



Government  
Business  
Council

# Battling the Contract Crunch

How IDIQ Contracts Can Serve Understaffed Contracting Officers

# INTRODUCTION

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The maintenance and renovation of aging federal properties have created a substantial backlog of construction projects and placed significant pressure on Contracting Officers (abbreviated as COs or KOs, depending on the agency or branch) to find rapid, practical solutions. When a CO binds the federal government to a contract, they have several vital responsibilities. COs must ensure that government contracts are completed effectively, all legal requirements are met, and all parties comply with the terms of the contract.<sup>1</sup> This critical role safeguards taxpayer dollars from waste, but is not without its challenges. COs often juggle a vast number of projects and must pursue methods to reduce costs while complying with federal regulations and keeping projects within expected time frames. With this in mind, COs should consider new and creative ways to address the needs of their facilities that are cost-effective, efficient, and legally endorsed by the federal government. This brief identifies how Indefinite Delivery/Indefinite Quantity (IDIQ) contracts can alleviate a multitude of issues faced by COs.

## CONTRACTING CHALLENGES

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As previously mentioned, COs must manage multiple projects and ensure compliance, legality, and effective completion of contracts. This is no easy task. To further complicate matters, there is also a high turnover rate for COs in government. According to Deltek's 2020 Government Contracting Industry Study, turnover is common for COs, and retaining qualified talent continues to challenge the government contracting sector.<sup>2</sup> With many challenges to the role, COs could benefit from a streamlined, simplified procurement method that consolidates numerous tasks into a single, cost-effective approach. One potential solution is the use of IDIQ contracts.

<sup>1</sup> <https://www.acquisition.gov/far/1.602-2>

<sup>2</sup> <https://fcw.com/acquisition/2020/06/retention-woes-challenge-government-contractors/257795/>



## IDIQ Contracting and its Benefits

### What is IDIQ Contracting?

Legally rooted in Federal Acquisition Regulation section 16.504,<sup>3</sup> an IDIQ contract is a common form of contract in which a contractor is required to deliver an indefinite number of products or services over a predetermined amount of time or until a certain spending threshold is reached.<sup>4</sup> The products or services are guaranteed by the contractor throughout the duration of the contract and are provided on an as-needed basis. These contracts contain a minimum and maximum level of expected deliveries and typically do not exceed five years but can be extended if necessary.<sup>5</sup> IDIQ contracts enable COs to combine multiple projects of similar scope into a single contract and receive an indefinite quantity of products or services for a fixed time. IDIQs are particularly beneficial when recurring needs are anticipated. IDIQs can also be awarded to multiple contracting companies. In these cases, the CO submits orders for the tasks or deliveries, and the participating contractors submit a proposal with pricing and time commitment.

### What are the Benefits?

IDIQ contracts offer a number of benefits that can alleviate challenges that COs face. Overall, IDIQs offer an accelerated project delivery period, reduced administrative costs, and a flexible delivery schedule. Below is a more detailed explanation of IDIQ benefits.

#### 1 EFFICIENCY

The government contracting process can be lengthy, comprising several time-consuming phases. Rather than using numerous small contracts to obtain routine products or services, IDIQ contracts offer a simplified option, streamlining the contracting process into a single multiyear contract and drastically improving overall speed and efficiency. Particularly advantageous for repetitive tasks that are similar in scope, IDIQ contracts reduce administrative time and costs. COs can also use IDIQs to avoid a lengthy bidding process when the need for work arises by utilizing contractors from previous IDIQ contracts.

<sup>3</sup> [https://www.acquisition.gov/far/16.504#:~:text=\(a\)%20Description,places%20orders%20for%20individual%20requirements](https://www.acquisition.gov/far/16.504#:~:text=(a)%20Description,places%20orders%20for%20individual%20requirements)

<sup>4</sup> <https://graconllc.com/indefinite-delivery-indefinite-quantity-contracts>

<sup>5</sup> <https://graconllc.com/indefinite-delivery-indefinite-quantity-contracts/>

**2** SCALABILITY/FLEXIBILITY

IDIQ contracts can be expanded without needing to start a new procurement process, providing flexibility when needs are uncertain. Moreover, the structure of IDIQs also makes it easy to add, remove, or start new projects during the course of the contract. This flexibility can be very beneficial to COs when it's unclear just how much work will be needed, as is often the case with government contracting.

**3** AVAILABILITY

By requiring contractors to provide an indefinite number of products or services over a set period of time, IDIQ contracts allow COs to always have contractors on hand as needs arise. Additionally, IDIQ contracts allow the government to retain expertise and provide a list of contractors that a CO can work with on short notice.

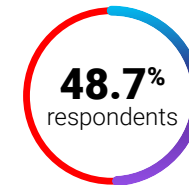
**4** COST EFFECTIVENESS

Perhaps the most important benefit of IDIQ contracts is their streamlined nature and the limited time spent in administration or deliberation, which can significantly reduce costs. As long as the minimum specified work requirements are met, contractors are given work solely on an as-needed basis, which keeps project budgets tight. In addition, multiple-award IDIQ contracts promote price competition between awarded contractors, keeping costs low.

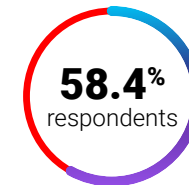
**Final Considerations**

Ensuring that government contracts are completed on time, taxpayer dollars are well spent, and all parties comply with legal requirements places a heavy responsibility on the shoulders of contracting officers. IDIQ contracts, and subsequently Job Order Contracting, can ease some of this burden. With a streamlined procurement method and a flexible, scalable approach, IDIQ contracts allow COs to quickly tackle the backlog of government construction projects while keeping costs low.

**Number of Employees Involved in the Construction Procurement Process**



**5+ people involved**  
with traditional  
delivery methods



**<4 people involved**  
with Job Order  
Contracting

**Length of the Construction Procurement Process**



**12+ weeks**  
with traditional  
delivery methods



**<12 weeks**  
with Job Order  
Contracting

## A MESSAGE FROM GORDIAN: JOB ORDER CONTRACTING AS AN SDB ENABLEMENT TOOL

Many government contracting offices are experiencing staffing shortages as they work to set up and approve myriad contracts. As the creators of Job Order Contracting, Gordian offers expert support and software tools for developing and running JOC contracts. Gordian's experts can provide specialized help to COs across the procurement cycle, from providing market research materials on JOC's use cases and benefits, to contractor recruitment, to JOC training for contractors and facilities staff, to proposal reviews, to project oversight.

Of particular interest to contracting offices is JOC's ability to enable small and disadvantaged businesses (SDBs). Whether sole-sourced or publicly bid, JOCs are a perfect way for COs to provide federal business opportunities to SDBs while still fulfilling all federal and Defense Department acquisition regulations.

While JOC will never be the only tool in your contracting toolbox, it's a highly flexible and useful option to have for facilities and construction needs. Whatever your level of need, Gordian is proud to serve as an extension of your contracting office as you serve the federal government.

We encourage you to [view this report on Job Order Contracting performance](#) or contact us directly with any questions you have about the JOC methodology.



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Gordian is the leader in facility and construction cost data, software, and services for all phases of the building life cycle. A pioneer of Job Order Contracting, Gordian's solutions also include proprietary RSMean data and Facility Intelligence Solutions. From planning to design, procurement, construction, and operations, Gordian's solutions help clients maximize efficiency, optimize cost savings, and increase building quality.

Learn more at:

 <https://www.gordian.com/>



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