPS**

**Administrative Work  
Prior to Construction**

**The PR&C in CEFMS**

**D.O - Build Split Rail & Gate**

**PR&C is Approved by F&A-  
Funds are Now Certified**

**PR&C is requested -  
Funds are Now Committed**

**PR&C is Approved by OM/KO  
Funds are Now Approved**

ITEM	DESCRIPTION OF SUPPLY OR SERVICE	QUANTITY/UNIT	UNIT PRICE	TOTAL COST
0001	CONCRETE REINFORCING BARS	1000 LB	2.00	2000.00
0002	STEEL REINFORCING BARS	1000 LB	2.00	2000.00



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**Administrative Work  
Prior to Construction**

**DD1155 D.O. is Issued by Use  
of SAACONS or SPS**

**Administrative Work  
Prior to Construction**

**Addition and Betterments  
Documentation Done if Needed**



## Section 8: Construction Delivery Order Contracts

**Administrative Work  
Prior to Construction**

RECORD OF NEGOTIATIONS

CONTRACT # DACH63-99-D-0002 DELIVERY ORDER # 00012 DATE 12 Aug 99

DESCRIPTION OF WORK: CONTRACT TO PERFORM CONSTRUCTION SERVICES AT  
GEORGE BURNHAM PARK, GEORGETOWN LAKE, GEORGETOWN TEXAS. ALL  
NEGOTIATIONS IN REFERENCE TO REQUIRED QUANTITIES OF BID ITEMS AND  
PROPOSED START/COMPLETION DATES HAVE BEEN AGREED UPON, AND SUCH  
WILL BE REFLECTED ON DELIVERY ORDER#00012 AND PLANS

BID ITEM	QUANTITY	UNIT	UNIT PRICE	ITEM TOTAL
0127 AL	8	HR.	* 70.00	* 560.00
0166 AA	200	L.F.	* 7.20	* 1440.00
0166 AB	210	L.F.	* 7.95	* 1669.50
0167 AB	1	EA.	* 400.00	* 400.00
0189	0	TH.	* 2.11	* 0.00
				* 6409.50

START DATE 12 Aug 99 COMPLETION DATE 10 Sep 99

LIQUIDATED DAMAGES \* 24 PER DAY

CONTRACTOR/REPRESENTATIVE: [Signature]

GOVERNMENT REPRESENTATIVE: [Signature] 8-24-99

APPROVED BY C.O.R.: Ronald Miller 12 Aug 99

**Discussion between contractor rep and government rep to agree on work items and completion date.**

**Work During Construction**

**D.O. Received by Contractor - OK to Start**

**Daily QC done by contractor**

DAILY CONSTRUCTION QUALITY CONTROL REPORT  
WACO PAVING, INC.

CONTRACT NO. DACH63-99-D-0002 DATE 8-2-99 REPORT NO. \_\_\_\_\_

LAKE PROJECT: ( ) BELTON ( ) STILLHOUSE  GEORGETOWN ( ) GRANDER ( ) CANYON

WEATHER: ( ) CLEAR  CLOUDY ( ) CLOUDY  HOT ( ) MILD ( ) COLD ( ) RAIN  
RAIN AMT: \_\_\_\_\_

WORK PERFORMED THIS DATE AND RESULTS OF SURVEILLANCE:  
DELIVERY ORDER #00012 Cedar Creek ~~work~~ work on Split Pond Run  
Flow of Gate

DELIVERY ORDER # \_\_\_\_\_

DELIVERY ORDER # \_\_\_\_\_

DELIVERY ORDER # \_\_\_\_\_



# Section 8: Construction Delivery Order Contracts

INSPECTOR'S QUALITY ASSURANCE REPORT (IQR) DAILY LOG OF CONSTRUCTION - CIVIL (DOT 418-7-2002)				THIS IQR WILL BE ATTACHED TO SP/FLIES WITH THE IQR REPORT NUMBER			
TO: FILE				DATE: 2-3 SEP99			
PROJECT: SPLIT RAIL FENCE DA# 2538				CONTRACT NUMBER: DAH413-99-D-0002			
CONTRACTOR'S NAME: Waco Fencing				ISSUE NO:			
SECTION: ERECTION				MATERIAL: REBAR			
LOCATION: BEAUFORT				MATERIAL: CONCRETE			
METHOD: REINFORCING				MATERIAL: CONCRETE			
STRUCTURE: CONCRETE				MATERIAL: CONCRETE			
EFFECTIVE: CONCRETE				MATERIAL: CONCRETE			
HAS ANYTHING DEVELOPED ON THIS WORK SINCE REPORT LEAD TO A CHANGE ORDER OR RECORD OF FACT?				YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>			
REASON FOR CHANGE ORDER OR RECORD OF FACT:				REASON FOR CHANGE ORDER OR RECORD OF FACT:			
NUMBER OF GOVERNMENT EMPLOYEES:				NUMBER OF GOVERNMENT EMPLOYEES:			
SUPERVISOR: OFFICE				SUPERVISOR: OFFICE			
SUPERVISOR: CIVIL				SUPERVISOR: CIVIL			
SUPERVISOR: INSPECTION				SUPERVISOR: INSPECTION			
SUPERVISOR: TOTAL				SUPERVISOR: TOTAL			
NUMBER OF CONTRACTORS EMPLOYEES:				NUMBER OF CONTRACTORS EMPLOYEES:			
SUPERVISOR: SHELBY				SUPERVISOR: SHELBY			
SUPERVISOR: LADDER				SUPERVISOR: LADDER			
SUPERVISOR: TOTAL				SUPERVISOR: TOTAL			
ADDITIONAL INFORMATION: (a) Major items of equipment added, used, or working; and (b) Number and identification of vehicles personnel used.				ADDITIONAL INFORMATION: (a) Major items of equipment added, used, or working; and (b) Number and identification of vehicles personnel used.			
GENERAL CONTRACTOR'S NAME AND AREA OF RESPONSIBILITY FOR WORK PERFORMED TODAY:				GENERAL CONTRACTOR'S NAME AND AREA OF RESPONSIBILITY FOR WORK PERFORMED TODAY:			
Cedar Pines Fence				Cedar Pines Fence			
WORK PERFORMED TODAY: (include location and description of work performed. This space is not to be used for information not to be repeated.)				WORK PERFORMED TODAY: (include location and description of work performed. This space is not to be used for information not to be repeated.)			
Daily Hours and Split Rail Fence Installation Completed.				Daily Hours and Split Rail Fence Installation Completed.			
Days of no work and reasons for same:				Days of no work and reasons for same:			
Information on progress of work, cause for delays and extent of delays, Plans, material, etc.				Information on progress of work, cause for delays and extent of delays, Plans, material, etc.			
No Delays				No Delays			

**Work During Construction**

## Quality Assurance:

QA Logs done by government rep.  
DA 2538-2-R

Amend D.O. if needed

**Work During Construction**

**Final inspection and punch list**

**Punch list items completed**





## Section 8: Construction Delivery Order Contracts

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### Work After Construction

### **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.

### The Life Cycle of a Delivery Order

**Prior to Construction**

**Administrative Work Prior to  
Construction**

**Work During Construction**

**Work After Construction**



## Section 8: Construction Delivery Order Contracts

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### Indefinite Delivery Contracts

## Questions?

- **Definite Quantity (Materials)**
- **Indefinite Quantity (Trades & Crafts)**
- **Requirements (Construction)**

