MICHIGAN DEPARTMENT OF TRANSPORTATION
COMPLIANCE WITH CONTRACT REQUIREMENTS
Act 192, Public Acts 2010 Section 308

Act 192, Public Acts of 2010, Section 308 states the following:

The department and local road agencies that receive appropriations under this act 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 from 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 2011 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 evaluation 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 2011, seven contractors had their prequalification rating suspended due to unsatisfactory performance ratings. In addition, one contractor, who allowed its' prequalification to expire, was restricted from bidding for one year.