
DIGEST

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HB 856 Engrossed

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" or "task 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 task 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.

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 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.