

Research Trends and Results

Comprehensive public works procurement methods in the U.S. and the U.K.

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1. Introduction

Procurement of works by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) is now almost always done by open tendering and the overall evaluation system, while the procurement method is the uniform tendering and contracting system. In America and Europe on the other hand, diverse procurement methods are used.

The NILIM is surveying overseas procurement methods of this kind in order to contribute to improvement of public procurement in Japan, and this paper reports on comprehensive procurement methods.

2. ID/IQ in the U.S.

Under Federal Acquisition Regulation (FAR), Indefinite-Quality Contracts are stipulated as one type of Indefinite-Delivery Contracts. Indefinite-Quantity Contracts, which are generally called ID/IQ, are signed as comprehensive contracts in which both the procurement period and quantity are unspecified, and are used by the US Army Corps of Engineers (flood control structures etc.) and by the Federal Highway Administration.

An ID/IQ contract includes a basic contract and individual orders based on the basic contract called task orders (below, "TO").

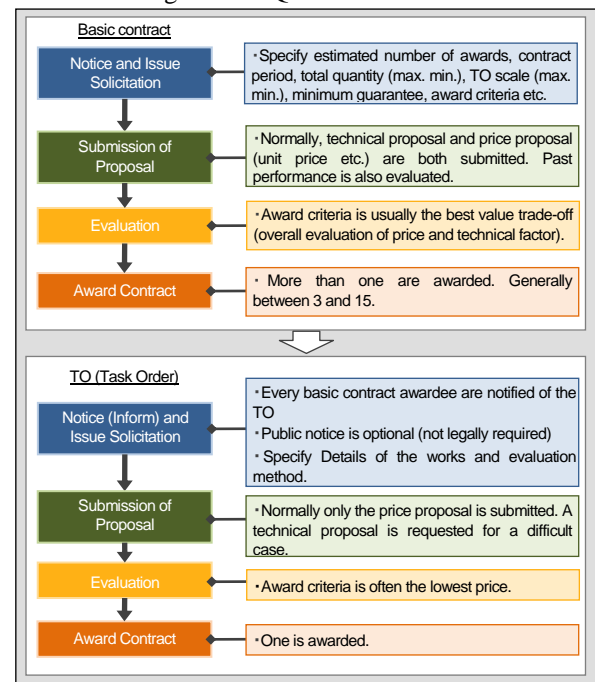
The figure shows the basic contract and TO procedure. The request for a basic contract indicates the maximum and minimum quantities of both the basic contract and the TO (total quantity). The award criteria is trade-off with the best value (total evaluation of price and technical factors) for the basic contract, while for a TO, it is often the lowest price. The basic contract request, in many cases, presents the initial TO and specifies the awardee of the first TO at the same time as it specifies awardees of the basic contract.

The contract period is often a maximum of five years, and the initial basic contract is considered one year + option year(s), and renewal agreements are often signed.

3. Framework agreement in the U.K.

A framework agreement (below, "FA") is stipulated by the Directive 2004/18/EC. A FA is defined an agreement between one or more contracting

Figure. ID/IQ Flow in the U.S.



authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged. The term of the FA may not exceed four years. Where a FA is concluded with several economic operators, the latter must be at least three in number. The U.K. stipulates regulations similar to those of the directive in The Public Contract Regulations.

The award criteria of a FA in the U.K. is done in the same way as procurement of normal independent contracts, contracting authorities use 'the most economically advantageous' (not the lowest price). There is no legal obligation to issue a public notice of an individual contract based on the FA (called a "Call-off"), that may be directly awarded by application of the terms laid down in the FA, or be awarded by mini-competition.

4. Conclusions

The comprehensive procurement method is used for construction and for maintenance in both the U.S. and

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the U.K. At this time, MLIT uses the comprehensive method exceptionally under a cooperative agreement on disaster response, but we think that it may be possible to apply comprehensive methods much more widely.