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# Indefinite Quantity Contract ( IQC): Task Order Work Statement Development Checklist

An Additional Help for ADS Chapter 302

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## **Indefinite Quantity Contract ( IQC): Task Order Work Statement Development Checklist**

This document provides an itemized FAR and Agency compliance checklist for Task Order Statements of Work. Its purpose is to create a guide that Program officers will follow when drafting Task Order (TO) work statements and that Contracting Officers (COs) and specialists will use for review of the submitted statements.

This Checklist presents a sequential process for creating TO work statements that comply with the specific ordering requirements found in FAR 16.505. **The actual FAR references are underlined throughout the body of the document.** At the close of the checklist are some illustrative best practices to incorporate into pre-award activities for IQC and TO awards and a summary review of decision documentation that must be included in the contract file.

Please note that this checklist does **not** apply to Architect/Engineering Services (A&E) or Construction Services, which have additional unique requirements.

### **FAR Task Order Requirements**

FAR 16.505 (a) (2) Individual orders shall clearly describe all services to be performed or supplies to be delivered so the full cost or price for the performance of the work can be established when the order is placed.

- You must address the following factors:
  - Can work begin, once award is made?
  - Do you know what you want, when you want it, where you want it delivered, and how the contractor is to perform the work or what results are to be accomplished?
  - Do you have adequate funding for start-up?
  - Can you price what you want?
  - Do you have a Government Estimate that addresses the elements in the following list that are applicable to your solicitation?
    - labor categories
    - other direct costs (ODCs)
    - sub-awards/subcontractors
    - indirect costs
    - fee
    - sub-grants
    - annualized costs (cost in relation to specific time period)

FAR 16.505 (a) (2) Orders shall be within the scope of the IQC statement of work

- Your TO scope must fit within original IQC scope, but must be more specific than the IQC scope and more limited in one or more of the following ways:
  - Geographic coverage (discussed in detail below)
  - Time (period of performance)
  - Nature of the work (e.g., type of services and goods delivered)
  - Tasks, Deliverables, and Results
  - Client served (Limited to a specific managing office)

In the interest of fair opportunity, for multiple award IQCs, the TO cannot encompass such a large percentage of work under the IQC ceiling (e.g., more than one-quarter) that there is no or little meaningful works left to compete. **The issues surrounding task orders that encompass a large percentage of the work are usually very fact-specific, and there will likely be a need for consultation among the CTO, CO and GC. If there is a large percentage of work in the TO, you must memorialize the decision making procedure, and must document your facts; mere conclusions/assertions are not sufficient. This document will become part of the contract file.**

FAR 16.505 (a) (2) TOs shall be issued within the period of performance, and within the maximum value of the contract.

FAR 16.505 (a) (3) Performance-based work statements must be used to the maximum extent **practicable** if the contract or order is for services (see [37.102\(a\)](#)).

- CO should review and decide whether the use of a performance based work statement is practical.
- You should provide your CO with sufficient information to make this decision, and raise early in the decision process any problems that using a performance based scope of work will create.

FAR 16.505 (a) (5) Orders may be placed by using any medium specified in the IQC contract.

FAR 16.505 (a) (6) Orders placed under indefinite-delivery contracts must contain the following information:

- (i) Date of order (effective start date and estimated completion date)
- (ii) Contract number and order number
- (iii) For supplies and services, contract item number, and

Description Is the description of what you are purchasing from the contractor stated with sufficiently specific information to allow the contractor and the agency to price the action?

- For service contracts (**level of effort contracts – the contracts are defined in terms of person months or labor hours of effort. Supplies and services may be acquired under this type of contract, but the contractor is only required to provide the goods and services that can be completed within the specified person/labor efforts specified.**)
  - Does the statement of work describe inputs (resources)?
  - Labor
  - Materials
  - Other Direct Costs (ODCs)
  
- For service contracts (**completion – the contractor must provide the supplies and services set out in the scope of work.**)
  - Does the statement of work describe outputs?
  - Results
  - Accomplishments
  - Other Deliverables
  
- The ordering information set out above applies to both performance based and non- performance based contracts.
  
- For supply contracts, does the statement of work provide a specific description of the supply item?
  
- TOs can be hybrids of both supplies and services.
  - Hybrid TOs must meet the requirements for both supplies and services.

### Quantity

- Supplies – How much or how many do you need?
- Services – What percentage or number of
  - Services
  - Places
  - People
  - Accomplishments
  - Workshops
  - Training
  - Advances

Unit price or estimated cost or fee. **Pricing orders.** If the contract did not establish the price for the supply or service, the contracting officer must establish prices for each order using the policies and methods in FAR [subpart 15.4](#).

(iv) Delivery or performance schedule – Do you have a time phased implementation plan for when deliverables are due?

(v) Place of delivery or performance (including consignee).

- Acceptability of a particular Geographical scope is determined within the context and details provided in a specific TO work statement.
- Multiple locations may be acceptable, but in the background section of the Scope of Work you must show that this is necessary to meet the minimum needs of the government and that there is a rational basis for the likely locations.
  - If at the time of writing the Task Order Request for Proposals (TO RFP) there is an expectation of a “follow-on” (see below), it should be noted in the TO RFP,
  - When writing the TO RFP start with at least “one” known location (country or region) where direct costs are incurred.
  - Use the word “likely” not “illustrative” when describing multiple locations in TO RFPs where work may not be carried out in all locations.

○ Example:

“The contractor will provide a range of advisory and technical assistance services that: (1) help to realign customs and related institutions toward the goal of trade facilitation and (2) result in measurable reductions in transactions costs at international borders. These services include activities that are fully described elsewhere.

USAID anticipates a need for advisory and technical assistance services in ten to fifteen countries during the three-year contract period. USAID anticipates that the need for these advisory field visits will be, depending on mission demand, distributed among all of USAID’s operational regions as follows: three to five in Sub-Saharan Africa; two to three in Asia and the Near East; two to four in Eastern Europe and Eurasia; and two to three in Latin America and the Caribbean.

For pricing purposes only, assume that the work will take place in the following countries: Nigeria, Rwanda, Senegal, Tanzania, Zambia, Egypt, Nepal, Pakistan, Georgia, Romania, Russia, Tajikistan, Bolivia, Honduras and Haiti. It is further anticipated that the Contractor may be requested to provide related follow-on advisory and technical assistance service activities in the above-named regions.”

- If the total number of countries later exceeds the number estimated in the task order as awarded, the CO and CTO should discuss the affects of this change including, at a minimum, cost, scope, fair opportunity, and any necessary actions prior to contractor performance.
- Other Factors to consider when determining an acceptable “place of delivery” include
  - Is the place of delivery specified to a degree that tasks, deliverables and/or results can be priced?
  - Is there a logical basis for the geographic scope? Factors for consideration in choosing geographic scope:
    - Volatile or dynamic situation requires application in different countries within a regional context.
    - Historical data and surveys support the geographic scope.
    - Earmarks and other Congressional Mandates that direct work to be done in specific areas or regions.
    - “Fair opportunity to be considered” is an important concern of USAID and of contractors. Consolidation of different but related work activities and work at multiple locations into a single Task Order can be seen as limiting the opportunity of all IQC holders to compete for a range of tasks under the IQC. Factors that support the agency’s requirement to consolidate tasks and/or work at multiple locations include:
      - Deliveries are time critical
      - Agency will achieve economies of scale under the TO and will avoid unnecessary cost duplication.
      - Award of multiple TOs creates an administrative burden because there are insufficient personnel and resources to manage separate contracting actions. Lack of capacity to administer due to Agency downsizing and budget cuts.
      - Single contractor needed for effective integration of inter-related tasks. PLEASE NOTE: Simply stating that the Agency frequently experienced difficulties when tasks are handled by different contractors was found to be an insufficient basis for allowing broad geographical scopes for TOs. The drafter should explain the importance and added value of having one contractor responsible for the required set of tasks.
      - Procurement by separate acquisition involves undue technical risks or undermines the requirement for interchangeability and compatibility.
    - The consolidation analysis must be in writing and included in the contract file. It must document the factual basis and rationale for

consolidating different work activities at multiple locations in a single task order.

(vi) Any packaging, packing, and shipping instructions.

- Branding requirements

(vii) Accounting and appropriation data.

(viii) Method of payment and payment office, if not specified in the contract.

**AFTER TO AWARD: When needs change – There are exceptions to the “fair opportunity to be considered” requirement.** Communicate with your CO as changes occur (GC as necessary)

FAR 16.505 (b)(IV) The logical follow-on exceptions: The order must be issued on a sole-source basis in the interest of economy and efficiency as a logical follow-on to an order already issued under the contract, provided that all awardees were given a fair opportunity to be considered for the original order.

- AAPD 02-12 – exception may be used if the follow-on is truly a logical follow-on and is placed under the same IQC as the initial order. Task Order Contracting Officers and Task order CTOs should advise all contractors in the request for TO proposals for the initial TO that a logical follow-on order is likely, especially when the initial order is relatively small and the follow-on may be larger.

FAR 16.505 (b)(I). The agency need for the supplies or services is so urgent that providing a fair opportunity would result in unacceptable delays;

FAR 16.505 (b)(II). Only one awardee is capable of providing the supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized;

FAR 16.505 (b)(IV). It is necessary to place an order to satisfy a minimum guarantee.

USAID specific exception to Fair Opportunity for Small Business (Note this is just an annual authority that must be approved in each years appropriations act) when the order is placed with any category of small or small disadvantaged business .

### **Decision documentation for orders FAR 16.505**

The contracting officer will document in the contract file the rationale for placement and price of each order, including the basis for award and the rationale for any tradeoffs among cost or price and non-cost considerations in making the award decision.

This documentation need not quantify the tradeoffs that led to the decision.

**The contract file shall also identify the basis for using an exception to the fair opportunity process. A Justification for Full and Open Competition (JOFOC) is not required, but the contract file must document the basis for the decision.**

**If the agency uses the logical follow-on exception, the rationale shall describe why the relationship between the initial order and the follow-on is logical (e.g., in terms of scope, period of performance, or value).**

### **GENERAL BEST PRACTICES TO MAXIMIZE TRANSPARENCY IN THE INDEFINITE QUANTITY CONTRACT (IQC) AND TASK ORDER DEVELOPMENT AND AWARD PROCESS**

The following list of best practices is illustrative. The type or types of best practices that will be applied to a specific contracting action will depend on the nature and circumstances of the contracting action. Since use of best practices enhances the quality of the solicitation process, these practices should be employed to the maximum extent possible.

#### During IQC Development

- Solicit industry input, e.g., publish draft RFPs

- Hold Bidders Conferences

- Ensure enough time for pre-award activities

- Provide even-handed outreach to partners (known and unknown)

#### After IQC Award

- Hold an initial IQC Directors conference to explain standard procedures

- Encourage all IQC holders to establish clear contact information

#### During TO Development

**Where there is an issue with respect to any aspect with the scope of work set out in this checklist, you must memorialize the decision making procedure with respect to that aspect, and you must document your facts; mere conclusions/assertions are not sufficient. This document will become part of the contract file. .**



Alert the IQC CO and CTO of any need for waivers, exceptions or other alterations to the base IQC contracts that are needed to accomplish the Task Order.

Ensure enough time for pre-TO award activities including a question and answer period

#### After TO Award

Ensure that the IQC CO and CTO receive copies of the Task Order award for the IQC project files.

#### **Summary Review of Decision Documentation That Must Be Included in the Contract File**

Large Task Orders (TOs): If there is a large percentage of work in the TO ( e.g more than 25%), memorialize the decision making procedure, and document your facts. The decision making process must be very fact specific; mere conclusions and assertions are not sufficient.

Consolidation analysis: Analysis documenting the factual basis and rationale for consolidating different work activities at multiple locations in a single Task Order .

Exceptions to Fair Opportunity: If you are using a FAR or the USAID specific exception to fair opportunity, you must document the decision in accordance with FAR 16.505.

#### **Additional Information**

For additional information on IQC contracts, see AAPD 02-12.