

Indefinite Delivery Contracts

Issues

General Issues

- IDC limits do not modify PIP limits
- IDC limits do not constitute a devolution of Building Code Authority in excess of Agency Certification
- ID contractors may not perform or offer to perform through a delivery order work for which they are not licensed (essentially brokering the work) and which is necessarily outside of the scope of the IDC

Issues - Cost Guide & Multipliers

- Unreasonably low multipliers used to acquire contracts
- Unreasonably low multipliers not actually used to price delivery order work
 - Not using the multiplier at all
 - Not using the multiplier on Subcontracted work
 - Inflating work effort to be used against unreasonably low multiplier (essentially inflating the multiplier through the back door)

How to Use Multipliers

(Manual for Planning and Execution of State Permanent Improvements
Part II – Chpt. 9, Sect. 9.2)

- Scope out work in the Cost Data Guide
- Determine cost associated with scope of work using the Cost Data Guide
- Multiply that cost by the multiplier to determine your cost for the work
- Multiplier includes all
 - Overhead
 - Delivery
 - Setup
 - Installation
 - Profit

(Note that under limited circumstances, an additional mark-up is allowed for subcontracted work)

WHAT IF?

What If the Work is not Scoped in the Cost Data Guide?

- Then the work may be outside the scope of the IDC
- If work is within scope of the IDC but more than 20% of work is not scoped in Cost Data Guide, obtain competitive quotes from multiple ID contractors
- If you have only one ID contractor or work is outside scope of IDC and you cannot proceed with a delivery order

What if the ID Contractor must subcontract work?

- Is the work within the scope of the Contractor's license?
 - Yes - apply the multiplier without markup
 - No - apply multiplier to subcontracted work and add a 13% markup

What if ID Contractor Offers a Price not Derived From the Cost Data Guide and Multiplier

- Is the contractor offering a better price?
 - Yes – must document that the price is a better price (i.e. document what the Cost Data Guide and Multiplier price is)
 - No – Must reject pricing

END OF PRESENTATION

QUESTIONS?

Visit us on the web at www.procurement.sc.gov

This link gives you access to OSE, Information Technology Management Office (ITMO) and Materials Management Office (MMO)