

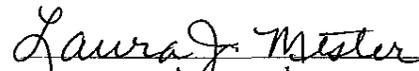
**MICHIGAN DEPARTMENT OF TRANSPORTATION  
COMPLIANCE WITH CONTRACT REQUIREMENTS  
Act 59, Public Acts 2013 Section 308**

Act 59, Public Acts of 2013, Section 308 states the following:

*The department and local road agencies that receive appropriations under this article shall pursue compliance with contract specifications for construction and maintenance of state highways and local roads and streets. Work shall not be accepted and paid for until it complies with contract requirements. Contractors with unsatisfactory performance ratings shall be restricted future bidding through the prequalification process established by the department or a local road agency. The department, county road commissions, and cities and villages shall report to the House of Representatives and senate appropriations subcommittees on transportation, the senate and house fiscal agencies, and the state budget director on their respective activities under this section*

Through the department's construction and maintenance contract administration process, all construction and maintenance work accepted in FY 2013 has been satisfactorily completed. All work was inspected and accepted as being in reasonable conformance with contract plans and specifications.

A contractor must be prequalified by the department before submitting a bid. Contractors are prequalified by work type and for specific dollar amounts based on experience, equipment, financial statements, and performance evaluations. The department's project management personnel evaluates a contractor's performance at the end of each year for multi-year projects, at the completion of a project, and at any other time it is determined that an evaluation is appropriate. A contractor's prequalification may be reduced as a result of unsatisfactory performance ratings. During FY 2013, two contractors had their bidding privileges restricted.

  
Approved