

<i>LIQUIDATED DAMAGES</i>	POLICY	
	Document Number:	FRS-PL-030.5
	Version Number:	01

1.0 Purpose:

To establish the policy for Liquidated Damages.

2.0 Scope:

This policy applies to all VTA departments and all vendors participating in the established VTA procurement process.

3.0 Responsibilities:

It is the responsibility of the Purchasing and Materials Manager to draft and obtain approval of this policy and to assure its organizational understanding and compliance.

4.0 Policy:

- 4.1 As a protection against performance difficulties in VTA contracts, Liquidated Damages may be included as a requirement of the contract if it is reasonably expected that delay in performance may occur or other performance problems may occur and the extent or amount of such damages are uncertain or difficult or impossible to determine.
- 4.2 The amount of Liquidated Damages must be reasonably calculated to reflect VTA's costs should the established standards not be met. The procurement file must include a record of the calculation and rationale for the amount of damages established.
- 4.3 The amount and standards for assessing Liquidated Damages must be included in the solicitation documents.
- 4.4 Any Liquidated Damages recovered must be credited to the project account unless, in the case of a federally funded project, the FTA permits otherwise. An example could be, in negotiating the terms of a claim or litigation settlement, VTA may exchange some or all Liquidated Damages that may be due for needed additional property or services.

5.0 Definitions:




N/A.

6.0 Summary of Changes:

New Policy that reflects current practice.

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7.0 Approval Information:

<i>Prepared by</i>	<i>Reviewed by</i>	<i>Approved by</i>
 9/8/11 Thomas B. Smith Purchasing and Materials Manager	 9/8/11 Joseph T. Smith Chief Financial Officer	 9/28/11 Michael T. Burns General Manager

Date Signed