NON-COMPLIANCE/REDUCTION

Should an inspection by the MDOT/CRC reveal that the CONTRACTOR's work results in any non-compliant contract conditions the following procedures shall apply:

A. When services are not provided in compliance with the terms of this Contract, the CONTRACT ADMINISTRATOR will notify the CONTRACTOR in writing, or, in the event of serious or emergency conditions, the CONTRACT ADMINISTRATOR will telephone the CONTRACTOR. Upon receipt of the notice, the CONTRACTOR must respond and correct deficiencies within the required timeframes below.

   1. Emergency conditions: Response and correct within 2 hours.
   2. Janitorial Activity deficiencies: Correct within 1 hour for daily deficiencies, or 24 hours for weekly or monthly activities.
   3. Grounds issues: Correct within 8 hours.
   4. Snow removal issues: Correct within 4 hours.

   Failure to respond triggers applicable deductions as outlined below in part B.

B. Deductions will be applied to the next invoice based on deficiency type, including:
   1. Failure to respond to Emergencies within 2 hours: $250 invoice deduction and an additional deduction of $100 for every ½ hour of delay.
   2. Failure to respond to Janitorial Activity deficiencies: $50 invoice deduction for the first hour, plus $100 deduction for each additional continuous hour the condition remains uncorrected.
   3. Failure to respond to Grounds deficiencies: $50 invoice deduction for the first day, and $100 deduction for each additional day the condition remains uncorrected.
   4. Failure to respond to Snow deficiencies: $50 invoice deduction for the first hour, plus $100 deduction for each additional continuous hour the condition remains uncorrected.

C. One Rest Area attendant must be onsite during the hours defined in Part 1 of the CONTRACT, "REGULAR WEEKLY HOURS". Additionally, the CONTRACT ADMINISTRATOR may enforce the QR CODE CHECK-IN REQUIREMENT as detailed in Part 1 of the CONTRACT. Failure to provide adequate staff may result in a $250 invoice deduction for the first instance, and a $500 invoice deduction for subsequent late arrival (late arrival defined as greater than 15 minutes) or absence by the same employee.

D. The CONTRACT ADMINISTRATOR may call a meeting with the CONTRACTOR to discuss and review the condition if needed. The CONTRACT ADMINISTRATOR will discuss and approve a timeline for the CONTRACTOR to correct the non-compliant item.

E. A follow-up inspection of the non-compliant item(s) will be made by the CONTRACT ADMINISTRATOR after the approved timeline has passed

   1. If the inspection shows the item(s) have been corrected, no fine will be issued.
   2. Should the inspection show that any of the item(s) remain non-compliant the CONTRACT ADMINISTRATOR shall issue deductions as defined in Part B above

for the next invoice and send a letter to the CONTRACTOR spelling out the details of the fine and the actions needed to regain compliance with the contract.

3. The CONTRACTOR shall be responsible for notifying the CONTRACT ADMINISTRATOR in writing when non-compliant item(s) have been corrected and are ready for inspection.

F. Should the deficiency continue after invoice deductions have been issued or a second non-compliant item is identified (and goes uncorrected), then MDOT/CRC may pursue liquidated damages as described in the LIQUIDATED DAMAGES section below. The CONTRACT ADMINISTRATOR shall also send a letter to the CONTRACTOR spelling out the details of the fines and the actions needed to regain compliance with the contract. This letter shall also include a written warning of potential Contract Termination due to non-compliance.

G. Should the contract non-compliance continue requiring multiple written notifications and meetings without improvement or correction, a written notice of CONTRACT TERMINATION will be sent to the CONTRACTOR.

In the event of such termination, the MDOT/CRC may deem appropriate to perform services similar to those so terminated. The CONTRACTOR shall be liable to MDOT/CRC for any excess costs for such services. The CONTRACTOR shall not be liable for any increased cost if failure to perform the contract arises out of any cause beyond his/her control and without his/her fault or negligence.

LIQUIDATED DAMAGES

A. Late or improper completion of the CONTRACT activities will cause loss and damage to the State and it would be impractical and extremely difficult to fix the actual damage sustained by the State. Therefore, in addition to non-compliance reductions listed above, if there is late or improper completion of the CONTRACT activities the State is entitled to collect liquidated damages in the amount of $500 and an additional $100 per day for each day CONTRACTOR fails to remedy the late or improper completion of CONTRACT activities.

B. CONTRACTOR default of contract that causes harm or loss to the state of Michigan resulting in unstaffed/unattended conditions.

C. Unauthorized Removal of trained employees will interfere with the timely and proper completion of the CONTRACT, to the loss and damage of the State, and it would be impractical and extremely difficult to fix the actual damage sustained by the State. Therefore, the State may assess liquidated damages against the CONTRACTOR as specified:

1. MDOT/CRC is entitled to collect $1,000 per individual per day for the removal and replacement of any trained personnel with untrained personnel without prior approval of MDOT/CRC.