

2026 Regular Session

HOUSE BILL NO. 856

BY REPRESENTATIVES FONTENOT AND THOMPSON

TRANSPORTATION DEPT: Provides relative to Indefinite Delivery, Indefinite Quantity Construction Phase Contract

1 AN ACT

2 To enact R.S. 48:250.5, relative to Indefinite Delivery, Indefinite Quantity Construction
3 Phase contracts; to authorize the Department of Transportation and Development and
4 the office of Louisiana Highway Construction to use Indefinite Delivery, Indefinite
5 Quantity (ID/IQ) contracting for certain projects; to provide for single or multiple
6 competitive low-bid and best value ID/IQ construction phase contracts including
7 multiple work orders and multiple awards; to provide for definitions; to provide for
8 procedures and requirements for contracting; to provide for severability; to provide
9 for rulemaking; to provide for an effective date; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 48:250.5 is hereby enacted to read as follows:

12 §250.5. Indefinite Delivery, Indefinite Quantity Construction Phase Contracts

13 A. The legislature declares it to be in the public interest to increase
14 efficiency and improve operational readiness in the construction and maintenance
15 of state highways and bridges. Notwithstanding any other provision of law to the
16 contrary or requirements of this Part, if the secretary and the executive director
17 determines it is in the best interest of the taxpayers, the department and the office of
18 Louisiana Highway Construction (OLHC) may procure and award indefinite

1 delivery, indefinite quantity construction phase contracts pursuant to the
2 requirements of this Section for the maintenance, preservation, reconstruction, repair,
3 and construction projects let by the department and the OLHC, and related incidental
4 work.

5 B. As used in this Section, the following terms shall have the following
6 meanings:

7 (1) "Best value" means a selection process in which proposals contain price
8 and qualitative components and award of the indefinite delivery, indefinite quantity
9 contract based upon a combination of price and qualitative considerations as
10 provided in the solicitation documents.

11 (2) "Indefinite delivery, indefinite quantity (ID/IQ)" means a method of
12 contracting that allows for delivery of an indefinite quantity of services over a fixed
13 duration under which delivery of specific services is authorized by work orders.

14 (3) "Indefinite delivery, indefinite quantity (ID/IQ) construction phase
15 contract" means the contract awarded to an ID/IQ contractor pursuant to the
16 requirements of this Section.

17 (4) "Low bid" means a selection process in which proposals are evaluated
18 based on the proposed price from the lowest responsible bidder.

19 (5) "Multiple award" means an ID/IQ procurement where awards of ID/IQ
20 construction phase contracts for the same scope of services are made to multiple
21 ID/IQ contractors through a single procurement.

22 (6) "Single award" means an ID/IQ procurement where award of the ID/IQ
23 construction phase contract is made to a single ID/IQ contractor.

24 (7) "Work order" means a contract document issued for a definite scope of
25 work pursuant to an ID/IQ construction phase contract. A work order provides the
26 location, time, and scope of work required and authorizes the ID/IQ contractor to
27 deliver the scope of services described in the work order. It also provides required
28 pay items, quantities, and unit prices, as applicable.

1 C. For federal aid projects, the department and the OLHC shall comply with
2 all federal regulations that are conditions to federal assistance, including but not
3 limited to provisions of 23 CFR Part 635, Subpart F, as amended. In the event of a
4 conflict between applicable required federal regulations and the provisions of Title
5 48 and any state rules or regulations, the federal regulations shall control.

6 D. The legislature authorizes the department and the OLHC to use
7 competitive low bid or best value, or any other form of ID/IQ, to select a successful
8 bidder or bidders. Procurements under this Section may include single award or
9 multiple award. The procurement documents shall establish procedures for
10 determining the successful bidder or bidders, such as best value evaluation factors
11 where applicable.

12 E. Procurement and award of ID/IQ construction phase contracts shall meet
13 the following requirements:

14 (1) Single award ID/IQ construction phase contracts which will be awarded
15 on a low bid basis shall follow either the advertisement for low bid contracts set forth
16 in R.S. 48:255 or the requirements for advertisements set forth in this Section. If a
17 single-award, low-bid ID/IQ construction phase contract is advertised pursuant to
18 R.S. 48:255, award may also be made pursuant to R.S. 48:255. If award is made
19 pursuant to R.S. 48:255, the department and the OLHC are not required to follow the
20 provisions of this Section.

21 (2)(a) Prior to the award of any multiple award ID/IQ construction phase
22 contract or a single award ID/IQ construction phase contract not advertised pursuant
23 to R.S. 48:255, the department and the OLHC shall issue a "notice of intent" (NOI)
24 through advertisement on its designated webpage to request letters of interest (LOI).
25 All notices shall be advertised a minimum of ten days prior to the deadline for
26 receipt of responses. The NOI shall contain a description of the ID/IQ services to be
27 procured. The department and the OLHC may readvertise the NOI using additional
28 media or publications to solicit additional responses if the number of responses
29 received by the department and the OLHC are deemed inadequate to encourage
30 competition.

1 (b) Following receipt of letters of interest, the department and the OLHC
2 shall issue a "request for proposals" (RFP) to contractors that submit an LOI. The
3 RFP shall include instructions for development and submittal of proposals, a
4 description of how proposals will be evaluated, and estimated quantities and unit
5 prices, and shall comply with the requirements of this Section. All procurement
6 documents issued by the department and the OLHC, including the NOI and RFP,
7 shall indicate whether a single award or multiple awards will be made.

8 (c) Bid bonds in accordance with R.S. 48:253 shall be specified in the
9 department and the OLHC's standard specifications or special provisions. The
10 department and the OLHC may waive the requirement for bid bonds for
11 procurements under this Section.

12 (d) The assistant secretary for project delivery, with the concurrence of the
13 secretary, and the executive director of the OLHC shall establish an evaluation
14 committee for evaluation of proposals received by the department and the OLHC.
15 The evaluation committee may, in its discretion, be assisted by other department and
16 OLHC personnel and external advisors in the evaluation of proposals. The
17 evaluation committee shall evaluate proposals as described in the RFP and make a
18 recommendation of award to the secretary and executive director. The secretary,
19 executive director, or their designees shall make the final determination of award.

20 F. The department and the OLHC may include the following items in its
21 procurement documents or contract:

22 (1) Payment of mobilization or demobilization costs and the method for
23 determining mobilization and demobilization reimbursement if the department and
24 the OLHC opts to award those costs separate from an individual work order.

25 (2) The method for determining price escalation or de-escalation.

26 (3) Special provisions specific to ID/IQ construction phase contracts.

27 (4) Unit pricing or lists of work items specific to ID/IQ construction phase
28 contracts.

1 (5) A minimum quantity or dollar value of supplies or services that the
2 department and the OLHC are obligated to order and the contractor is obligated to
3 furnish, if the department and the OLHC opts to set a minimum.

4 G. The term of the initial ID/IQ construction phase contract and any optional
5 contract extensions shall not exceed five years. The duration of the initial term and
6 the terms of individual contract extensions shall be determined by the department
7 and the OLHC. The ID/IQ construction phase contract shall serve as the underlying
8 agreement that establishes the general terms and conditions governing the
9 relationship between the department and the OLHC and the selected bidder.
10 Execution of the ID/IQ construction phase contract shall not authorize work or serve
11 as a notice to proceed.

12 H. Payment bonds under R.S. 48:256.3, performance bonds under R.S.
13 48:255(D), retainage bonds under R.S. 48:256.1, the minimum required warranty
14 period under R.S. 48:251, and the general requirements of Part XIII of Chapter 1 of
15 this Title shall apply to the value and completion of work under an individual work
16 order rather than the value and completion of all work under the ID/IQ construction
17 phase contract unless otherwise specified in the ID/IQ construction phase contract
18 or the individual work order, or otherwise provided in a special provision of the
19 department and the OLHC. The requirement of issuance of payment, performance,
20 and retainage bonds shall be at the time of execution of an individual work order
21 unless otherwise specified by the ID/IQ construction phase contract, the individual
22 work order, or a special provision developed by the department and the OLHC.
23 Stipulated damages apply to individual work orders and shall be calculated by the
24 required completion date of an individual work order. Insurance policies and the
25 extent and type of coverage required shall be as determined by the department and
26 the OLHC. This Subsection shall also apply to low bid ID/IQ contracts pursuant to
27 R.S. 48:255.

28 I. This Section shall not apply to engineering and design service contracts
29 or other consulting contracts of the department and the OLHC authorized by this Part

1 or federal aid projects governed by 23 CFR Part 172, except that design services may
 2 be included in these contracts to the extent that they support the construction phase
 3 of projects.

4 J. Except as otherwise provided in this Section, the provisions of this Part
 5 shall apply to ID/IQ construction phase contracting. In the event of a conflict, the
 6 provisions of this Section shall prevail and shall supersede any conflicting provision
 7 of state law.

8 K. The department and the OLHC may establish guidelines, standard
 9 specifications, special provisions, handbooks, or other required documents for
 10 elements of ID/IQ construction phase contracting not explicitly provided for in this
 11 Section or otherwise subject to the Administrative Procedure Act.

12 L. The department and the OLHC may promulgate rules and regulations to
 13 implement and enforce the provisions of this Section in accordance with the
 14 provisions of the Administrative Procedure Act.

15 Section 2. This Act shall become effective upon signature by the governor or, if not
 16 signed by the governor, upon expiration of the time for bills to become law without signature
 17 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 18 vetoed by the governor and subsequently approved by the legislature, this act shall become
 19 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 856 Reengrossed

2026 Regular Session

Fontenot

Abstract: Establishes the use of indefinite delivery, indefinite quantity construction phase contracts by the Department of Transportation and Development and the office of Louisiana Highway Construction. Provides procedures, definitions, and requirements to govern the contracts while providing flexibility for project-specific needs.

Proposed law declares that improving efficiency in highway and bridge construction and maintenance is in the public interest. Authorizes the Dept. of Transportation and Development (DOTD) and the office of La. Hwy. Construction (OLHC) to award indefinite delivery, indefinite quantity construction phase contracts for maintenance, repair,

reconstruction, and construction projects when the secretary and the executive director determines it is in the best interest of taxpayers.

Proposed law provides for definitions of the following:

- (1) "Best value" means a selection process in which proposals contain price and qualitative components and award of the indefinite delivery, indefinite quantity construction phase contract based upon a combination of price and qualitative considerations as provided in the solicitation documents.
- (2) "Indefinite delivery, indefinite quantity (ID/IQ)" means a method of contracting that allows for delivery of an indefinite quantity of services over a fixed duration under which delivery of specific services is authorized by task orders.
- (3) "ID/IQ construction phase contract" means the contract awarded to an ID/IQ contractor pursuant to the requirements of this Section.
- (4) "Low bid" means a selection process in which proposals are evaluated based on the proposed price from the lowest responsible bidder.
- (5) "Multiple award" means an ID/IQ procurement where awards of ID/IQ construction phase contracts for the same scope of services are made to multiple ID/IQ contractors through a single procurement.
- (6) "Single award" means an ID/IQ procurement where award of the ID/IQ construction phase contract is made to a single ID/IQ contractor.
- (7) "Work order" means a contract document issued for a definite scope of work pursuant to an ID/IQ construction phase contract and provides the location, time, and scope of work required and authorizes the ID/IQ contractor to deliver the scope of services described in the work order. It also provides required pay items, quantities, and unit prices, as applicable.

Proposed law requires the DOTD and the OLHC to comply with all applicable federal regulations for federal-aid projects and provides that federal regulations control in the event of a conflict with state law or rules.

Proposed law requires that single-award, low-bid ID/IQ construction phase contracts follow either advertising procedures in present law or the advertising requirements of proposed law. Authorizes the DOTD and the OLHC to award the contract.

Proposed law requires the DOTD and the OLHC, before awarding multiple-award or single-award ID/IQ construction phase contracts not advertised under existing low-bid procedures to issue a "notice of intent" (NOI) on its designated webpage to solicit letters of interest (LOI). Requires notices to be advertised at least 10 days before the response deadline and include a description of the ID/IQ services. Further authorizes the DOTD and the OLHC to readvertise the NOI through additional media or publications if the number of responses is deemed insufficient to encourage competition.

Proposed law requires the DOTD and the OLHC to issue a "request for proposals" (RFP) to contractors that submitted an LOI. Further requires that the RFP include instructions for preparing and submitting proposals, evaluation criteria, estimated quantities and unit prices, and indicate whether a single or multiple awards will be made. Additionally, requires that all procurement documents, including the NOI and RFP, comply with proposed law.

Proposed law requires that bid bonds be specified in the DOTD and the OLHC's standard specifications or special provisions. Authorizes the DOTD and the OLHC to waive the requirement for bid bonds for procurements under proposed law.

Proposed law requires the assistant secretary for project delivery, with the secretary and executive director's concurrence, to establish an evaluation committee to review proposals and authorizes assistance to the committee by other DOTD and OLHC personnel or external advisors. Requires the committee to evaluate proposals as described in the RFP and recommend an award to the secretary and the executive director, who makes the final determination.

Proposed law authorizes the DOTD and the OLHC to include the following in its procurement documents or contracts:

- (1) Payment of mobilization or demobilization costs and the method for determining reimbursement if such costs are awarded separately from an individual work order.
- (2) The method for determining price escalation or de-escalation.
- (3) Special provisions specific to ID/IQ construction phase contracts.
- (4) Unit pricing or lists of work items specific to ID/IQ construction phase contracts.
- (5) A minimum quantity or dollar value of supplies or services the DOTD and the OLHC is obligated to order and the contractor is obligated to furnish, if the department chooses to set a minimum.

Proposed law limits the term of the initial ID/IQ construction phase contract and any extensions to a maximum of five years and provides that the DOTD and the OLHC determines the duration of the initial term and any individual extensions. Requires that the ID/IQ construction phase contract establishes the general terms and conditions governing the relationship between the DOTD, the OLHC, and the selected bidder. Prohibits execution of the ID/IQ construction phase contract from authorizing work or serving as a notice to proceed.

Proposed law requires that payment bonds, performance bonds, retainage bonds, minimum warranty periods, and general requirements of present law apply to the value and completion of individual work orders rather than the entire ID/IQ construction phase contract, unless otherwise specified in the contract, work order, or special provisions. Further requires that payment, performance, and retainage bonds be issued at the time of execution of each individual work order, unless otherwise specified. Provides that stipulated damages apply to individual work orders and are calculated based on each work order's required completion date. Additionally, authorizes the DOTD and the OLHC to determine insurance policies coverage extent, and type. Further requires that proposed law also apply to low bid ID/IQ contracts.

Proposed law excludes engineering and design service contracts, other authorized consulting contracts, and federal-aid projects, but allows design services to be included in these contracts to the extent that they support the construction phase of projects.

Proposed law provides that the provisions of present law apply to ID/IQ construction phase contracting. Proposed law provides that, in the event of a conflict, the provisions of proposed law prevail and supersede any conflicting state law.

Proposed law authorizes the DOTD and the OLHC to establish guidelines, standard specifications, special provisions, handbooks, or other requirements documents for elements of ID/IQ construction phase contracting not explicitly provided for in proposed law or present law.

Proposed law authorizes the DOTD and the OLHC to promulgate rules and regulations to implement and enforce proposed law.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 48:250.5)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Transportation, Highways and Public Works to the original bill:

1. Change "Indefinite Delivery, Indefinite Quality contracts" to "Indefinite Delivery, Indefinite Quality Construction Phase contracts".
2. Add the office of Louisiana Highway Construction as authorized to engage in Indefinite Delivery, Indefinite Quality Construction Phase contracting.
3. Provides certain authority to executive director of the office of Louisiana Highway Construction.
4. Make technical changes.

The House Floor Amendments to the engrossed bill:

1. Make technical changes.
2. Remove "task order" from the list of definitions contained in proposed law.
3. Add that payment bonds, performance bonds, retainage bonds, the minimum required warranty period, and the general requirements of present law (Part XIII of Chapter 1 of Title 48) also apply to low bid Indefinite Delivery, Indefinite Quantity construction phase contracts.