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The Nuts and Bolts of Writing Scopes of Work and Competing and Awarding Task Orders under IQCs

An Additional Help for ADS Chapter 302

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Who is this for?

This document is for Contract Officers, CORs and Technical Advisors. It presents the nuts and bolts of writing scopes of work and competing, awarding, and managing task orders. It is written in a common language to facilitate communication and understanding. Its purpose is to make life easier for anyone working with a task order under an IQC and to help them to stay on the right side of FAR requirements (FAR 16.505). The specific and relevant FAR sections are referenced throughout.

Note: If you are looking for Architect/Engineering Services (A&E) or Construction Services this document is not for you. Task orders for these services have additional, unique requirements.

Step #1 Select the correct IQC and a scope of work that is appropriately “sized” and differentiated from the overall IQC

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

.... but must be more specific than the IQC scope and differ in one or more of the following ways:

- ***Geographic coverage***
- ***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)***

For multiple award IQCs, any one task order cannot account for such a large percentage of work (e.g., more than one-quarter) that there is no or little meaningful work left to compete.

If there is a large (more than 25%) percentage of work under the IQC in any one task order, you must make a written record “memorialize” the decision making procedure, must document your facts, mere conclusions/assertions are not sufficient. This document will become part of the contract file. The issues surrounding task orders that encompass a large percentage of the work are usually very fact specific and the CO CTO and GC may need to discuss the requested order before ordering

Step #2 Make sure the amount and the time period for the scope of work fits within the IQC

Every IQC has a ceiling and a period of performance.

- You cannot write a task order that goes over the funding ceiling of the IQC. Check with the IQC CTO to find out the remaining ceiling of the IQC before issuing a task order request.

- A task order can be awarded any time during the performance period of the IQC. A task order can “run” up to 36 months beyond the performance period of the IQC, as long as it is awarded during the performance period. *FAR 16.505 (a) (2) Orders shall be issued within the period of performance, & be within the maximum value of the contract.*

For Section 508 purposes, the following describes the diagram below: There are three horizontal bars parallel to each other on the top of this page. The first bar extends the width of the page and it has IQC written on it and indicates an IQC has a certain period of performance and it may run up to 36 months after the end of the IQC. The second bar (which is below the first) extends half of the width of the page and has ordering period written on it which indicates a task order may be done under an IQC anytime during the IQC's period of performance. The third bar (which is below the second) extends the width of the page and it has potential task order period written on it and indicates that the task order may last the entire period of performance or run up to 36 months after the end of the IQC.



Step #3 Define the goods or services that the task order is buying. This definition becomes the “program.”

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.

To describe a program, you must be able to say: 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.

Examples of Programs

The Global Health Bureau of the United States Agency for International Development (USAID), Office of Population and Reproductive Health requests proposals from Private Sector Program (PSP) Indefinite Quantity Contract holders to provide technical assistance services to improve the ability of reproductive health/family planning (RH/FP) service providers to access commercial sources of credit in selected countries [over the specified period of time in the task order]. The overall purpose of this task order is to improve the environment for private sector health care providers to access credit, and thereby improve their capacity to deliver high-quality reproductive health and family planning services to populations of interest in a financially sustainable manner. By

increasing access of the private health sector to commercial credit, this task order is expected to contribute to the following outcomes:

- improved financial viability of private health service providers
- expansion of the range of services offered by private providers to include reproductive health and family planning services,
- extension of privately provided services to underserved and hard to reach communities,
- increased quality of care provided through improvements in facility, capacity or commodity supply.

USAID/Uganda anticipates awarding a task order for up to \$1.2 million for 18 months under the Population Health and Nutrition Technical Assistance Support Contract (TASC II). Under this task order the contractor will be responsible for working with the Ministry of Health, Uganda AIDS Commission (UAC), Public Service Commission, private providers and private sector businesses to implement a workplace HIV/AIDS activity which will allow for the increased provision of AIDS prevention and treatment services to private sector employees. In addition, the activity will expand the number of qualified and accredited private sector providers of anti-retroviral therapy (ART). It is anticipated that the activity will last for 18 months after the award of the task order. By the end of this task order the workplace HIV/AIDS activity will be fully operational with a variety of both private businesses and providers participating. It is expected that by the end of the task order the following targets will have been met:

- Twenty to thirty private sector businesses offer new HIV/AIDS prevention and treatment benefits;
- At least 10,000 employees who can access HIV/AIDS prevention and treatment services if needed; and
- Over 50 private providers trained in HIV/AIDS care and treatment.

A scope of work must be submitted to the USAID/W CTO for clearance to ensure that it fits within the scope of the IQC. The USAID/W CTO can also provide assistance to ensure that the SOWs and evaluation criteria are properly designed.

MINIMUM CONTENTS OF A SCOPE OF WORK

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

1. Date of order
2. Contract number and order number
3. For supplies and services, contract item number and description, quantity, and unit price or estimated cost or fee Is the description of what you are purchasing from the contractor stated with sufficiently specific information to allow the contractor and the agency price the action?
4. Delivery or performance schedule

5. Place of delivery or performance (including consignee)
6. Any packaging, packing, and shipping instructions
7. Accounting and appropriation data
8. Method of payment and payment office, if not specified in the contract (see [32.1110\(e\)](#)).

In addition, orders must contain:

1. Identification of the type of TO whether cost plus fixed fee, firm fixed price or level of effort;
2. A Work Statement that is based upon performance standards, deliverables and results for which the contractor shall be held responsible with sections describing:
 - a. Title
 - b. Background
 - c. Work Statement
3. Performance Monitoring Plan;
4. Reports and Other Deliverables;
5. Period of Performance;
6. Technical Direction and Designation of Responsible USAID Officials (e.g., CO & COR);
7. Logistic Support Provided by Mission or Bureau (if any);
8. Special Requirements/Relevant Information

KEY PERSONNEL

The key personnel and their position title(s) for the performance of a TO should be designated in each Task Order. The key personnel proposed by the Contractor are considered to be essential to the work being performed. Unless otherwise agreed to by the CO, the Contractor shall be responsible for providing such personnel for performance of the task order. Replacement of key personnel cannot be made by the Contractor without the written consent of the Contracting Officer. The listing of key personnel may, with the consent of the contracting parties, be amended from time to time during the course of the task order to add, change, or delete personnel and positions, as appropriate.

PERFORMANCE MONITORING PLAN

Each TO should contain a Performance Monitoring Plan that will specify how performance is to be measured in the SOW. Contractors may be required to submit monitoring and evaluation plans (to include benchmarks, milestones, deliverable, results, performance indicators and standards, etc.) as requested by the CO and CTO.

Step #4 Determine how much the program should or will cost and if you have adequate funding to start up the program.

A Government Cost Estimate helps you put a price on your program. It usually consists of some or all of the following elements.

- Service Contracts “level of Effort” (Indirect Costs and overhead already negotiated in IQC)
Direct Cost in relation to specific time period
 - labor
 - local labor
 - materials
 - other direct costs (ODC’s)
 - sub-awards /subcontractors/sub-grants
 - indirect costs

- For service contracts “completion”
 - results
 - accomplishments
 - other deliverables

Example of Government Cost Estimate

Salaries and Wages(International)	\$ 2,500,000
Salaries and Wages (local)	\$ 1,000,000
Fringe Benefits	\$ 1,260,000
Consultants	\$ 4,000,000
Travel and per diem	\$ 3,785,000
Allowances	\$ 300,000
Nonexpendable equipment, grants and commodities	\$ 660,000
Subcontracts	\$ 920,000
Other direct costs	\$ 8,575,000
Total	\$23,000,000



You must answer the following question: Is the description of what you are purchasing from the contractor stated with sufficient specific information to allow the contractor and the agency to price the action?

Step #5 Define the desired “result” or “performance,” not just list activities or goods. 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\(a\)](#)).

The contracting officer and the CTO can work together to decide whether the use of a performance based work statement is practical.

Examples of performance based work statements

The aim of this five-year activity is to assist the central Ministry of Health to improve Maternal Child Health/Reproductive Health, malaria and nutrition policies and implementation to improve quality and efficiency of services to improve health status.

The program objectives are:

- To complete the implementation of key health systems reforms required to increase the effectiveness of primary health care services;
- To strengthen the competencies of primary health care providers;
- To improve the rational management of pharmaceutical assessment, selection, procurement, distribution, and consumption;
- To empower citizens and policy makers to advocate for better primary health care; and
- To leave a policy environment that strengthens the effectiveness and use of primary health care services.

Step #6 Select type of contract for Task Order

For level of effort service contracts the contract is 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 (ODC's)

For completion service contracts 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

For supply contracts the contractor must provide the specific supply item
Supplies - How much or how many do you need?

(TOs can be hybrids of both supplies and services.)

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

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 [subpart 15.4](#).

Step #7 Establish Delivery or Performance Schedule

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

Step #8 Define Place or Delivery of Performance

- Global Task Order – anywhere in the world
- Regional Task Orders – Africa, Southeast Asia
- Country Cluster and Regional Task Orders --
Uganda/Kenya/Tanzania/Malawi/Zambia or Cambodia/Laos/Vietnam

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 TO RFP there is an expectation of a “follow-on” (see below), it should noted in 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 where work may not be carried out in all locations.

Examples:

Multi-country Task Order

“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, likely 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.”

Global Task Order

This is a global task order – with a specific focus on H5N1-affected countries in Eurasia, the Middle East, Africa and the sub-Asian continent. The contractor should be prepared to quickly implement communication programs in multiple countries in different regions on short notice or to provide technical support and direction to communications platforms already operating in a given country. Initially efforts will be focused in Eurasia, South Asia and Africa. However, it is anticipated that the contractor may be requested to work in any country in which H5N1 virus is present and the threat of H5N1 outbreak is real.

NOTE: Global task orders add a degree of complexity and need GC consultation and careful documentation.

Regional Task Order

“The contractor will be asked to focus its efforts in Laos, Cambodia, and Vietnam. Other parallel efforts are being conducted in other countries (e.g., Indonesia) and there may be instances when it will be useful to share content and technical experts. It is anticipated that the content and materials generated through this AI communications

Task Order will be shared with VOA and Radio Free Asia for translation into vernacular languages and broadcast into specific areas of Cambodia, Laos and Vietnam.”

Country Specific Task Order

The contractor will be asked to focus its efforts in Indonesia, with a particular focus on AI outbreak areas in Java. The Contractor must coordinate with the GOI and with other USAID supported AI Implementing Partners such as NAMRU-2, FAO, and WHO, ensuring that communications messages reach geographic areas targeted by these other programs. The Contractor should also be focus on areas targeted by the GOI. To the extent that the contractor is supported by USAID to work in other countries (i.e. Vietnam, Cambodia and Laos), there may be instances when it will be useful to share content and technical experts with other countries. It is anticipated that the content and materials generated through the regional AI Communications Task Order will be shared with the Indonesia mission and with USAID implementing partners in Indonesia. It is also anticipated that the content and materials generated by the Contractor will be shared with VOA or other organizations for translation into vernacular languages and broadcast into specific areas of Indonesia.

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 & surveys support the geographic scope.
 - Earmarks and other Congressional Mandates that direct work to be done in specific areas or regions.
 - “Fair opportunity to compete” is an important concern of USAID and of contractors. Consolidation of different work activities and work at multiple locations in a single Task Order can be seen as limiting the opportunity of all IQC holders to compete for a range of services 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.

Exceptions to Fair Opportunity

FAR 16.505 (b) (iii) 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 - This exception may be used ONLY if the follow-on order is truly a logical follow-on and is placed under the **same** IQC as the initial order, and the initial order was placed without using any of these exceptions to the fair opportunity requirement. This exception may also be used for modifications to add new work to task orders. TOCOs and/or TO CTOS should make every effort to advise all contractors in the Request for Task Order Proposals (RFTOPs) for the initial task order if a “logical follow-on” order is likely to materialize, especially when the initial order is relatively small and the “follow-on” is likely to be significantly 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.

Small business set aside. EXCEPTION: USAID has been granted a statutory exception to the fair opportunity process in FAR 16.505. Under this exception USAID may directly place task orders with any category of small or small disadvantaged business that received one of the IQCs awarded from the solicitation from which this contract was awarded.

This exception is granted in each year's appropriation and may change.

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(s) 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 director's conference to explain standard procedures.

- Encourage all IQC holders to establish clear contact information and a set of introductory materials that can be given to interested parties.

During TO Development

- Where there is an issue with respect to any aspect of the scope of work set out in this checklist, you must memorialize the decision making procedure and the facts used to reach a conclusion. Mere conclusions/assertions are not sufficient. This document will become part of the contract file.

- Post pre-solicitation information whenever possible to alert all IQC holders of potential new TOs.

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

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.

After TO Award

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

Encourage CO to participate in review of annual workplans submitted by the TO contractor.

Decision documentation for orders FAR 16.505 (b) (B) (4)

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 also identifies 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).

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

Large Task Orders (TOs): If there is a large (more than 25%) percentage of work under the IQC in any one task order, you must “memorialize” the decision making procedure, must document your facts, mere conclusions/assertions are not sufficient. This document will become part of the contract file. The issues surrounding task orders that encompass a large percentage of the work are usually very fact specific and the CO CTO and GC may need to discuss the requested order before ordering

Exception 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.

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